



Place-Based Initiatives in the Context of
Public Policy and Markets:
Moving to Higher Ground

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Social Innovation*

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Chapter 1: Introduction

James M. Ferris
University of Southern California

This monograph represents the culmination of a year long inquiry into the state of place-based initiatives. It draws upon the contributions of a cross-section of the foremost thought leaders in this field, many of whom have spent their entire careers working on major philanthropic initiatives or government efforts aimed at addressing geographically-concentrated poverty. In participating in this inquiry, they freely shared lifetimes of experience and insight with great generosity, candor, and intellect.

This inquiry has been a partnership between The Center on Philanthropy and Public Policy and the Sol Price Center for Social Innovation at the University of Southern California Sol Price School of Public Policy. Place-based initiatives are an area of interest to both. The Center on Philanthropy and Public Policy is focused on philanthropic strategies for public problem solving, and the Price Center is concerned with the development of ideas and practices to enhance the quality of life in low-income communities. Indeed, these two foci are at the heart of Sol Price's philanthropic efforts in his hometown of San Diego – the revitalization of its City Heights neighborhood. As a result of this interplay of interests, the two Centers are well-positioned to undertake this inquiry. We can take on sustained inquiries – this one has unfolded over the course of a year – instead of having one-off conversations. We knew that this is what would be required for so complex and layered a subject. Our approach has enabled us to engage the leading thinkers and doers in the field from across the country to more deeply examine the current state of place-based strategies and the key challenges in advancing this work.

Why Now?

Although place-based initiatives have been used as a tool by foundations and governments for decades, there appears to be a new surge in interest in them and a corresponding flow of resources to them. They are being used to address more societal problems by more foundations, nonprofits, government agencies, and corporations than before. Further, a new generation of thought leadership is emerging as experienced practitioners and policymakers distill the insights from decades of learning, and new leaders simultaneously introduce their own fresh perspectives. And finally, leaders in both philanthropy and government who are doing or contemplating place-based initiatives are actively seeking answers to the challenges of this type of work and were foremost in our thinking about this examination.

As we launched this inquiry we discovered a number of other investigations, inquiries, and conferences that have been recently focusing on place-based strategies. We consider these parallel efforts as a plus as it signals that we are onto something timely and relevant. They also give us an opportunity to better connect our own work with others in the field. In this way, we can draw upon and inform these other discussions and help elevate the discourse across the landscape of place-based work.

These other efforts include: Grantmakers for Effective Organizations (GEO) and their recent exploration, "Place-Based Evaluation: A Community of Practice;" The Urban Institute's analytical review of the history of place-based initiative and its prospects for the future; The Aspen Institute's Forum for Community Solutions and Neighborhood Funders Group convening, "Towards a Better Place," which sought to spark conversation about promising practice in place-based philanthropy; and a group of funders that convened around the theme of "Collective Impact" for place-based initiatives, hosted by the Aspen Forum for Community Solutions and FSG.

Our Inquiry

As we designed this inquiry, we have been intentional about including a range of expert voices. There are four key components that enable us to achieve this.

- *National Advisory Board.* We began by forming a high-level national advisory committee of leaders from the philanthropic and public sectors with deep knowledge of place-based initiatives. They helped to design the intellectual agenda for the inquiry, shape the process, and the participants with whom we engaged. A list of the National Advisory Board can be found below.
- *Discussion Groups.* We convened five thematic discussion groups, each addressing a key aspect of place-based initiatives. They were held in Los Angeles, New York, and Washington, D.C. from April to June, 2014. Each four-hour conversation included between 8-12 leaders and was fully documented, including graphical recordings. The questions discussed at each session and the participants can be found in Appendix A.
- *Monograph.* The preparation of this monograph, which is comprised of an important statement about the significance and context of place-based strategy by the Honorable Henry Cisneros; a major chapter that synthesizes the discussions; and a number of response essays from those that participated. The response essays allow discussion group participants to underscore points they consider particularly important, to provide an illustrative example from their own work, or to introduce a contrary opinion where their views diverge from the group. Dr. Robert Ross then describes The California Endowment “place-based plus” strategy, offering some early learnings, before we conclude with a final chapter on moving forward.
- *Prioritizing Place.* The culmination of this inquiry was a forum on place-based initiatives at the University of Southern California on December 4-5, 2014, Prioritizing Place, that was designed to leverage the conversations and monograph to spark a national dialogue on the future of these initiatives. The program for the forum can be found in Appendix B.

National Advisory Board

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and Management
The Urban Institute

The Plan of the Monograph

As a prelude to our analysis of the current state of place-based initiatives, Henry Cisneros poignantly underscores the significance of using place as a frame for both understanding and action in Chapter 2. Based on his experience in San Antonio, at HUD, and most recently as founder of CityView, he notes that “place” serves as a conceptual lens, an organizing principle, a silo-busting, integrative strategy, and an accountability frame.

In Chapter 3, Elwood Hopkins pulls together the perspectives and insights from the experts and thought leaders who participated in the five discussion groups. It attempts to capture the common themes and general points of agreement as well as highlight areas where there is a diversity of viewpoints. He begins with a review of the 50-year evolution of place-based initiatives, and then highlights the emergence of a dual framework for understanding the current generation of efforts – the importance of linking neighborhoods to larger systems such as metros and regions, and the growing recognition of the importance of market forces to the outcomes of efforts to address spatially-concentrated poverty. The chapter concludes with a sense that we have to move beyond thinking that a place-based initiative targeted to a specific neighborhood or community is the solution to understanding that a place-based initiative is only part of the solution.

This synthesis of the conversations was shared with the national advisory committee and discussion group participants for comment. A number of individuals chose to offer their reactions in response essays which are included as Chapter 4. This allows us to capture the general ideas shared by many in the field as well the nuance of some dissenting viewpoints. Some chose to respond about the important role the market plays in place-based work: Tom Burns discusses how large, place-making developments can help revitalize low-income areas; Kim Zeuli submits that the collection of neighborhoods making up an inner city are an ideal sub-region for a place-based approach; Alan Berube and Amy Liu underscore the various scales at which economic opportunity can be brought to places; Peter Dreier argues that the market cannot address the widening income inequality and that other frameworks and solutions are needed. Other responses focus more on the need for sustained resident participation and civic capacity: Jennifer Vanica sees the need for meaningful resident inclusion as a goal in itself; Tony Iton explores the importance of community “narratives” that describe where places are going; and Denise McGregor Armbrister discusses the realities of participant-driven planning – both its challenges and benefits. The scale of intervention was another theme of responses: Greg Giornelli argues in favor of tackling poverty one community at a time, at the neighborhood level; Doug Easterling and Allen Smart suggest that evaluation is able to show “whole community impacts” that extend beyond the inner city; Margery Turner makes the case for working at the policy level with a “place-conscious policy;” and Judith Bell explains the process through which solutions at the neighborhood level can be integrated into policy. A response by Kerry Sullivan looks at new tools for reaching scale, from the “import model” of cross-site learning to impact investments, while Salin Geevarghese takes an encouraging look at new paradigms that go beyond some of the models of the past. Finally, Ralph Smith provides a summative assessment of the monograph – underscoring the importance of going deeper on issues of scaling and resident engagement, and identifying the gap created by the omission of HOPE VI from the summary chapter – and nudging us in the process to follow-up with a sequel.

In Chapter 5, Dr. Robert K. Ross, President of The California Endowment, provides a first-hand account of what it takes to do place-based work cognizant of the need to connect work in communities with larger efforts at policy change and reflects on the challenges that his foundation faced in launching their Building Healthy Community Initiative (BHC). He starts with a candid reflection of the desire to move beyond innovation and data for scaling to focus on policy and power for healthier communities. He discusses the implications for this strategy on organizing and staffing the foundation especially when one is committed to listening and empowering the communities served. He offers five lessons from the first five years of BHC: the power of the community and the role of advocacy, organizing, and power building; the importance of focusing on assets in the community; expanding impact through impact investing; learning from the residents that criminal justice reform is integral to healthy communities; and recognition that evaluation is important but so is storytelling. As Dr. Ross notes, “This work of place is as exhilarating as it is messy.” Using the metaphor of a roller coaster, he suggests that a roller coaster is great fun, unless you have motion sickness, in which case you should not get on.

The concluding chapter summarizes seven informed insights that have emerged during this inquiry: the variation among poor neighborhoods that needs to be factored in as strategies are designed; the importance of evaluation and assessment both for proof points and adaption to realities on the ground; the salience of market forces and trends to place-based effort; the insight that top-down, paternalistic approaches should be replaced with those that build on existing partnerships and opportunities; the importance of braiding philanthropic and public resources to aggregate those needed to achieve scale; the recognition that neighborhoods are nested in larger geographies and influenced by broader systems and policies; and the inherent racial and power dynamics of place-based work. These insights lead us to suggest a set of opportunities and challenges for moving forward.

The Outcomes of the Inquiry

This inquiry has been an opportunity to step back and take a thoughtful look at the experience of place-based initiatives – whether undertaken by philanthropy or government, or a combination of the sectors. We hope that this effort helps to elevate the dialogue above specific best practices or discussions about what works to embrace the larger significance and longevity of place-based as a strategy for the field. We have aimed to generate thinking about how place-based approaches can best be utilized to tackle the enduring problem of poverty in all of its dimensions. And, for philanthropic and public decision makers, we hope that the insights from this inquiry – captured in this volume and animated in the national forum – will be useful as they chart their strategies for moving forward...to higher ground.

Chapter 2: The Significance of Place-Based Initiatives

Henry Cisneros
CityView

Few policy challenges before our nation are as important or as complex as geographically-concentrated poverty. Although we have decades of experience to draw upon, successful efforts to address this challenge are still the exception and not the rule. For more than a half-century, both philanthropy and the public sector have endeavored to address the problem of low-income neighborhoods through ambitious infusions of resources and energies into cities and neighborhoods. Through these initiatives, we have channeled considerable funding into poor communities, supporting a vast array of interventions intended to transform them. Along the way, we have learned a great deal about the attributes of community-based organizations and their leaders, about the relative merits of various strategic approaches, and about the metrics of time and resources required to produce detectable improvements.

To be sure, we have observed positive results: In Harlem, where student achievement has risen dramatically; or Boston's Roxbury neighborhood, where entire blocks were transformed from stretches of urban decay to vibrant residential and retail districts; or Chicago's South Side, where desolate public housing towers were dismantled and replaced by mixed-income communities. We have seen indicators of employment, graduation rates, mental and physical health, entrepreneurship, and homeownership improve in neighborhoods of Atlanta, Savannah, Oakland, San Antonio, Seattle, Los Angeles, Philadelphia, Minneapolis, Memphis, Baltimore, Denver, New Orleans, Miami, Newark, and Washington, D.C.¹

Yet we have not been able to “declare victory” over concentrated poverty. The progress has been limited, incremental, costly and – all too often – temporary. In fact, the magnitude of these undertakings makes for such gradual progress that I am inclined to think we're closer to the beginning than to the middle or end of the evolution of these strategies. But despite the time and hard work involved, I am deeply optimistic that we are on the right track. Our experiences teach us that with new understandings, new technologies and new frameworks of collaboration we can refine and enhance “place-based” approaches into the best hope for addressing the concentrated poverty which continues to define too many areas of America.

One reason for my optimism is the fact that the planners and leaders of place-based initiatives have made significant gains in recent years. Increasingly, they recognize that they cannot improve poor neighborhoods solely by working in one community at a time, as if each were an isolated problem unrelated to broader socio-economic forces. To be sure, the ability to target resources in defined geographic areas is crucial. But it is patently clear that those initiatives must also be “nested” within larger, mutually reinforcing public policies. And they must be strategically linked to the full force of the market economy.

In fact, I would say that the architects of place-based initiatives are elevating the entire field to a higher ground, an entirely new plateau. They are framing comprehensive efforts that address spatially concentrated poverty at both the local level and the systems level simultaneously. It is by learning to operate in both spheres, I believe, that we can meaningfully address poverty in our society.

My confidence in this assertion arises from my own life experience, which itself represents a progression from local circumstances to national policy. I was born and raised in San Antonio, in an area known as the West Side. From a very young age, I recognized that residents in different parts of the city lived dramatically different lives. Some lived in places of plenty; others lived in places of grinding poverty. Over the years, as I refined my thinking about how to reduce the inequities it became clear that in order to reach individuals in need we had to deal with the places where they lived.

When I was first elected to the City Council in San Antonio in 1975, I walked beats with police officers and rode with ambulance technicians in those neighborhoods. I spent nights with families in public housing units. It seemed obvious to me that as a city councilman trying to understand people's needs I had to know every neighborhood, street, and block. Although I did not use the term at the time, it also seemed

¹ See Appendix C for brief descriptions of many of the place-based initiatives referenced here and throughout the monograph.

logical that our efforts to address education, incomes, training, and health had to be grounded in places; they had to be place-based.

Throughout my tenure as Mayor in the 1980s, I strived to translate street-level observations into practical real world solutions for the problems people faced. But I also recognized that there were limits to what we could accomplish in local government. Many of the problems confronted by low-income neighborhoods were structural and could only be addressed through state and national policies. Sweeping racial and economic inequities, disruptive failures of the housing and retail markets, and uneven access to health care were all major systems failures that played themselves out in local places but had larger societal dimensions.

When I went to Washington, D.C. in 1993 and assumed the responsibilities of Secretary of Housing and Urban Development, I viewed it as an opportunity to shape policy that would be national in scale but always focused on the consequences in America's urban and rural places. I tried to impose a place-based orientation from the start. In a federal agency, the focus is on Congress, the national budget, and policy issues that affect the government as a whole. Fortunately, I had an outstanding team of people around me, including Andrew Cuomo, the Assistant Secretary for Community Planning & Development who later succeeded me as Secretary; Bruce Katz, HUD's Chief of Staff; and Michael Stegman, Assistant Secretary for Policy Development & Research. They all brought with them grounded, instinctive understandings of HUD's role and the need for it to focus on physical places across the country.

This is not to say that other federal agencies don't share place-based responsibilities: the Department of Education, Department of Labor, Department of Commerce, and the Economic Development Administration – among others – all need to focus on places where their resources meet people's personal circumstances. It has been gratifying to see how these agencies have adopted place-based approaches over the years. But I stressed that HUD's very identity and mandate compel it to be the lead department in offering place-based strategies to address spatially concentrated poverty.

As Secretary of HUD I was able to draw on ideas about the federal role to which I had been exposed since my days as a White House Fellow in 1974. Secretary of Health, Education, and Welfare, Elliot Richardson asked me to be part of a team to find a middle ground between national transfer payments and assistance to individual people in need. An example of a transfer payment from the U.S. Treasury that goes directly to individuals is a Social Security check. But beyond the payment, it is not feasible for the U.S. government to interact meaningfully with the millions of individual Americans in need. Somewhere between those concepts – the government as check dispenser and individuals in need of an integrator of services – is a role for other agencies and levels of government as mediators of effective services in places.

As the concept of HUD as a place-based agency gained adherents, it became clear that the concept had four key dimensions:

1. *Place-based as a Conceptual Framework:*

The emergence of place-based initiatives changed our conceptual framework for addressing needs. We postulated the neighborhood and community as the proper venues for designing interventions. Major breakthroughs have been made in the years since, notably the work being done by Bruce Katz and his team at Brookings, who have shown us the many ways in which America is a metropolitan nation and how the drivers of our economy are the physical places we call "metros." The metro, in fact, represents one appropriate scale for place-based initiatives; they are important subsets of the nation and the proper level for certain actions concerning infrastructure, transportation, and housing.

At the community level, we saw first-hand the efficacy of place-based concepts in the work of Bart Harvey and Jim Rouse with Enterprise in Sandtown/Winchester in Baltimore and in the investments of Shorebank in Chicago. It was their thinking about place that inspired us to design strategies such as Empowerment Zones, HOPE VI, and Living Cities.

2. *Place-based as an Organizing Principle for the Government:*

One innovation we championed at HUD – and one that Andrew Cuomo improved upon during his tenure as Secretary – was to flip the Department's organizational chart upside down in order

to place the appropriate value on our staff who represented us in places. A Pepsi-Cola executive once explained to me that the key person in Pepsi-Cola's organizational chart is the driver who unloads the truck and puts the product on the shelf in the store, because he is the one who must advantageously position the product for sale. He is the one who places the Pepsi sign where people can see it and in a way that points to the product. From this simple insight, Pepsi built an inverted organizational chart that placed this key employee at the top of the pyramid, with the rest of the organization in support of him. The executives, who traditionally are thought of as at the top of the pyramid – for example, the executive vice president for marketing – need to interpret their responsibilities as principally in support of the employee who is at the closest point of contact with the consumer.

This anecdote became a metaphor for what we were trying to do when we gave more power to HUD's ten regional headquarters and forty district offices. We told our regional leadership to get outside their offices. Our mantra became: "Your job is to be in the field as often as you can, to know the places for which we have responsibility." We proposed to evaluate their offices on whether their programs were fulfilling HUD's mission in physical places. Place-based metrics became the organizing concept for the department.

3. *Place-Based as a Synthesizer and Silo Buster:*

Place also became a way to get other federal departments to join us in breaking down the divisions between silos. At the national level we committed to coordinate the homeless initiatives of four federal departments: HUD, the Department of Veterans Affairs, the Department of Education, and the Department of Health and Human Services. We proposed undertaking, for example, joint requests-for-proposals for funding. It was hard to do because the federal silos have become firmly solidified. But place-based became the driving idea for melting these silo walls. I am pleased to see now, for example, that Choice Neighborhoods – which is a housing initiative – and Promise Neighborhoods – which is an educational initiative – are focused on bringing together various funding streams. The Department of Education and HUD are working together in some neighborhoods, as in San Antonio.

Related to this silo-busting notion is the idea that the place-based perspective can be the template for local coordination; local officials have to work together across their own organizations. One example is HOPE VI, which though geared to the geography of large housing projects, brings a range of local services to the solution. In Denver, for example, we advanced the idea of public housing as a "campus of learners" where residents can live in an educational setting designed, not as a long-term subsidized destination, but as a place to prepare for an independent future. The particular public housing site we chose was across the street from a community college, which made it possible to integrate computer labs into the physical plan. In this way the physical place of a HOPE VI housing development became the site for human capital training and education.

4. *Place-Based as an Accountability Discipline:*

It is important to have a basis for measuring progress toward reductions in poverty and the metrics of defined places allow us to evaluate results and assess impact. The focus on places also strengthens the ability to identify areas in decline and affirms the commitment to not give up on such areas. That contributed to the affirmation of New Orleans after Katrina and is happening to Detroit now. Place-based assessments provide a way to vividly frame the choices as to whether or not leaders can afford to give up on an urban area and which redevelopment strategies have promise. Even a city as buffeted as Detroit, at the nadir of its fortunes, still presents a physical place that calls forth loyalties, commitments and hopes.

Each of these four attributes of placed-based investment has applicability not only in government but also in philanthropy. I observed some of the early philanthropic initiatives in cities evolve, and I came to appreciate how difficult it could be for foundations to collaborate with other foundations, to get their funding cycles, budgeting calendars, and approval processes aligned. Place-based goals can enable a collaboration structure for philanthropic entities.

In the most recent iteration of my career, I have found myself encouraging the application of place-based ideas to private investment in urban areas. As founder of CityView, it has been my goal to identify channels of private sector investment for urban residential development. CityView invests in existing properties and new developments and co-invests with private equity real estate investors. It contributes to smart growth strategies which lead to greater density, the recycling of older properties, and collaboration with urban universities and medical centers to generate economic opportunities in city neighborhoods. These processes of place-based development are integral elements of private investment decisions.

The essential dynamics of urban life – uplifting habitation, remunerative work, secure assembly, freedom of worship, productive learning, effective governance, and social progress – all must occur in physical places. Those places establish the metes and bounds in which human interactions occur and social mobility progresses. Those among us who dedicate our energies to improving the human condition by addressing concentrated poverty must seek to fully understand the essential role of place-based analysis and action. This inquiry is a major contribution to advancing that understanding.

Chapter 3: The State of Place-Based Initiatives

Elwood M. Hopkins
Emerging Markets, Inc.

When most people speak of “place-based” efforts, their definition is the same one that has been used for a half century – ever since the Ford Foundation undertook its Gray Areas Project and the federal government launched its corresponding Community Action Program in 1964. They envision a multi-year initiative focused on a small, distressed neighborhood. Sometimes the area is expanded to encompass a contiguous set of neighborhoods or even a municipality, but there is always a well-defined, contained target area. A comprehensive array of strategies – affordable housing, social services, small business assistance, educational reform, job training, and so on – is targeted within the boundaries to improve people’s lives as measured by various socio-economic indicators.

These place-based initiatives, undertaken by both the philanthropic and public sectors, tend to share some other common traits, too. In many cases, a single nonprofit service organization or community development corporation acts as “lead agency,” coordinating a cluster of community-based organizations to work toward common outcomes. Emphasis is placed on blending economic development and human service strategies, two fields often segregated in both philanthropy and public policy. Resident empowerment is considered pivotal, as is cross-sector collaboration involving government, business, nonprofits, and civic associations. Generally, a five-to-ten year time frame is allotted, due to the complex issues, work required, and incremental nature of change.

These efforts have not been without success: place-based initiatives have spurred the multiplication of community-based organizations, strengthening them and their leaders, and forged collaborations at the community level. Projects and programs that are part of these initiatives have yielded positive, measurable results. In a limited number of cases, these initiatives can even claim credit for population level changes, and for “moving the needle” on neighborhood-wide indicators, like high school graduation rates or employment rates. The Dudley Street Neighborhood Initiative transformed 1,300 abandoned land parcels in the Roxbury neighborhood into 400 homes as well as schools and businesses. The Harlem Children Zone manages to serve at least 70% of the youth living in its target areas, and gets 95% of them into college.

Asking Hard Questions

However, high-level leaders in the field convened as part of this year long inquiry, asked themselves hard questions about the efficacy of carrying out neighborhood initiatives as a response to concentrated poverty.¹

Many leaders report widespread frustration, dissatisfaction, and a nagging concern that place-based initiatives are falling short of their potential. There are leaders who hold exception to be sure. In his persuasive essay, “The Case for Addressing Poverty One Place at a Time,” (p. 57) Greg Giornelli, President and COO of Purpose Built Communities, argues in favor of staying the path. But for a great many in the field, there is a shared sense that – even when successful – one-off, isolated initiatives can never approach the ambitious goal that motivated their emergence in the first place. Ralph Smith, Senior Vice President of The Annie E. Casey Foundation raises the issue that has continuously bedeviled place-based work: the paradox of scale. “Can we directly reverse national trends toward concentrated poverty through place-based initiatives? Can we really make a dent in the number of persistently poor neighborhoods?”

If we’re honest, many funders were never convinced that neighborhoods were the right scale to begin with; they simply seemed manageable in size. For decades, few funders could adequately aggregate or pool resources within the philanthropic or public sectors, much less across them. The grandeur of their stated ambitions far outstretched most funders’ resources and capacities, forcing them to focus on a limited number of communities. Even in contained geographic areas, funders chronically underestimated initiative

¹ This chapter is a synthesis of the contributions from the individuals who participated in the series of discussion groups, described in Appendix A, as well as essays submitted during the yearlong inquiry and contained in this monograph.

costs, and grantees were reticent to say so. “To get funding,” explains Bart Harvey, former Chairman of the Board of Trustees for Enterprise Community Partners, “nonprofits had to claim they were masters of change.”

Furthermore, even when initiatives have shown success, foundations and government agencies have struggled to reproduce the same conditions in other localities. Kerry Sullivan, the President of the Bank of America Foundation, asserts that place-based initiatives can never be replicated via “centralized, paternal force” at a scale commensurate with the problem. By definition, place-based work requires a grounded base of knowledge and relationships in specific places, “something centralized bureaucracies lack.”

Despite their disappointments, leaders in the field are not prepared to declare place-based initiatives a failed experiment. On the contrary, there is a heightened sense that the field is reaching a level of maturity, one that may yet impact concentrated poverty. However, they qualify their assertion with strong views about how the field needs to change. “To succeed,” predicts Deputy Assistant HUD Secretary Salin Geevarghese, “we will need more all-encompassing strategic approaches. We need to not only coordinate the resources we have more effectively but to leverage other funding streams and harness larger forces shaping people’s lives.”

To understand how place-based initiatives are changing, it is helpful to look back at how place-based initiatives have evolved in the more than fifty years that have elapsed since the first efforts began.

The Evolution of Place-Based Initiatives

It has been argued by some that the history of place-based initiatives is more repetitive than evolutionary. That is, we essentially re-enact the same initiative over and over again without incorporating lessons learned. We are not “taking the next step.” To be sure, many initiatives reproduce their predecessors’ shortcomings and repeat their missteps. “I’ve heard funders articulate lessons learned from other initiatives, but then proceed to commit the same mistakes,” stated a participant in a discussion group. “We struggle to consolidate and apply our knowledge.”

But the perception that place-based initiatives have not evolved is not entirely accurate. Place-based approaches have matured, albeit gradually and in reaction to changing historical conditions. In fact, it’s possible to distinguish the broad phases of place-based initiatives as they were carried out in the sixties, seventies, and eighties and nineties, leading up to the present.

The Sixties

Strategic responses to concentrated poverty can be traced back to the earliest appearances of large slums. For many, the settlement house movement in the early twentieth century represents the first antecedent of today’s place-based initiatives. For our purposes, modern place-based initiatives first emerged in the sixties, when the Ford Foundation launched its Gray Areas program and the federal government responded with its Community Action Programs. Underlying all these efforts were some key assumptions:

- Identifying sites for place-based initiatives was fairly straightforward: Urban Renewal and “white flight” produced easily recognized “inner city slums,” inhabited primarily by black households.
- Interest in place-based initiatives was electrified by a series of urban riots that exposed the disparities confronted by low-income black neighborhoods.
- Content of the initiatives was largely inspired by academic studies of “social pathologies,” like crime and low educational attainment and recommendations for expanded social services.
- Housing construction or rehabilitation signaled positive change and was perceived to be a catalyst for improvement; so the Ford Foundation created “community development corporations” (CDCs) that expanded housing stock and spurred economic growth.
- Foundations would carry out demonstration initiatives or pilots in specific neighborhoods that, once successful, would be brought to scale through federal “War on Poverty” funding.
- Citizen participation in planning was valued as a means to respect and incorporate resident interests. This engagement was to be maximized, at least within initiative parameters.

The Seventies

During the 1970s, major, well-resourced initiatives declined in number precipitously due to a recessionary economy and sweeping government budget cuts. The general assumptions and approaches underlying place-based initiatives were noticeably shifting, too.

Philanthropic initiatives tended to be more categorically focused, and based on more in-depth causal analysis. Policymakers devolved responsibility for public initiatives to local governments. One of the few new federal funding streams for neighborhoods, Urban Development Action Grants (UDAG), required local governments to compete for funds and manage implementation locally. The federal government also sought to utilize regulatory tools rather than making direct financial investments whenever possible.

The legacy of the 1970s included the following:

- Initiatives reflected deeper analysis of the root causes of concentrated poverty, alternately attributing it to welfare dependence, a shrinking job market for men, or class divisions among blacks caused by the dissolution of mixed income, segregated communities.
- The weakening or dismantling of federal urban poverty programs by the Nixon and Ford administrations shifted responsibility to local government.
- A mandate to do more with less prevailed. Although the Carter Administration adopted an ambitious urban poverty agenda, the downturn of the late seventies led to sweeping tax cuts and continued shrinking of federal urban programs.
- A shift in attention to regulatory tools – such as the Community Reinvestment Act, which penalized banks that “redlined” poorer areas – arose as a way to bring private sector resources directly to low-income neighborhoods.
- An emphasis on community organizing and activism became a common element of place-based work, especially campaigns aimed at protecting funding for low-income neighborhoods from fiscal austerity measures.
- The proliferation of CDCs and their consolidation as a national infrastructure for housing production, job training, and business development. To support the vast number of CDCs, the Ford Foundation established an intermediary, Local Initiatives Support Corporation (LISC), in 1979.

The Eighties and Nineties

In the eighties and nineties, place-based initiatives made a leap forward, as large foundations launched a particular brand of philanthropic initiative called the Comprehensive Community Building Initiative. This brand of place-based initiative sought to incorporate social services, economic development, and community organizing. These included, in no particular order: Baltimore’s Sandtown-Winchester; New York’s Harlem Children’s Zone and Comprehensive Community Revitalization Program in the Bronx; the Cleveland Community Building Initiative; Los Angeles Urban Funders; Chatham-Savannah Youth Authority; Boston’s Dudley Street Neighborhood Initiative; the Jacobs Foundation’s Market Creek, and the Price Charities’ City Heights Initiative in San Diego; among others.

An increased number of foundations evolved past single site initiatives to launch multi-site efforts, like the Ford Foundation’s Neighborhood and Family Initiative or The Annie E. Casey Foundation’s Making Connections and Rebuilding Communities initiatives. The public sector, leveraging an unprecedented period of economic growth, sought out more market-oriented approaches, especially tax-incentive zones.

The legacy of this period includes:

- An emphasis on comprehensiveness, the ability to break down categorical silos in both philanthropy and the public sector and coordinate an array of interventions into a holistic initiative.
- A focus on helping regional economic opportunities to trickle down to neighborhoods, as the longest period of sustained growth in American history created strong urban regions.

- Public sector designations like Enterprise Zones and Empowerment Zones sought to attract businesses and job opportunities to neighborhoods by offering tax breaks or incentives and streamlining permitting and licensing processes in poor areas.
- Increasing complexity in public social service that required many initiatives to focus on the integration of services and rationalization of delivery systems.
- A diversification of populations in low-income areas that required practitioners to think beyond the African American experience. In particular, waves of Southeast Asian and Hispanic immigration transformed many low-income areas.
- A philanthropic sector, growing in both scale and financial heft, increasing the number of private foundations interested in undertaking major place-based initiatives.

The Current State of the Field

In the early 21st century, place-based initiatives continue to be undertaken by both foundations and governments. Many are approaching them with renewed zeal and ambition, frequently launching initiatives in multiple sites from the outset, rather than waiting to replicate proven pilots over time.

Consider, for example, Purpose Built Communities, The California Endowment’s “Building Healthy Communities,” First 5LA’s “Best Start” Communities, or LISC’s “New Communities.” Federal agencies like HUD, Department of Education, Department of Justice, and USDA have re-committed to place through Choice Neighborhoods, Promise Neighborhoods, Promise Zones, the Byrne Justice Innovation Program, and Strike Force initiatives in rural communities. All these initiatives play out simultaneously in multiple sites and often overlap in the same geographies. For the first time, a White House Office, the Neighborhood Revitalization Initiative (NRI) was established to coordinate the various federal place-based initiatives and “transform neighborhoods of concentrated poverty into communities of opportunity.”

Since these initiatives are still in progress, we cannot yet reflect on them with the clarity of hindsight. But they all reflect a new, reality-based optimism. And they share, to different degrees, a common framework that differs markedly from the efforts that have preceded them.

A Dual Framework

If there is one defining insight that separates the current generation of place-based initiatives from those that have gone before, it is the recognition that broad social trends and policies have critical impacts on even the most small-scale local effort. “The fact that a person’s zip code is such a strong determinant of their life opportunities,” submits the Director of the Open Society Foundation Ken Zimmerman, “can only be understood by considering place in a broader framework in which race, class, and other forces are important factors.”

From this understanding has emerged a bifurcated theoretical framework, a dual strategy for place-based work. On one hand, we are still undertaking micro-scale, place-based initiatives that tackle problems at the local level; but on the other hand, we now appreciate that it is crucial to our work to simultaneously address macro-scale issues through high-level systems change. In the words of the President and CEO of The California Endowment, Dr. Robert K. Ross, this dual framework must embrace both the “grassroots and the treetops.” Work on both fronts – neighborhood initiatives and systems change – has evolved notably in recent years.

1. Neighborhood Initiatives

The first set, neighborhood initiatives, might also be called “mitigating initiatives,” because they aim to address the effects and symptoms of inequality within a particular low-income area. Although sometimes issue-specific, they are more often comprehensive, including affordable housing construction, home ownership promotion, employment training, job placement, small business assistance, after school programs, educational reform, arts and cultural activities, health services, family case management, and so on. In short, they are the kind of effort that tends to come to mind when we think of place-based initiatives.

Neighborhood initiatives will always be around in some form, simply because there is an efficacy to getting things done in discrete target areas. Even the most sweeping social disparities tend to manifest spatially. When low-income populations are concentrated geographically, it enables government agencies, foundations, and the nonprofits they fund to reach large numbers efficiently. Focusing on defined geographic areas also allows funders to concentrate resources for maximal effect and – in theory, at least – observe measurable results in reasonable timeframes. Further, funding multiple strategies in close proximity allows for synergies across them. And finally, small target areas permit risk-taking and innovation impractical at a larger scale.

The most recent generations of initiatives have grown increasingly sophisticated in at least three respects. One crucial advance has been the recognition that not all low-income neighborhoods are the same, and that the expanding data resources can help practitioners embrace that reality. The second is a more complex and pragmatic understanding of the role of local residents in place-based initiatives, and the degree to which initiatives can build on existing efforts. And the third relates to the kind of leadership required on both the community and funder side to make place-based initiatives work. Each will be taken in order.

Different Types of Neighborhoods

Early initiatives tended to treat poor neighborhoods as relatively homogeneous. There was an assumption that poverty could be addressed with the same strategies in any low-income area with comparable effectiveness and results. But today, the field has formulated more nuanced typologies to describe neighborhoods at distinct stages of socioeconomic development, poverty levels, or degrees of cultural assimilation. “Even neighborhoods with similar demographics can have very different attributes,” notes Ken Zimmerman. Or, to quote Ana Marie Argilagos, Senior Advisor at the Ford Foundation, “One size does not fit all.”

Take, for example, the “Community Rhythms” taxonomy developed by Rich Harwood, Founder and President of the Harwood Institute. In this system, communities are analyzed according to their civic capacity and categorized as being at one of five stages: the Waiting Place, Impasse, Catalytic, Growth, and Sustain/Renew.² Each stage implies a different level of organizational and leadership development, graduating levels of capacity for collaborative problem solving, and the emergence of a shared “narrative” among residents about where the community is going. Understanding a community’s stage of development helps in setting pragmatic goals, timelines, and expectations about the level of collaboration or partnership that is possible.

At the Wells Fargo Regional Foundation, Senior Vice President and Executive Director Denise McGregor Armbrister seeks a “high degree of readiness” in the communities in which she works. She looks for places with strong, existing collaborative capacity. As she details in her response essay, “The Importance of Resident Engagement in Place-Based Initiatives,” (p. 55) the process begins with site visits that are largely self-organized by local stakeholders. “When we attend these visits,” she explains, “we look for a well-rounded group of participants. We take note of who was invited and who was not. We ask questions intended to surface whether the players have worked together before. When it makes sense for groups to work together, but they can’t figure out how to do so, that indicates a problem. Other times, there are too many people involved, and they don’t know one another. That’s a problem, too. Observations like these are our starting point.”

For Amy Liu, Co-Director and Senior Fellow of the Metropolitan Policy Program at the Brookings Institution, the variable civic infrastructure across different communities makes replication problematic. After years of working in New Orleans following Hurricane Katrina and the Gulf oil spill, Brookings concluded that civic infrastructure – which it defines as the form and capacity of local organizations and leadership – is the ultimate determinant of how well an initiative can be carried out. Moreover, when introducing a program model to another city, the capacity of existing civic infrastructure will dictate how well the approach can be absorbed into the new environment. National intermediaries can make a big difference by assisting with replication, but without local civic infrastructure the approach is unlikely to take hold.

² Harwood, Richard C., Kathleen Fitzgerald, D. Neil Richardson and Jeff McCrehan (1999). “Community Rhythms: Five Stages of Community Life,” The Harwood Institute.

The Reinvestment Fund (TRF), as well as Robert Weissbourd, President of RW Ventures, considers it imperative to formulate neighborhood taxonomies based on economic conditions. These models are derived from detailed analyses of granular socioeconomic data and a vast array of indicators: retail turnover, homeownership rates, tax records, residential tenure, purchasing power, and so on. “We need to differentiate, for example, between the kinds of distress experienced in hot markets – where displacement is occurring and affordability is an issue – and the problems faced in markets where investment is scarce – where property values have dropped and there is negligible employment.” Weissbourd notes there has even been a need to intervene in more affluent communities that could accommodate the poor but are currently inaccessible to them.

This last point about mixed-income communities is of particular importance. It is significant, because for most of the last fifty years, place-based initiatives have zeroed in on very low-income slums, striving to improve their conditions so they might be slightly better off or even comparable to middle class standards. But if the end goal is a mixed income community, then the process may need to follow a different tact: it may seek to manage or balance gentrification, or even help to open up middle class and affluent communities to lower-income residents.

Professor Peter Dreier at Occidental College argues that mixed income communities are crucial because the proximity of different income groups creates natural ladders for household advancement. Low-income families are more likely to hear about promising employment opportunities if they are living near and socializing with people who have solid jobs with career ladders. A low-income parent may be more likely to get engaged in school oversight and governance when she regularly witnesses the engagement of middle class parents in the process. Start-up entrepreneurs may be more likely to succeed if they have regular access to more established business owners.

The development of neighborhood typologies, then, is far more than an academic exercise; it is one of the most promising new aspects of the field. A neighborhood’s type determines how much change can be sought, how much time and money is required, and even who should lead the effort. There are places with such extreme disinvestment that little can occur without first securing major public sector investments in infrastructure or basic services. Other neighborhoods can be thought of as “almost middle class,” in that market forces are on the verge of transforming them. Most places exist somewhere in between, requiring a mix of philanthropic and government interventions to help them attain whatever their next stage is.

Similarly, immigrant neighborhoods can differ widely, necessitating different interventions. In some cases, funders may reinforce the community’s role as a portal, strengthening a “platform” where immigrants get their bearings before moving on. In others, where immigrants demonstrate a commitment to settle down, funders can engage in “place-making,” improving conditions in a permanent cultural enclave. In some places, then, success metrics may measure resident stability in terms of how many settle down to buy homes; in others, the relevant measure may be the number of families moving to new neighborhoods. By appreciating the varied roles neighborhoods play in a region, funders can make informed choices about their own efforts within them.

One of the greatest changes in the field in recent years has been its expansion beyond inner city neighborhoods to areas of rural poverty. Rural poverty, of course, has always existed; but it was often eclipsed by the attention given to inner city slums, where the extreme density of socio-economic problems and occurrence of urban riots stole the headlines. But private foundations, like the W.K. Kellogg Foundation and federal efforts like the Department of Agriculture’s StrikeForce for Rural Growth and Opportunity initiative, have made tremendous strides in executing place-based initiatives. National research institutes focused on rural poverty have embraced the approach as have local leaders. The idea has found particular resonance in Native American reservations. In fact, as Professor Doug Easterling of Wake Forest School of Medicine and Allen Smart, Vice President of Programs at the Kate B. Reynolds Charitable Trust argue compellingly in their essay, “Place-Based Philanthropy in Rural Settings: Increasing the Potential for Whole Community Change,” (p. 59) rural communities may actually be better suited for demonstrating place-based initiatives than their inner city counterparts.

Finally, the process of analyzing granular level data about neighborhoods can itself be a catalyst for strengthening a community and helping it to achieve a more sophisticated degree of capacity. By allowing community stakeholders to examine empirical data together, they often find it easier to transcend opinions

and arrive at reality-based commitments to take action. Often, notes Ana Marie Argilagos, such data has helped people shift from negative responses and obstructionism to an attitude of “let’s talk about it.” As part of its place-based initiatives, United Way Toronto has set up “community hubs” which serve as neighborhood centers for services and resources; at these hubs, data is shared with hub managers to help them in making decisions.

The breadth and depth of neighborhood data is expanding dramatically. The Annie E. Casey Foundation’s Kids Count – which compiles a vast array of indicators related to children and families – has often been used in this way. And the National Neighborhood Indicators Partnership offers an even more expansive field of indicators.³ The Reinvestment Fund developed a mapping tool called PolicyMap, which helps to equip grantees with secondary data and analysis on indicators like vacancy rates, car ownership, foreclosures, recent home sales, construction permits, population changes, consumer expenditures, and so on. Most importantly, it is assimilated in ways that allow community groups to observe development patterns in their community. It enables them to make informed assessments of whether their community can support a new supermarket, bank, or pharmacy.

Neighborhood data can help establish an environment of intellectual equality and an even playing field between funders and community leaders during the fragile early stages of an initiative. “Community residents often feel mistreated, disrespected, and distrustful of outsiders,” says Ana Marie Argilagos, “so they resist whatever ideas are brought to them.” Rather than leading with advice or prescriptive plans, it is therefore helpful to “bring hard data to residents, creating an opportunity for them to reflect on it themselves.” And as the next section will explore, the engagement of residents – especially in dialogue with funders – has become crucial to the field.

Resident Engagement

A second area where local place-based initiatives have achieved a new level of sophistication relates to resident power and the extent to which it drives the neighborhood change process. Again the trend has been toward diversification, not convergence toward a single approach. From the sixties onward, place-based initiatives were infused with a basic notion of resident empowerment. According to the 1964 Economic Opportunity Act and Community Action Program guidelines, War on Poverty initiatives needed to engage residents with “maximum feasible participation.” Typically, this meant involving residents in setting priorities for the initiative or making decisions about social service programs or physical infrastructure enhancements.

Much of the original impetus for resident engagement was rooted in ideological and philosophical ideals. In part, it was a response to the trauma of 1950’s urban renewal, which razed entire neighborhoods while giving residents no voice whatsoever. Over time, resident participation was seen as a palliative to the rage expressed by the urban riots of the sixties and the powerlessness that low-income urban residents felt about the disparities affecting them. It was fueled by a growing civil rights movement and by academic literature correlating democratic participation with social stability.

Today, support for formalized resident engagement is not universal. Some critics argue that resident inclusion has amounted to superficial “window dressing.” In their view, a few token residents are enlisted to symbolically ratify pre-set priorities or render minor decisions; but after that, they have little ongoing role. Other critics worry that funders romanticize residents, assuming that they alone have answers to the complex, protracted problems affecting them. Some point out that most residents lack the community development expertise needed to guide initiatives or that competing interest groups and factions are unlikely to coalesce into a single directive.

Others contend that community engagement remains as important as ever, but that we must be more sophisticated in activating it. Communities are not monolithic entities. They are complex, ever-changing collections of diverse populations, interest groups, factions, stakeholders, and organizations. “If we are absolutely honest,” says Rolf Pendall, Center Director of the Metropolitan Housing and Communities Policy Center at The Urban Institute, “we will admit there’s no such thing as ‘the community’ having a single perspective.” Salin Geevarghese, Deputy Assistant Secretary for the Office of International and

³ Guernsey, Elizabeth and Kathryn L.S. Pettit (2007). “NNIP Data Inventory 2007: A Picture of Local Data Collection Across the Country,” The Urban Institute.

Philanthropic Innovation at HUD, adds: “We need to transcend the simplistic notion that we can just listen to a community’s voice. There are contradictions in these neighborhoods, and whatever philanthropy or government does may easily involve picking a side in existing struggles. To say we’re just going to let the community decide implies that communities have monolithic views, but the reality is more complex.”

Conscious of these challenges, funders have sought to be more deliberate about ensuring the input of diverse stakeholders. The California Endowment invests in multi-year organizing and planning processes where efforts are made to include all stakeholders (including those not initially at the table) and find genuine points of collaboration. The United Way of Toronto finds that the quality of resident participation in their place-based initiatives varies according to the degree to which their lead organizations understand and embrace the concept. In particular, organizations that are primarily social service providers sometimes have difficulty envisioning how their clients can be engaged in decision-making. The United Way therefore tries to build their capacity to engage diverse populations and help synthesize their views.

There is broad consensus that, to be ready for a place-based initiative, a community must achieve a state where it can be exposed to external ideas without feeling coerced into adopting them. Ralph Smith explains: “There is an ideological appeal to not being an outsider who tells a community what to do. But part of getting wiser and more mature about the whole enterprise is dealing with our own assumptions about what confers legitimacy, what it means to create constituents for ideas, and when we’re comfortable asserting certain ‘must haves’ or challenging people with ideas we’ve seen work elsewhere.” He frames the challenge in terms of supply and demand: Communities can benefit from outsiders bringing fresh ideas; but only if the community has an appetite for new ideas, the skills to adapt them locally, and the confidence to reject those ideas if they don’t fit with community goals. Further, he argues in his essay included in Chapter 4, “Perfecting the One-Two Punch: Some Hard-Learned Lessons for Place-Based Work” (p. 75), that the field must push beyond the boundaries of conventional community engagement by enabling residents to actually invest in development efforts, evolving from “stakeholder to stockholder.”

Rich Harwood describes the traits of communities that have reached this sophisticated state: external partners are welcomed into community dialogues and invited to share their solutions and best practices from elsewhere; residents show up to the dialogue with a sense of intellectual equality, feeling interested and unthreatened; they ask new kinds of questions that allow them to better understand how these ideas might be adapted to their local needs; and they are unafraid to say so, if they think the idea won’t work in their neighborhood.

Greg Giornelli cautions that even in communities that have achieved this stage, funders must not underestimate the power of their persuasion and influence. The process needs to have transparency, honesty, and integrity. Prudence Brown, Independent Consultant adds to this point. “Sometimes neighborhoods benefit from external actors providing structure and direction. But success in these initiatives is also about noticing where there is local energy and leadership and strengthening that.” A recent initiative called Healthy Places North Carolina aims to cultivate high-impact work by allowing strategies to emerge through the mutual activity of local actors and foundation staff. Foundation staff members serve to activate local actors through new ideas, new frames, more strategic use of locally relevant data, and project development technical assistance, all of which is geared towards producing concrete changes in the short run and building local capacity to identify and solve health problems in the long run.

Where there is disagreement about resident engagement, it is generally about the particular balance of inside and outside direction that is appropriate for a neighborhood initiative. If there is consensus, it is that the combination of resident intelligence with external expertise must be situational, depending on the capacity of the neighborhood in question and whether the funders consider resident engagement to be a goal in itself or a means to an end.

Some funders are invested in seeing more communities achieve this state of readiness. Taken to the logical conclusion, they hope to create a field where independent neighborhood initiatives learn from one another based on self-defined needs, and replication takes place in a free form, decentralized manner. Beginning in Boston, San Francisco, and Philadelphia, the GreenLight Fund is forming a national network through which organized communities can access research on solutions to problems they face – and apply for the funds needed to “import” the approach. Writ large, this approach would enable replication of neighborhood initiatives to take place without dependence on top-down institutions. It could occur naturally in the free market of ideas.

The idea of building organically on initiatives that are already underway – instead of parachuting in a new initiative cut from whole cloth – has gained currency. Philanthropy and the public sector are learning to identify community initiatives that emerged indigenously and that are well underway, but where the scope is not yet comprehensive. Rather than launch a new planning process for a comprehensive initiative, the challenge is to augment the planning that already has taken place, supporting efforts that address the missing areas.

For instance, if a given community already has an infrastructure for the delivery of school-linked family support services, it can incrementally expand the scope of those services to include job training or other family economic development strategies. Or if a cluster of community groups is tackling land use issues, funders can expand the collection of partners to address additional issues like social services or education. “There was a time when everyone was talking about ‘muscular philanthropy’ and the new strategies that one can launch when using funding forcefully,” reflects Ana Marie Argilagos, “but it has been clear to me for a long time now that we need to embrace what I call ‘organic philanthropy,’ by using our resources to build on efforts underway.”

In this light, place-based initiatives need not be viewed as brand new ventures. To Rolf Pendall, “they can be more of a matrix that lays over the work that is already happening.” For philanthropy and the public sector, this means that those who are funding in specific areas like education, health, or violence reduction will be challenged to think creatively about how they can better leverage the interdependence among these issues.

New Kinds of Leadership

Much discussion of leadership today focuses on the need to enlist residents in more meaningful roles. “We can’t professionally staff our way out of the problems facing neighborhoods,” insists Jennifer Vanica, Partner at VanicaCummings, “Residents are widely considered essential as initiative leaders and managers, but they often remain marginalized from real authority.” Vanica contends that residents remain “the most underutilized community resource, because neither the public nor philanthropic sector knows how to value their extensive knowledge or the creativity they unleash. We need to lift up the manpower that exists in our communities and define residents as more than mere consumers of services.” She recalls a quote from a resident which she has taken to heart: “Don’t do about me without me.”

Susana Vasquez, Executive Director of LISC Chicago, agrees. “We have to create opportunities for people who live in the communities we serve or share similar life experience to become the professional managers of these community initiatives. Outside perspectives and staff are valuable, but where there is a natural process of resiliency at work in a neighborhood – and you bring in too many outside professionals – you may not be fostering long-term capacity building or strengthening what is already there.”

She adds that behind-the-scenes leaders are needed; people who can speak to individuals or groups privately in ways that help keep them connected to the large strategy. In Chicago, LISC’s New Communities Program has developed a whole ethic about “backstage leadership.” These are leaders around whom others can speak honestly about difficult topics like shortcomings and mistakes. These are not aspects of the initiative that generally become part of the public story, and they are often repressed or avoided, but they are critical. Bench strength and succession planning are also topics that can be difficult to discuss in open settings, and it isn’t possible for all leaders to talk about it pragmatically. Resilient communities are those that manage leadership transitions well; so funders need to ensure that someone is overseeing the rotation of key community leaders and navigating the necessary conversations.

Sometimes, public and philanthropic funders need to choose or authorize local leaders who may eventually challenge them or push back. It is a tactic that runs counter to most hiring policies or project management methodologies. By doing so, however, the funder is cultivating local leaders that will have the capacity for fearlessness and represent authentic community leadership. Susana Vasquez submits that, “we have to be committed to a kind of incubator model. We must keep supporting leaders who will sometimes push against the system, who will have the courage to speak up and create change for their communities.”

For initiatives to be sustainable there must also be a broad base of local leaders – and ways to continually renew or circulate leadership over time. “We are a country,” observes Salin Geevarghese, “that believes deeply in heroes, and we often apply a standard of heroism to place-based initiatives.” Sometimes it seems that every place-based initiative has, at its center, an exceptional individual or individuals.

And while it's tempting to treat local leaders as heroes, it is seldom a good thing: it reinforces the notion that a few special people must carry the entire burden, as opposed to building larger, popular movements. It deters many people from getting involved. "Admittedly, we need strong figures to get things started; but we also need to normalize the work over time so that it doesn't require the kind of exceptional, mythologized personalities that make replication seem impossible."

Government managers and foundation program officers responsible for place-based initiatives need new leadership competencies, too. Geevarghese notes that they must "navigate turf conflicts, cross lanes, swim upstream, and feel ownership over community outcomes." Bart Harvey envisions specialized leadership development programs that would do more than teach concrete skills; they would instill cross-disciplinary, cross-sector thinking. "In a sense, such programs would resemble those tied to the land grant program of the 1800s. They could be embedded in graduate or continuing education programs, not treated as extracurriculars. It's difficult to educate people once they are preoccupied with running housing authorities or community development agencies." "We must generate interest among leaders early in their career," notes Ana Marie Argilagos, "because too few are interested. "The National Urban Fellows and similar programs struggle to attract young leaders."

One example worth noting is the training provide by HUD's Office of Economic Resilience to the grantees of the Sustainable Communities Initiatives. Grantees from the nearly 150 communities and regions were brought together to learn about pragmatic techniques for forging cross-sector partnerships, balancing power struggles, leveraging market forces, and incorporating the Sustainable Communities work into existing regional and citywide plans. It is not a formal training program, but the content has been relevant for participants, who have built camaraderie among themselves.

Some institutions – usually private foundations – have experimented with using their own in-house staff to lead place-based initiatives, instead of transferring such responsibilities to local organizations. Such decisions are motivated by an urgent need for results and a fear that community-driven processes might dissolve into chaos. These arrangements have tended to be unsustainable, as outside project leaders struggled to grasp the nuances of specific communities. No matter how well-designed a planning process or implementation strategy is, it is hard to execute without understanding the social dynamics that exist in communities, like histories between key individuals and organizations, sensitivities around past conflicts, or the natural affinities and dis-affinities that exist within groups. In most cases, responsibilities are eventually delegated or handed off to local partner organizations.

But while the arrangement is in place, it can serve as a crucial transitional phase, providing a chance for the institution to "look over the shoulders" of local leaders, gaining valuable insights. At First 5 LA, each "Best Start" initiative site is staffed by an internal coordinator. Rafael González, the Director of Best Start, explains: "Our coordinators have benefited from the time spent meeting local leaders and identifying natural leaders – many of whom can play the role of connector or convener to an extent we could never do from within our organization."

Finally, initiatives need leaders as storytellers. Rich Harwood has noted the significance of a community reaching a stage where there is a "shared narrative" that a majority of residents seem to have about the direction their community is heading. When a community starts telling a common story about itself, it is a sign that stakeholders can begin coming together to alter or realize that story. In at least one initiative, an ethnographer was contracted throughout the duration of decade-long neighborhood initiatives to interview the diverse community stakeholders and assimilate their perspectives into "chronologies" that everyone could agree to. Reflecting these mutually agreed-upon chronologies back to residents facilitated the process of forming a shared story.

In communities where dynamics among organizations are complicated and confusing for the funder to navigate, intermediaries can play a role in creating the partnership configurations. The sheer presence of a neutral player convening the groups and facilitating dialogues among them can in itself accelerate the process. At their best, they can bring an inside/outside perspective. LISC, founded with a focus on CDCs and affordable housing construction, has broadened its scope. They increasingly work with a cluster of organizations in a community (often with a CDC at the center) helping them to embrace more comprehensive community change. Their New Communities Program is an illustration of this more all-encompassing outlook.

In Dallas, a unique pair of city-linked entities facilitates place-based change. The CityDesign studio is an office in the City of Dallas operating under the oversight of the city manager. It was originally funded 100% by the city, but – through public/private partnership – has attracted other funds and is now only 80% city-funded. It was established to bring a deliberate planning and urban design consciousness to community-based efforts. In parallel, bcWORKSHOP is a nonprofit with whom the city contracts to cultivate neighborhood-level partnerships. On paper, at least, the organization serves as the lead for initiatives, acting as facilitator, fundraiser, and organizer. “Since I direct both CityDesign and bcWORKSHOP part-time,” explains Brent Brown, “the efforts are integrated.” To build community capacity, however, bcWORKSHOP continually seeks to hand off power to others, even though bcWORKSHOP is held accountable for any failure.

“We have learned to step back, be as helpful as possible, and work ourselves out of the process,” explains Brown. “We have aimed to create an environment where mistakes are acceptable and where there is confidence that some failure is required for future success. City governments often like to steer clear of the messiness of conflict or mistakes. We strive to strike a creative balance where we neither try to save the day, nor do avoid the conflict;” if bcWORKSHOP finds itself in a place where potential partners are being excluded from a place-based effort, “we constantly try to engineer a way for them to get involved.”

Perhaps most important, civic leaders and executives at nonprofits or intermediaries need to bridge the world of the neighborhood with the realm of large-scale systems change. As the next section illustrates, systems change efforts have also become more sophisticated in recent years.

2. Systems Initiatives

If the first part of this bifurcated framework is focused on local, place-based initiatives, then the second part stresses the larger systems that have implications for these places. Systems initiatives seek to reform the policies, institutions, and forces that impact areas of concentrated poverty. “At The California Endowment,” explains Tony Iton, Senior Vice President for Healthy Communities, “we have a place-based initiative that’s not just a place-based initiative. That is, the place-based initiative is only half of what we are doing. The other half is policy and systems change, and it’s coordinated at the regional, state, and even federal levels to shape the landscape of opportunity for people where they live. The places are just laboratories for showcasing what kind of change is possible.”

Similarly, United Way Toronto considers it essential to work simultaneously at the local and policy levels when executing place-based initiatives. It aims to influence the broader systemic issues that provide a social and economic context for Toronto’s poor neighborhoods. For instance, it influenced government initiatives aimed at improving employment standards, regulating payday lending, and introducing a Poverty Reduction Act. It also helped secure zoning changes that address isolation and lack of services by permitting more diverse businesses in low-income residential areas. At a local level, United Way Toronto supports residents to come together around neighborhood system changes related to improved safety, increased understanding of political processes, and advocacy to government on local issues.

“Given larger structural forces,” explains Rolf Pendall, “we can’t drive down national poverty rates working one neighborhood at a time. And yet we sometimes have proceeded as if we can.” The Annie E. Casey Foundation’s Ralph Smith puts it more plainly, “To some extent, we should admit we are on a fool’s errand [believing] that we are going to chip away at the iceberg.” He adds that the field has gotten comfortable “declaring victory around small stuff, under the premise we’re building capacity for the long haul.” USC Professor Manuel Pastor agrees, “For public and philanthropic funders to expect to turn around a place without significantly changing policy and power arrangements is, at best, naive.” Dr. Robert Chaskin at University of Chicago explains, “Poverty and disadvantage are not generated or reproduced at the neighborhood level; we must think of neighborhoods as isolated pockets within broader systems that need to be connected to upstream opportunities.”

The key is to understand what public policies and systems reforms might be flexibly engineered to have an impact in low-income areas. These policies and reforms need not explicitly identify concentrated poverty as their primary target. As long as they are addressing the underlying structures that cause poverty and affect its distribution, they are relevant. Xavier de Souza Briggs, Vice President for Economic Opportunity and Assets at the Ford Foundation, suggests considering current efforts to rebuild the national economy, distribute economic resources, overhaul the financial system, shift land development and settlement

patterns, influence investments and capital flows, or redefine public benefits for low-income households. Any of these could have consequences for low-income neighborhoods if designed to do so.

Further, the public policies or systems in question need not be explicitly tied to neighborhoods or the funding of place-based initiatives. To Margery Turner, Senior Vice President for Program Planning and Management at the Urban Institute, “it is crucial we not be myopic, or we will miss out on opportunities to create change. Some public policies might not immediately strike us as place-based or seem to have relevance for neighborhoods. But even the most general policies can have intentional consequences for poor areas.” For this reason, she recommends replacing the term “place-based” with the more adaptable “place conscious.” Systems initiatives undertaken may not lead to the replication of prototype neighborhood initiatives, but they may still divert resources to neighborhoods that need them. In her essay, “Tackling the Causes of Neighborhood Distress Through Place-Conscious Strategies,” (p. 63) she argues that the field still has a long way to go to transcend the people-versus-place debate and fully incorporate a place-consciousness into policy and practice.

Historically, one of the best-known place-conscious policies is the Community Reinvestment Act of 1978, which made it illegal for banks to “redline” low-income or minority communities, systematically limiting credit access. Although this federal policy impacted the way financial institutions generally do business, the legislation was written in a way that was highly conscious of geographic disparities. And the institutions charged with its enforcement – the Office of the Comptroller of the Currency and Federal Reserve Bank – designated specific geographic areas where banks were not providing equal access to credit, and where they needed to address that fact. Another is the Elementary and Secondary Education Act – especially Title I, which allocates funds for educational programs in schools in poor areas. The Housing and Community Development Act of 1992 not only dismantled public housing; it relocated poor households to integrated communities. It was framed as housing policy, but had direct impact on concentrated poverty.

More recently, national policies around Low-Income Housing Credits and New Market Tax Credits have significant and direct consequences for neighborhoods. For Buzz Roberts, Director of the Small Business, Community Development, and Affordable Housing Policy Office of the United States Treasury, even the Affordable Care Act has a place-consciousness. To be sure, its aim is vast: to re-orient the whole health care system. But there are built-in assumptions that there will be community-based prevention activities, especially in low-income communities.

Alan Berube, Deputy Director at the Metropolitan Policy Program at Brookings, reminds us in his essay co-authored with Amy Liu, “Matching Place-Based Strategies to the Scale of the Market,” (p. 41) that “the ever-changing geography of poverty has forced continued rethinking of place-conscious policy.” Poor neighborhoods, no longer a mainstay of the inner city, are now found in inner ring suburbs and exurbs, too. Many are places where aspiring homeowners relocated from the inner city, only to find themselves trapped in debt during the foreclosure crisis. Others are middle-income areas crippled by the recessionary economy. Some are immigration portals where a hunkered down political class is in denial about the degree of poverty in their midst. In such communities, the challenge is to help the leaders rethink their approach to schools, job training, and services and adapt to the needs of new residents. Policymakers have taken note. In 2012, according to the Brookings Institution, the federal government spent \$82 billion on 81 programs in ten agencies to address poverty in inner ring suburbs.

New modes of statistical analysis are altering the way geographic areas are selected for policy focus. Policymakers are increasingly concerned with what is called “the geography of opportunity,” the reality that some neighborhoods offer more pathways for advancement than others. Rather than fixate on specific categorical indicators – like levels of income, educational attainment, employment, etc. – these new modes of analysis combine indicators to assess overall opportunity levels that communities afford their residents. Raj Chetty’s “Equality of Opportunity Project” at Harvard and Opportunity Nation’s strategies to create communities of opportunity,” leads the way on this front.

Russell Krumnow, Managing Director of Opportunity Nation, says that their research has pointed to what some of the “levers” are that drive community changes. In other words, it may not be necessary to target entire populations in a community to have a measurable effect. “One of the interesting findings in our opportunity index is that the rate of youth disconnection really drives the overall scores in a place, so the federal government concluded that if they could focus on building stronger and better pathways to opportunity for young people age 16-24, they could have a transformative effect on some communities.”

Beyond Either/Or: An Integrated Framework

To be effective, of course, these two sets of strategies must be aligned. For Bart Harvey, it is helpful to think of a “two-fisted set of initiatives.” On one hand, planning and policy decisions must stimulate overall economic activity in which resources flow, employment and income levels rise, and capital is available to new business formation. On the other hand, these resources must be harnessed and made to work in smaller geographic localities where people with the greatest needs are marginalized. If we can do that, we will accomplish something as a country.”

But we are still learning how to achieve this alignment. In fact, leaders in the field often find themselves talking at cross-purposes when discussing local initiatives and overarching policies. “It’s not that we are disagreeing,” suggests the Ford Foundation’s Xavier de Souza Briggs, “as much as we are talking about different things.” And many in the field are not always clear about the difference between the two approaches. Part of the field’s evolution, then, has entailed understanding the distinctions between the two approaches – neighborhood initiatives and systems initiatives – and appreciating how they can be integrated in order to take the next step.

There will always be practitioners who focus on one approach over the other. At Purpose Built Communities, the heavier emphasis is on immediate localities. “At the end of the day,” explains Greg Giornelli, “a neighborhood is where people live, where they experience their lives. It is where we can directly impact individual lives and change outcomes. Children do not attend a school district; they attend a school. That’s not to say systems change and policy change are not important; but doing those things without respect to how they play out in neighborhoods makes no sense.”

At the other end of the spectrum, Dr. Beth Reynolds, Executive Director of the National Dropout Prevention Center and Network, agrees that community change occurs most effectively when schools play a central role. But she has found that meaningful changes in schools – academic reform, blended learning models, support systems for students who struggle, governance structures for engaging parent and community partners, teacher team learning and accountability, successful models of parent and student engagement – all depend to a large degree on systems reform and alignment at the district, regional, sub-national, and national levels.

Bart Harvey notes that, “There is some truth to the notion that if you want to make real structural policy changes you need to do this at the level of HUD or the federal government.” But Salin Geevarghese is quick to add that, “we mustn’t create the impression among community leaders that the only real change happens at the regional or national scale. Many local leaders would never participate in this work if they thought this were true.” They would feel helpless, poorly equipped, and lacking in leverage. However, if community leaders can see how their neighborhood initiatives are integrated with policy, they can feel empowered. “No one wants to feel there is no room for them in the game, but no one wants to bite off more than they can chew, either,” says Geevarghese.

The following strategies help to integrate local neighborhood initiatives with systems efforts. They include: nesting initiatives in supportive policy frameworks, relating initiatives to city and regional master plans, incorporating pilot initiatives in policy, using evaluations to inform or influence policy, and creating new structures that enable multiple federal agencies and national funders to align and braid their support for local initiatives.

Nesting Initiatives in Supportive Frameworks

To achieve this integration, leaders in the field find it helpful to invoke the notion of “nesting.” In a nesting scheme, neighborhood initiatives fit together within larger system reforms in a mutually reinforcing way. Public policies provide an overall environment for directing resources to areas of concentrated poverty, and local initiatives ensure that specific neighborhoods can absorb these resources. Conversely, neighborhood initiatives provide prototype solutions and proof points that inform and build the case for public policies. Consider for example the Harlem Children’s Zone and its use as a model for the federal Promise Neighborhoods. Ideally, interventions from the federal, state, regional, city, and neighborhood levels will all align. Each level will feed up into the next, with higher levels creating authorizing environments for the levels below. As Frank Farrow, Director of the Center for the Study of Social Policy, posits, “we are beyond feeling the need to choose a scale of intervention: neighborhood, city, metro, region, state, nation; clearly, it has to be all of them, and in coordination.”

Relating Initiatives to City and Regional Plans

The most immediate level of nesting involves positioning place-based initiatives in city and regional plans. “We now have consensus,” suggests Bart Harvey, “that when a city has a strong commitment to comprehensive planning, it translates down to the local level, enabling local leaders to think about their neighborhood within a larger context and to learn how to integrate private investments.” Comprehensive plans model the process of staging action and setting benchmarks that lead to short-term success and building hope for the long-term. They may contain goals that align with the initiative and carry resources. When the plans coexist, and opportunities to link them surface, we experience what Rich Harwood calls “planned serendipity.”

Susana Vasquez notes that, “every mayor and regional council of governments generates an economic plan. Leaders of place-based initiatives need to determine how best to interject into these processes.” Amy Liu, Co-Director and Senior Fellow of the Metropolitan Policy Program at Brookings, references Julia Stasch, a former Chief of Staff for Mayor Daley, now at the John D. and Catherine T. MacArthur Foundation, who is “proactive about ensuring that Chicago’s neighborhood initiatives are neatly situated within metropolitan plans and can therefore benefit from the city’s economic resurgence.” Liu adds, “In Memphis, the economy is declining, but neighborhood leaders want a seat at the table as the city sets out to attract new technology-oriented industries. As leaders look at these new industries, LISC wants to very deliberately implant neighborhood groups in the discussion.”

Every city has governance structures for involving residents in local planning: neighborhood councils, planning committees, planning advisory boards, coordination teams, resident advisory boards, and so on. Independent Consultant Tom Dewar describes these as a kind of “bureaucratized, professionalized neighborhood sector.” Unfortunately, he finds that these governance structures can at best “marginally improve planning by enabling planners to validate ideas.” They seldom correspond to the community view. “Good public administration is not necessarily good for the community,” adds Dewar. “City government structures rarely represent huge promise for community democracy.” Nevertheless, some foundations or public agencies find it helpful to tap into, consult, or build on this inherited infrastructure, rather than creating all new structures.

There are exceptions, of course. Rolf Pendall attributes the strong performance of Seattle’s Choice Neighborhoods implementation grant to the city’s effective neighborhood councils. The San Francisco implementation grant for Choice Neighborhoods is also doing well, in part because of the city’s cumbersome but eminently democratic ballot referendum process. But even in these cases, there must be bridge-building between the democratic entities and the work of the place-based initiatives.

Comprehensive plans and plans for place-based initiatives are, of course, two very different instruments. “The kinds of questions associated with planning place-based initiatives differs enormously from those asked in conventional regional, city or neighborhood planning,” explains Ana Marie Argilagos. “Conventional plans are larger and more expansive than place-based initiative plans. They are long-term mandates laying out land uses and social service delivery, and the phased construction or maintenance of housing and physical infrastructure to keep pace with population projections. Traditional comprehensive plans seek to be holistic but still tend to emphasize the silos that divide disciplines. Place-based initiatives, however, actively seek integration across silos. They are more specific, time-limited, and opportunistic. They intend to impact the entire neighborhood, but are more selective in the partners they choose, placing the need to meet objectives in a timely manner over the need to be all-inclusive.” Grasping these differences is a prerequisite to finding synergies.

From Pilot to Policy, From Case to Cause

The idea of moving from “pilot to policy” has always held appeal. Long before modern place-based initiatives, Eleanor Roosevelt’s knowledge of settlement houses inspired President Roosevelt’s public policy, sparking discussions of attempting to replicate them. But perhaps more importantly, the settlement houses themselves became laboratories or incubators for policy change.

As Prudence Brown notes, settlement houses grew from a deep tradition of optimism and belief in the possibility of change, at both the individual and community level. When residents identified common problems, such as a lack of summer jobs for youth at Goddard Riverside Settlement House or Medicaid

cutbacks among seniors at Stanley Isaacs Settlement House, they adeptly shifted from “case to cause.” In other words, instead of merely focusing on a problem requiring individual case assistance, they mobilized their collective power around a cause for policy change. By strengthening relationships within the community, the settlement houses became a foundation for pushing forward advocacy agendas and “free spaces” between private lives and large-scale institutions where ordinary citizens could form strong group identities and mount change at the societal level.

A recent example of pilot advancing to policy is the Harlem Children’s Zone, which inspired President Obama to create the Promise Neighborhoods program. Over a six-year period, the intermediary PolicyLink and the Harlem Children’s Zone worked collaboratively on the research, policy framework, and implementation plan for the Department of Education’s Promise Neighborhoods Program. As PolicyLink President Judith Bell explains, in her response essay “From Pilot to Policy: Bringing Place-Based Initiatives to Scale” (p. 67) it was invited by Harlem Children’s Zone founder Geoffrey Canada to translate the initiative into policy language, which included: distilling the essence of the initiative, focusing on what could be easily reproduced, helping the Department of Education to design a competitive funding program, determining the indicators of success, and assisting applicants.

Some suggest that Promise Neighborhoods represented a replication of the Harlem children’s Zone. Judith Bell explains, “Harlem Children’s Zone inspired Promise Neighborhoods; but the word “replication” suggests that each Promise Neighborhoods effort is uniform in its approach which is not how the efforts operate, nor what the program requires. We negotiated a master contract in response to the Promise Neighborhoods grantees and it is used by individual sites for ongoing monitoring, assessment, and action.”

In practice, the leap from pilot to policy happens less often than one might think. Often, demonstrated projects are funded and proven effective, but they do not lead to systemic change. The promise of advancing critical learning from time-limited, targeted initiatives into policy directives is not often realized given the vulnerability of funding programs in the context of political change. Very few examples exist for how to overcome this and capture the imagination of government and the private sector to invest in long-term system change.

Policy change, of course, can’t happen without an organized constituency backing it. Jennifer Vanica points out that “immigration reform, for example, would have a huge impact in our communities, but there’s a sense that the political will isn’t in place.” There need to be interventions that build political movements at each level. In fact, some foundations view place-based initiatives first and foremost as vehicles for building political power. “I don’t view the role of our organization as directly changing these neighborhoods or eliminating poor areas,” says Ralph Smith. “What we’re trying to do is manufacture the power and influence that wealth and privilege provide in this country.” Even the poorest community can advocate for city resources, if local organizations possess authentic organizing capacity. Depending on the desired change, it may be necessary to combine multiple contiguous neighborhoods to aggregate a sufficient voting base.

Rolf Pendall cites a favorite example of local action leading to system change. In Denver, the regional transportation district was deemed ineffective by many low-income residents. “It was controlled by people who didn’t like public transit very much.” A combination of city government and philanthropic leaders set up a “Citizen’s Transit Academy” for people who wanted to improve the transit system. It educated them, activated them civically, and encouraged them to run for the board. Within a decade, they had overtaken the board. “Activities like these may be too political for some foundations to fund. But unless you change how city government operates – alter the operational logic of the decision-making bodies – you won’t be able to sustain commitments to place-based development or integrate neighborhoods with metropolitan opportunities.”

Pendall envisions citywide community development infrastructure that is capable of such action. “In Boston, leadership has come up from the neighborhoods, shaping a different kind of citywide development strategy.” Even if foundations don’t want to mobilize residents to take over a city governance structure, networks of community-based organizations can accumulate citywide influence if properly networked. Taken to its logical conclusion, a critical mass of individual initiative sites – a network of organized communities– can be capable of mobilizing city, state, or even national political changes. They can become a force advocating for change in certain types of low-income communities, or throughout all low-income communities across the country.

Evaluation: The Crucial Link

Finally, evaluation of place-based initiatives can serve as a crucial bridge between individual, time-limited efforts and their incorporation into policy.

Pilot to policy aspirations place more rigorous demands on evaluations of place-based initiatives. There is a widely shared belief that local initiatives need to “up their game” on the evaluation front in order to provide needed proof-points to inform public policy. Initiative managers or intermediaries must become more practiced at deconstructing initiatives to determine what aspects can be generalized. At the same time, initiative evaluations must assess the extent to which locally driven plans take into account public policy changes and leverage public resources. Philanthropy must itself become more cognizant of policy changes and help communities compile evidence, distill scalable aspects of their model, determine types of communities where the model is relevant, and connect them upward to public resources.

To impact public policy requires more than just proof points. There needs to be a compelling logic for how the initiative works, one based on explicit assumptions that can be scrutinized by policymakers. Fortunately, for the last two decades, many place-based initiatives have utilized theories of change, or logic models that lay out, usually in a graphic flow chart, the sequence of interventions that will be carried out to achieve goals. They illustrate how a sequence of strategies and tactics will lead to intermediate objectives and, ultimately, community level change. These flow charts show how each step is predicated on an assumption about what the result will be and how that result will in turn be built upon through the next intervention. If something goes wrong along the way, leaders can backtrack, reassess the assumptions, and make mid-course corrections.

The use of theories of change has been heartily embraced by both foundations and government leaders who are generally grateful for the discipline they provide. Theories of change force all involved to examine assumptions, resource needs, time frames, dosages, and investments required. At the same time, the intricate complexity of some theory of change flow charts has limited their usefulness primarily to senior leaders who have time to study them. The more complicated the theory, the more difficult it is to bring along all relevant stakeholders. Tonya Allen, President of the Skillman Foundation, notes that “theories of change have a tendency to evolve often, and there will always be some people who are operating off of the last theory of change. We don’t yet know how to consistently bring along everyone.” For this reason, Susan Philliber of Philliber Research Associates argues for the “virtue of simplicity” in theories of change evaluations. Simple theories may not capture every detail, but they can they be embraced by all stakeholders and used as meaningful blueprints.

An instructive example on the use of evaluation is the Harlem Children’s Zone, which set a high bar, not only for success, but for tracking outcome data. In drawing from the inspiration of the Harlem Children’s Zone for the Promise Neighborhoods program, PolicyLink’s Promise Neighborhoods Institute negotiated a master contract for one data system for the eventual grantees to use for ongoing monitoring, assessment, and action. Salin Geevarghese explains: “We need consistent data points, so that we can talk about our collective impact across initiatives.”

Some foundation leaders, like Tonya Allen, worry about our ability to fold together rigorous evidence-based evaluations across efforts even within a comprehensive initiative like the Harlem Children’s Zone. “Even when we have a continuum of evidence-based programs and services, the pipeline may still not produce at the desired result in the end. We have no evidence that evidence-based projects can work together. All of these evidence-based programs are still independently vetted in places where there is no competition.” Allen also expresses concern that such ambitious evaluations are prohibitively expensive and impossible to sustain, even with federal resources.

Blended Funding, Overlapping Governance

In communities where there are multiple initiatives overlapping in the same geographic area, the federal government recently developed a mechanism for pooling resources across government agencies – if doing so will lead to better outcomes for at-risk youth. The recently passed Consolidated Appropriations Act of 2014 includes a new demonstration authority to establish up to 10 “Performance Partnership Pilots,” each of which is represented by a coordinating body comprised of the nonprofit agencies and other partners engaged in the overlapping initiatives.

These pilots provide unprecedented flexibility to states, local communities, or tribal reservations by removing the barriers of restricted, categorical funding that inhibit their effectiveness at serving youth. The Departments of Education, Labor, and Health and Human Services, and the Corporation for National and Community Service permit pilot sites to seek waivers of specific program requirements that inadvertently hamper effective services for youth, as well as pool a portion of their funds for unrestricted use. In exchange, the selected jurisdictions are held accountable for a higher level of performance in meeting a set of hard, measurable outcomes.

By removing up-front restrictions, these pilots enable the communities to pursue diverse approaches that integrate previously “stove-piped” government activities, such as creating a “no wrong door” intake process to ensure at-risk youth get the wrap-around services they need. Pilots may also support results-oriented public-private partnerships in which nonprofits deliver specific interventions that will be measured and rigorously evaluated using real-time performance and outcome data. As Salin Geevarghese argues in his call-to-action essay, “Complexity, Comprehensiveness, and Collaborative Capacity: A Recipe for Impact?,” (p. 73) innovations like the Performance Partnership Pilot depend on releasing policy silos and simple program prescriptions. Complex problems require embracing complex, interdisciplinary solutions.

Considerable credit goes to the White House Neighborhood Revitalization Initiative (NRI) which grappled with how to help local leaders more effectively braid funding streams as they implement neighborhood improvement plans. NRI is also looking for ways to create the overlapping conditions that make Performance Partnership Pilots possible, by integrating place-based programs and offering joint grant awards, beginning with Promise Neighborhoods, Choice Neighborhoods and Community Health Centers. The Obama Administration has proposed flexible Neighborhood Revitalization Grants to help neighborhoods fill gaps in their local plans, strengthen their capacity to collaborate and use data to leverage other federal funding.

One illustrative example of where it all comes together is San Antonio, where the East Point neighborhood has received all of the White House Neighborhood Revitalization Initiative grants: Choice Neighborhood, Promise Neighborhood, Promise Zone designation, and Byrne Criminal Justice grants. What happens in San Antonio in the coming years will have a great deal to teach the field about bringing together funding streams that cut across different issue areas in a single place.

Even in the highly independent, atomistic philanthropic field, structures comparable to the Performance Partnership Pilots have emerged, though not yet at a national scale. Jennifer Vanica reflected on lessons learned after the 1992 Civil Unrest in Los Angeles, when Los Angeles Urban Funders (LAUF), a consortium of twenty-one foundations, came together to coordinate resources in neighborhoods of concentrated poverty. They represented diverse, restricted funding categories like health, education, youth development, and so on. But they also pooled some of their resources to be made available on an unrestricted basis to the partnership configuration in each neighborhood. Community partners used the funds for general planning or capacity building activities and the construction of a strategic framework to which they could all relate.

In effect, this strategic framework for each initiative was a comprehensive plan aimed at achieving community-level outcomes. Individual funders could then make grants according to their own procedures, categorical restrictions, and timelines; and they could do so knowing their grants contributed to a larger plan. “As a funder, it was a relief to realize we could collaborate without being tied together, like in a three-legged race,” says Vanica. “We adapted the approach in San Diego, where each funder committed to continue to make grants in the community from their particular specialization – only if the grants intersected with broader initiative and resident informed or driven. It wouldn’t have worked if there hadn’t been upfront planning. Somebody’s got to be the electrical system. Once you have it built, people can plug into an outlet.”

Linking the Narratives

Finally, as indicated earlier, leaders in the field increasingly place value on the ability of local communities to formulate a shared narrative about where their community is going, and where they would like it to go. One of the most powerful ways that we can connect neighborhood initiatives with initiatives is to make sure that we also have a shared narrative about the kind of policy change we hope to see and how the local story fits into the larger one. As Anthony Iton eloquently describes in his essay entitled, “From Local

Change to Systems Change: Linking the Narratives,” (p. 51) it is the joining of these narratives that will enable us to function affectively at both levels and put in motion a process for lasting change.

The Ascendance of the Market

If any force has dominated the current state of place-based initiatives and transformed place-conscious systems reforms, it is the market economy.

Local economic development strategies like job training, small business assistance, and affordable housing construction have always been an element of place-based initiatives. But what is taking place now is profoundly different: the market economy is becoming an organizing principle for a majority of initiatives, a central theme running through all of them regardless of their target outcomes. The economy not only permeates both of the two broad approaches described above – neighborhood initiatives and systems changes – it serves as a narrative for linking the two work streams together.

Reflecting on decades of work, Bart Harvey concludes that, “Place-based initiatives can only work in a larger economic context.” It is difficult to improve Pittsburgh neighborhoods, for instance, without the recovery of the regional steel industry, or its replacement with a new industry. And the attraction of a new industry to Pittsburgh has to happen in a larger national context. Even if the national housing sector is strong, people cannot benefit if there aren’t good fair housing laws that prohibit discrimination. It’s the federal government’s job to create that overarching sense of growth and fairness, then things can happen at the metro level that are related to regional economics and regional conditions.

Amy Liu submits that, “When it comes to markets, the most important scale may be the region.” It is regions, after all, not neighborhoods, that attract industries and organize agglomerative economies around them. If we want economic opportunities to filter down to low-income neighborhoods, then we first need to harness regional market forces in a way that stimulates job creation, worker wages, and overall productivity. There is hopeful evidence that this work is underway: new regional leadership networks comprised of governments and other regional institutions are forming nationwide. “We have to shed the notion that the mayor of the region’s largest city is the one with the power and answers. It’s going to take a collective of municipalities and entities working on it, sharing regional accountability,” Liu says.

Robert Weissbourd also agrees that it is helpful to think of neighborhoods as nested within economic regions, just as place-based initiatives are nested within larger public policy frameworks. He delves more deeply into the burgeoning field of economic geography, generating thoughts on precisely how this nesting would occur. Weissbourd observes that the transition to the new economy – which is increasingly knowledge intensive, characterized by continuous product and business model innovation, disrupted by churning labor markets, and thrives on flexible networks – is happening at the regional level. In the context of regions, neighborhoods typically play one of two functions: they can develop and deploy assets, introducing them into regional systems; or they can provide amenities that attract and retain certain types of residents from within the region.

When regional growth plans and neighborhood initiatives are aligned, the regional plans provide market context and strategies aimed at transitioning to the next economy. At the same time, sub-regional neighborhood plans ensure that particular places are – through their contributions to the regional economy – helping to drive this transition; or they are benefiting from the growth by providing all the amenities needed to attract residents who are new economy participants. A cutting-edge place-based initiative today is one where a sub-region comprised of a contiguous set of neighborhoods is deliberately developed with the attributes it needs to link to regional opportunities. In her thoughtful response essay, Kim Zeuli, Senior Vice President and Director of Research and Advisory Practice at the Initiative for a Competitive Inner City (ICIC) submits that the collection of neighborhoods making up an inner city are an ideal sub-region for this approach (p. 37) although they are not the only geographic option. Initiatives in these sub-regional neighborhoods would focus on creating cluster networks, supply chains, and economic place-making, as well as attracting and retaining workers participating in the new economy as well as the formal and informal networks they are part of. Ideally, this sub-region can be seen as a microcosm for the entire region so that other communities may be similarly developed.

Tom Burns is particularly interested in large-scale urban “place-making,” the recreation of a sense of destination in recovering downtown commercial districts that accounts for much of our economic revival

in urban regions. He submits that the architects of place-based initiatives are missing an opportunity by not linking low-income areas and their residents to these market-driven engines of prosperity. As he argues in his essay, “The Potential of Large-Scale Urban Place-Making to Yield Economic Opportunities for Low-Income Residents,” (p. 33) there is much that public and philanthropic funders can and should be doing along these lines.

Market Making and Market Shaping

Xavier de Souza Briggs separates market-oriented work into two types of activities: “market making” and “market shaping.” The first, market making, is most relevant in anemic regional economies. It is about attracting industries, especially sticky ones like utilities, hospitals, colleges, and major manufacturers. Economic engines like these, once they have invested in fixed infrastructure, are difficult to move and provide a stable source of economic energy for the long haul. Market making also involves supporting local entrepreneurs in neighborhoods who are striving to launch breakthrough enterprises. For Raphael Bostic, a Professor and the Judith and John Bedrosian Chair in Governance and the Public Enterprise at the Sol Price School of Public Policy in the University of Southern California, market making may entail addressing “the institutional constraints that hold back the productivity and creativities of entrepreneurs in low-income neighborhoods, individuals capable of incubating new industries.”

Market shaping, on the other hand, is about redirecting to poor neighborhoods the economic opportunities of existing industries. A neighborhood may not be in a position to receive or absorb regional economic opportunities, and its existing capacities and role in the regional economy may not be fully understood. “Too often,” notes Renee Glover, former head of the Atlanta Housing Authority, “people are unprepared to take available jobs due to education deficits. So, while it is important to tie neighborhoods to their regions, you’ve also got to get on the ground and enhance employment readiness.” In other words, the theoretical construct is sound, but the field still needs to figure out how to connect the two sides. Public policies figure prominently in these efforts, especially those that impact the economic segregation of income groups into different neighborhoods.

If neighborhood strategies must be tied to a region’s economic trajectory – if you want to leverage its market forces – then it goes without saying that you need to be in a region where there is economic vitality. Bart Harvey submits that, as brutal as it sounds, funders may need to contemplate a “triage strategy,” prioritizing neighborhood initiatives in regions with economic vitality and productivity. “Otherwise, we can build housing or improve physical conditions, and neighborhoods may temporarily look more attractive; but we will never really expand economic opportunities for the community.”

As with many dualistic ideas, we must steer clear of false dichotomies. While some strategies are focused on making new markets in disinvested neighborhoods; and others on shaping regional and national markets; the two approaches are not mutually exclusive. The California Endowment, in launching its Building Healthy Communities initiative in fourteen communities throughout California, began with a theory of change that called for strengthening social capital and social connections in these communities. Beatriz Solís, the Director for Healthy Communities (South Region) for The California Endowment, explains that “The implicit assumption was that these relationships could help connect residents with free market activity, in addition to many other resources, leading to healthier lives.” But post-recession, there wasn’t enough economic activity for the residents to connect to.

One way place-based initiatives connect neighborhoods with regional economies is by attracting anchor institutions, like hospitals or colleges, and then leveraging them for local benefit. Often, the anchor institutions are already present, but are having little impact in the immediate locality. But these economic engines, through their hiring and procurement patterns, can have wide ripple effects on the surrounding neighborhood. There are good examples of community benefits agreements, like when unions and community organizations negotiated with developers of a massive entertainment complex in downtown Los Angeles to commit to jobs for local residents and help ensure affordable housing for those residents so they wouldn’t be displaced. Similarly, Toronto supported the signing of a community benefits agreement through which Metrolinx, the public transit agency, committed to hire local residents to work on a new transit line passing through their communities.

Kim Zeuli recommends that the entire field should “pay attention to anchor institutions and getting them to hire people from their local communities.” Anchor institutions can also stimulate a great deal

of economic activity by doing business with local entrepreneurs. Municipal and civic leaders often invest tremendous financial support behind anchor institutions, assuming their benefits will trickle outward; but they fail to create the structured hiring pipelines and vending relationships that will materially connect them with the surrounding neighborhoods. She cites an exemplary case where the Cleveland Foundation has convened major anchor institutions, mobilizing them to collectively commit to procure services from a collection of local, worker-owned cooperatives.

For Mauricio Lim Miller, President and CEO of the Family Independence Initiative, preparing a community to connect with the regional economy means learning to view and respect its residents as consumers, not objects of charity or people in need. It means focusing on neighborhoods primarily as convenient aggregations of households, not as units in their own right. “At the Family Independence Initiative, we operate at the household level, analyzing both their demands and potential. We study informal associations and networks that link these groups together and create systems for mutual support and the spread of information.” Collectively, these can represent a valuable asset to the private sector, a tool for attracting market forces. The neighborhood is important as a concentration of households and an approximation of the reach of the associations and networks, but it is really the household that is the unit of concern.

As the market has predominated place-based initiatives and place-conscious policy, corporations have become more central players. Both private foundations and public policymakers have sought to bring the benefits of corporate growth to low-income areas. Corporate foundations, though often smaller in asset size than major private foundations, are learning to use their strategic position to great effect. Corporate philanthropy has increasingly tried to leverage its influence within its larger corporation to shape the way the market works for low-income communities. Situated within the corporation, but de-coupled from the pure profit motive, corporate foundations are uniquely positioned to act as a bridge. As Kerry Sullivan, President of the Bank of America Foundation, demonstrates in her essay, “New Tools for a New Time,” (p. 71) a new cadre of corporate leaders is thinking outside the box of conventional corporate social responsibility. They are moving beyond charitable contributions into some unfamiliar territories. They are striving to align business resources with community change strategies, directly involve themselves in the messy work of partnership-building and collaboration, and address – with intellectual rigor and realism – the challenges of scale and replication. It is no easy task.

The JPMorgan Chase Foundation has undertaken dozens of place-based initiatives aimed at improving socio-economic conditions in low-income neighborhoods. The foundation then facilitated conversations with its own lines of business, brokering relations between local bank branches and nearby community groups. It also facilitated conversations around new financial products geared toward low-income customers. Despite some success, “We were surprised at how challenging it was to translate our philanthropic efforts into a value proposition for the business,” states Antonio Manning, Vice President Global Philanthropy of the JPMorgan Chase Foundation. “The process highlighted the differences in culture and timeframe between philanthropy and business: while the Foundation patiently cultivated the economic stability of households, the branch urgently wanted to convert them into customers.”

Retail corporations may look at a low-income neighborhood and see little reason to open a bank branch, grocery store, pharmacy, or restaurant. In some instances, there is a market imperfection: the demand is there, but the corporations have failed to discern it or formulate an appropriate business model. Social Compact, The Reinvestment Fund (TRF), LISC’s Metro Edge, and the Institute for a Competitive Inner City (ICIC) have all assembled alternative market data and put it in the hands of decision makers. There are leaders in every community that would prefer to see locally owned businesses than corporations come; but the majority of people want to have the same choices that others have. Philanthropy and the public sector are deepening their experimentation with how they can use their resources to attract and retain corporate retail anchors, as well as spark local enterprises around them. This is pressing both sectors to contemplate new financial instruments from social investments to social investment bonds.

Many lead thinkers in the field, while agreeing that economic forces have a crucial role to play in driving place-based initiatives, are wary of idealizing the market. The market is necessary but not sufficient. They caution that connections between neighborhoods and regional economies can bring inequalities and exploitation as quickly as they bring opportunity. The market is a powerful force to be reckoned with. Peter Dreier argues in his essay, “Rich Ghettos/Poor Ghettos” (p. 45), that it is impossible to isolate the

problems of concentrated poverty without addressing the causes and consequences of the structural wealth imbalance in our society and the polarization between rich and poor. The solution, he argues, is shared prosperity, and that never happens without strong rules that limit market forces. It requires government – and government run by people who reflect a belief in the power of laws and rules to change society.

No matter how central the market becomes to place-based work, Bob McNulty, Founder and President of Partners for Livable Communities, urges leaders to never lose sight of the role of social capital in propelling community change. “People can live up to their place values or they can live down to their place conditions, or they can be inspired to work hard to improve their place. The Soul of the Community Project,⁴ a study by the Knight Foundation conducted by Gallup of some 43,000 interviews in former Knight Ridder newspaper towns found that place, physical setting, including natural beauty – parks, open space, even historic resources – contributed to a sense of people’s belonging. When combined with places to gather, to meet fellow citizens, and to engage newcomers, these communities were not only better, but actually more prosperous than communities that scored poorly on these criteria.” So a strategy focusing solely on economic deals may not be as successful without mobilizing people around the base of values they share or the aspects of place which affect and shape their values.

The Post-Initiative World: Beyond Isolated Efforts

In the sixties, when foundation and government leaders launched the first place-based initiatives, they were based on several implicit assumptions: that both philanthropy and government were growing and that resources would arise to replicate demonstration sites if the demonstrations were successful; that populations of low-income neighborhoods were relatively stable and therefore good sites for delivering sustained social services to families; that poor neighborhoods were relatively homogeneous and solutions that worked in one would likely work in others.

Today, geography remains an instructive frame for addressing poverty. But over the last fifty years, the field has been humbled by the persistence of spatially-concentrated poverty and the limited effectiveness of the place-based initiatives undertaken to date. “If one word comes to mind when reflecting on our experience and aspirations with place-based initiatives,” says Rich Harwood, “it is humility.” As this chapter has described, the field has learned that neighborhoods are not all the same and therefore defy singular models; social services and nonprofit programs cannot substitute for the natural resilience and resourcefulness of families or associations; and initiatives – even when successful – struggle to achieve scale in an era of shrinking government and recessionary downturns. They are rarified hothouse orchids that are difficult to transplant.

Along with this humility is an acceptance by many that the existence of at least some poor neighborhoods may be an inevitable byproduct of capitalist economies. Rolf Pendall wonders: “Do we really intend to eliminate poverty, or is it more like climate change: we must accept the idea that there will always be some poverty and we must learn to manage it?” Bart Harvey concurs: “Poverty is embedded in who we are; so the notion that we can eradicate it is a bit far reaching. But maybe if we focus on areas of concentrated poverty – and provide opportunities for their residents or improve local conditions – we can render the distribution of poverty more random, so that where you live is less of a predictor that you will end up in poverty.”

In this light, the challenge is not to transform all poor neighborhoods into some ideal of a middle class suburb, but rather to hold a minimum standard for neighborhood living conditions below which we won’t allow anyone to fall. The goal may be less about making each neighborhood an ideal place to live, and more about ensuring that it can serve as a platform for reaching economic opportunities. In other words, there will always be “sorting” in a market economy, but we may be able to make the sorting process a little fairer. It is in this sense that the creation of mixed income communities and communities of opportunity become important strategic objectives.

From this humility is also arising a new phase in the tackling of concentrated poverty. Place-based initiatives targeted to specific neighborhoods and communities are no longer the only – or even the primary – solution. To be sure, they are one “arrow in the quiver,” an opportunity to understand how

⁴ John S. and James L. Knight Foundation (2011). “Why People Love Where They Live and Why It Matters: A National Perspective,” part of the Soul of the Community Project in partnership with Gallup.

problems can be solved in the highly varied contexts of different neighborhoods. They are laboratories for demonstrating the proof points and evidence that builds the case for neighborhood policies and incubators for inventing strategies that can be distilled for replication through public funding and policy. As Jennifer Vanica passionately puts forth in her essay, “The Post-Initiative World,” (p. 47) these efforts are crucibles for the advancement of problem solving, because they give us spaces to embrace new values, shift paradigms, and think differently.

At the end of the day, the most cutting edge creativity is occurring at the point where philanthropy and public policy intersect with the market. The opportunities are immense for policies that reflect the needs of poor areas and improve opportunities for people who live in them. If philanthropic models or public incentives can help the private sector to find ways to operate profitably in low-income areas, the poor can be connected with the mainstream economy. And in a capitalist economy, it is the market that will be the most significant mechanism for achieving a scale of impact on geographically-concentrated poverty. It is up to philanthropy and government to find constructive ways to participate in this process.

Chapter 4: Response Essays

ROLE OF THE MARKET

The Potential of Large-Scale Urban Place-Making to Yield Economic Opportunities for Low-Income Residents

Thomas Burns

Reconsidering the Relevance of the Inner City for Place-Based Economic Growth

Kimberly Zeuli

Matching Place-Based Strategies to the Scale of the Market

Alan Berube and Amy Liu

Rich Ghettos/Poor Ghettos

Peter Dreier

RESIDENT PARTICIPATION

The Post-Initiative World

Jennifer S. Vanica

From Local Change to Systems Change: Linking the Narratives

Anthony Iton

The Importance of Resident Engagement in Place-Based Initiatives

Denise McGregor Armbrister

SCALE OF INTERVENTION

The Case for Addressing Poverty One Place at a Time

Greg Giornelli

Place-Based Philanthropy in Rural Settings: Increasing the Potential for Whole Community Change

Doug Easterling and Allen Smart

Tackling the Causes of Neighborhood Distress Through Place-Conscious Strategy

Margery Turner

From Pilot to Policy: Bringing Place-Based Initiatives to Scale

Judith Bell

NEW TOOLS, NEW APPROACHES

New Tools for a New Time

Kerry Sullivan

Complexity, Comprehensiveness, and Collaborative Capacity: A Recipe for Impact

Salin Geevarghese

Perfecting the One-Two Punch: Some Hard-Learned Lessons for Place-Based Work

Ralph Smith

ROLE OF THE MARKET

The Potential of Large-Scale Urban Place-Making to Yield Economic Opportunities for Low-Income Residents

Thomas Burns
Urban Ventures Group

Much of the argument running through Chapter 3 of this monograph involves how to better align strategies focused on specific localities where poverty levels are high with strategies that aim to change the broader economic and political systems that affect employment, household income and capital investment. Certainly the future of place-based work hinges on better connecting these two levels of change strategy to achieve beneficial impacts for people-in-place at far greater scale than has thus far occurred. This short response argues that one promising avenue for improving the economic well-being of lower-income households is to ensure more equitable approaches to sharing the benefits of the large-scale place-making investments occurring in core city areas that are in or adjacent to neighborhoods where poverty remains highly concentrated.

The prospects for improving the lives of people living in communities of concentrated poverty are greater when the wider urban economy affords new opportunities for reinvestment. Programs targeted to lower-income and vulnerable residents living in urban settings are likely to achieve more when they connect residents more directly to the range of market improvements that are now happening in the recovering downtowns, core neighborhoods and commercial districts that account for a large share of the economic revival underway in many cities across the country. But how can we best build stronger, more sustainable linkages between public and philanthropic investments in lower-income communities, and these largely privately-capitalized reinvestments? Thankfully, there are now numerous examples of large-scale, market-driven reinvestment occurring across a wide variety of urban places that are offering avenues for experimentation.

Inclusive Urban Place-Making as a Comprehensive Market Change Strategy

Over more than two decades, urban experts and practitioners have argued that efforts to improve the quality and competitiveness of disinvested urban communities require a sharper focus on both localized and regional markets. Rather than bucking the powerful market shifts associated with core city transformation, they argue for working skillfully with market trends to achieve tangible and lasting benefits for residents of poor communities. However, there are challenges in executing place-making strategies that ensure that people in disinvested neighborhoods benefit more from wider market improvements. The best place-making strategies often start with a more inclusive vision of what the future of a place may be; planning efforts require considerable skill in finding common purpose among disparate stakeholder groups representing older and newer interests. Bargaining can be fierce to ensure broader community access to the economic rewards that recovering markets bring with them, such as access to better housing, jobs and business opportunities. Financing tools often involve complex deployment of public and philanthropic dollars alongside private investment capital.

The growth of larger urban place-making strategies is requiring new roles and strategies for everyone involved – nonprofits, government agencies, private sector developers and lenders, larger urban anchor institutions, and the range of intermediary and support organizations that facilitate the community rebuilding process. Place-based efforts once driven mostly by individual physical redevelopment projects or single-purpose social programs are giving way to bolder transformation plans that often touch multiple neighborhoods and involve larger-scale, more integrated investment strategies requiring years to implement. This newer approach to *urban place-making* is appearing around established educational and health anchor institutions, or transit hubs and corridors, or under-used port and industrial areas, or emerging arts and cultural destinations, or new technological innovation hubs. The best of these efforts recognize and build from specific assets and economic strengths, are inclusive in their focus, and recognize the value of offering both diversity and choice in residential, employment and other options including arts, culture, entertainment and recreation.

A common feature of these initiatives is that they require much larger levels of capital to influence market trends and bring increased economic vitality to a locality. The level of capital needed is typically greater than what can be marshaled by the philanthropic or public sectors, whether acting alone or in tandem. No matter whether the location is Baltimore, Cleveland, Pittsburgh, Philadelphia, Indianapolis or Detroit, or a dozen other cities where big place-based investment schemes are now underway, there is a common understanding that the approach must work with the totality of real estate dynamics, demographics and capital flows that ultimately determine the health and competitiveness of individual places within a complex metropolitan region.

Although place-making strategies differ greatly from one another, they do share some common characteristics. All involve a clear targeting of complementary investments designed to influence broader market forces. Most include a strong physical development component, typically one or more real estate projects of scale that stimulate a broader neighborhood improvement effort that is often stimulated with other less costly investments (both physical and social) that help to reshape the image of an urban area and begin to attract additional attention, visitors and ultimately more private investment.⁵ All utilize extensive planning and engagement processes involving combinations of stakeholders generally including government, community-based and other nonprofits, philanthropic and private interests, along with residents of the communities being targeted. Place-making strategies that include a strong equity component often seek to build household assets and wealth rather than addressing only deficits. The best of these strategies are layered and include an emphasis on educational improvement and work readiness, the development of employment pipelines, along with entrepreneurship and support for small business attraction and expansion. Most are intended to achieve results that may require a decade or more to be realized.

Although the urban place-making field is still fluid, there is growing enthusiasm for the potential that these larger-scale coordinated investments have to strengthen the uniqueness and the competitive appeal of urban neighborhoods and core cities, making them attractive destinations whose variety and unpredictability in turn spawns increased market strength, new economic opportunities and steadily improving neighborhood quality of life.

Challenges for Philanthropy in Shaping the Direction of Place-Making Work

As the practices associated with larger-scale place-making have evolved, so have the roles of philanthropy in supporting them and influencing their direction. Funders have pursued a variety of innovative strategies ranging from active thought leadership to both smaller and larger investments in programs and partnerships that advance inclusion and equity goals – for example, new real estate or economic development ventures that preserve housing affordability, expanded employment opportunities for youth or adults, a range of strategies involving more beneficial land uses, and the development of policies and practices that broaden how the economic benefits of planned new investments are shared with stakeholders whose interests would otherwise be marginalized.

Assuming that large-scale place-making will continue to gain strength as a method of achieving broader urban revitalization goals, there is a continuing need for philanthropy to determine how it invests its financial and other resources to bear in shaping these market-driven investments so as to become more effective tools for addressing chronic issues of poverty and disinvestment in lower-income communities. A distinct new bundle of philanthropic practices are needed to move place-making to a more dominant position in the broader marketplace of poverty-alleviation approaches.

Looking ahead, philanthropy has much to offer as a more active participant in large-scale urban place-making efforts. For example:

- Funders have a clear role to play in continuing to clarify, consolidate, and communicate what has been learned about practices that appear to work;
- Funders are often well-positioned to provide a respected perspective on how public policies and public dollars can be deployed to achieve greater benefits for largely poor and minority communities that are the target of larger-scale transformation initiatives;

⁵ In principle, a few well-chosen early investments are expected to start a market trend, making subsequent investments easier, less risky and able to be financed with lower levels of public subsidy. As the trend builds, additional activities and investments are added to round out the strategy, engage additional stakeholders and heighten attention to the uniqueness of the place within a broader marketplace.

- Funders are a principal source of the essential grant support that sustains the nonprofits working with and for lower-income residents and that often enable the voices of these communities to be expressed in the physical and economic revitalization plans that attract and deploy large amounts of private capital;
- Funders are increasingly called upon to review and potentially revise their own policies governing how and to what degree they invest non-grant capital in urban transformation efforts.

The growth of larger-scale place-making strategies presents funders with an enormous opportunity to rethink their own approaches to place-based investment. These strategies open the way for philanthropy to explore a shift in paradigm – away from initiatives that may be designed to yield clearly-defined but often limited results – and toward greater engagement with both public and private investment partners in charting the direction of larger urban revitalization investments that are more equitable and inclusive and that promise to produce bigger, more lasting results for communities that continue to struggle with the myriad challenges of concentrated poverty.

Reconsidering the Relevance of the Inner City for Place-Based Economic Growth

Kimberly Zeuli

Initiative for a Competitive Inner City

By providing a cogent synthesis of current thinking on place-based development initiatives, the main body of this monograph makes an important contribution to the economic development field. This was no small task. As noted in Chapter 3, place-based initiatives encompass a wide array of strategies that share a focus on improving the conditions of people within a well-defined area. The current debate over where to draw the most effective boundaries of “place” – neighborhood, city or region – for economic development is nicely summarized in the report, but not critiqued. In this response essay I argue that an alternative geography may be the most important to consider for place-based initiatives aimed at creating inclusive economic growth – the inner city.

The term “inner city” is most often used informally to refer to the distressed core of cities. It came into vogue when the “white flight” phenomenon left abandoned downtown neighborhoods and commercial corridors in its wake. Since downtown districts are often surrounded by other parts of a city, they also became known as the inner city. In many cities today, their urban downtown areas are thriving, leading many to erroneously conclude that the inner city is no longer a relevant concept. Unfortunately, pockets of concentrated unemployment and high rates of poverty still exist in most of the nation’s cities, albeit not always in the same geographic areas.

Defining the Inner City

To better understand and track these urban trends, the Initiative for a Competitive Inner City (ICIC) formally defined an inner city when it was established in 1994. An inner city is a set of contiguous census tracts that have higher unemployment and poverty rates and lower median income levels than the surrounding region. More specifically, they meet the following criteria: (1) in aggregate they represent at least 2.5 percent of a city’s population; (2) each census tract has either (a) a poverty rate of at least 20 percent or (b) a poverty rate that is at least 150 percent greater than that of the metropolitan statistical area (MSA) *and* a median household income that is 50 percent or less than that of the MSA or an unemployment rate that is at least 150 percent greater than that of the MSA. ICIC excludes student populations in its calculations because they skew poverty measures.

In U.S. cities with populations greater than 75,000, over 75 percent (or 328 cities) have inner cities. These inner cities account for 15 percent of national unemployment, nearly one-quarter of national poverty, and over one-third of the nation’s minority poverty. The inner city poverty rate is 32 percent, compared to nine percent in other parts of the cities. While absolute poverty is higher in the suburbs (11 million people) than in inner cities (8 million people), the inner cities still represent areas of concentrated and therefore very challenging areas of poverty. Inner cities comprise less than one percent of the nation’s land area versus the suburbs, which comprise 17 percent of total land area.

Over the last decade, while there is much to celebrate in terms of urban revitalization, there has been very little improvement in inner cities. Of the 100 largest cities, only six have experienced declining poverty and unemployment rates. These distressed areas are left behind during periods of economic growth and are disproportionately impacted by recessions. In addition, they do not significantly benefit from regional growth. The correlation between regional and inner city growth is only eight percent for inner cities in the largest 100 cities.

The Relevance of the Inner City for Economic Development Plans

The size of inner cities in terms of population and land area varies across cities. However, they generally represent multiple, often diverse, neighborhoods, commercial corridors and industrial sites. Inner cities are large enough to encompass a unique set of assets that can be strategically leveraged for economic growth. For example, a significant portion of universities, hospitals and key transportation hubs (e.g., ports and airports) are located within inner cities. In contrast, single neighborhoods are often primarily residential

and have fewer assets to leverage and fewer investment opportunities for economic growth. Neighborhood economies are simply too limited to support sufficient employment opportunities and wealth creation for their residents.

Neighborhoods are not isolated; they are connected to and impacted by surrounding neighborhoods. As a result, economic growth in a neighborhood that is surrounded by underserved neighborhoods will be constrained by negative externalities such as crime and blight. The contiguous tracts that encompass an inner city reflect the interdependency of neighborhoods. Economic growth plans for an entire inner city, therefore, have the potential to drive growth more efficiently in all inner city neighborhoods than a neighborhood-by-neighborhood strategy.

Conversely, place-based initiatives that focus on the entire city or metropolitan region risk not driving any significant growth in the most disadvantaged neighborhoods. As noted above, there has been a very weak correlation between MSA and inner city growth to date. It would be impractical in most cities to develop regional economic growth plans that incorporated specific plans for every neighborhood. Incorporating plans for the inner city is more feasible.

Addressing concentrated areas of poverty and unemployment is more efficient than neighborhood-by-neighborhood or at the regional level. Programs targeting inner cities also will have greater spillover effects, potentially helping a far greater number of people than programs focused on the suburbs, for example.

A program located in an inner city would reach a far greater number of people living in poverty than a similar size program in the city's suburbs. To reach the same number of people in the suburbs, one would most likely have to replicate the program across the metropolitan region to achieve the same impact as the inner city program.

Workforce training programs are a useful example. Inner cities, by definition, have a higher rate of unemployment on average (14 percent) than the national average (nine percent). Channeling workforce development funds into programs that serve inner city residents would have the greatest potential impact on unemployment for the region. Workforce development programs that target unemployed inner city residents can serve a large number of low-income residents and prepare them for meaningful employment, including positions at inner city businesses.

The Relevance of the Inner City for Small Business Development Initiatives

The inner city is also a useful geographic area to help focus private and public small business development initiatives. The assets within inner cities make them a competitive place to do business, offering strategic locations near major transportation hubs, cheaper rent, more space for development and expansion, an underutilized workforce and underserved markets. Each year, ICIC identifies 100 of the fastest-growing businesses in the inner city. These are established businesses that help drive economic growth. The average company is 17 years old, generated \$4.2 billion in revenue in 2013 and employs 87 people. In aggregate, the 2014 cohort employs 8,276 people, hiring approximately 35 percent from the inner city.

The inner city business data that ICIC collects each year suggests that inner city firms hire a higher percentage of employees from the inner city than businesses located elsewhere. Given this trend, and the wealth creation of small business ownership, supporting inner city businesses is critical to generate economic opportunities for inner city residents. This requires improving the local business environment by investing in infrastructure and workforce development. Anchor organizations, such as universities, hospitals, foundations and corporations, should have the incentive to catalyze these investments because it is in their best interest to do so. Implementing local procurement initiatives, for example, can strengthen their supply chain while also supporting the growth of small businesses and thereby strengthening the local economy. Inner city businesses also need access to capital, contracting opportunities and capacity building to help them scale.

Final Thoughts

Understanding the geography of poverty is critical to inform effective policies. Without specific commitments to distressed urban areas, economic development plans will not significantly address urban poverty or unemployment. Because poverty and unemployment are concentrated in inner cities, economic growth strategies that target inner cities allow for a wholesale approach to increasing economic opportunities for the residents that need it the most. Metro or regional approaches tend to undervalue the economic assets of inner cities and overlook the opportunities in distressed urban communities. A neighborhood-by-neighborhood approach may not be able to achieve the level of impact as efficiently or effectively as one focused on the inner city.

Matching Place-Based Strategies to the Scale of the Market

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For much of their history, place-based philanthropy and public policy have been defined synonymously with neighborhood-based anti-poverty efforts. Yet place-based strategies themselves take several different approaches. Some aim to *improve neighborhoods*, addressing localized market failures by upgrading the physical and economic environments in poor neighborhoods through regulations, tax credits, and grants for economic and affordable housing development. Others focus on *delivering services* to families in low-income communities to help them meet basic needs or access better local education and work opportunities. And still others seek to *expand opportunity* by giving low-income residents of struggling neighborhoods a wider set of options – related to housing, jobs, or education – through tools like housing vouchers, specialized transportation, or charter/magnet schools and other specialized enrollment policies.

As this monograph notes, several decades of neighborhood-focused efforts have revealed the limitations of philanthropy and public policy working primarily at that small geographic scale. Neighborhoods aren't closed systems – people and capital flow in and out of them constantly. And their size is little match for the increasingly global forces that impact economic opportunity and prosperity.

These lessons have two implications for leaders in philanthropy and public policy. First, place-based initiatives must engage the market to make a meaningful dent in improving opportunities for low-income people. Second, doing so requires intervening at different scales, depending on the nature of the market opportunity.

These sentiments are moving into the mainstream. More funders and policymakers have begun working deliberately to connect neighborhood-focused initiatives with larger comprehensive planning efforts that operate at the wider city or regional levels. As Bart Harvey is quoted as saying in Chapter 3, such linkages enable local leaders to “...think about their neighborhood within a larger context and learn how to integrate private investments.” This approach recognizes that regions – metro areas – are the fundamental units at which our modern economy is organized. Metro areas attract and concentrate the key ingredients that enable firms, workers, and institutions to effectively produce goods and services – and ultimately jobs and wealth – that power a nation and its communities. As one leader in Northeast Ohio recently remarked, “People live in neighborhoods, not regions. We must strengthen community assets and connect them to the regional economy.”

While market-focused efforts are not sufficient for reducing poverty – just witness the disconnect between recent economic growth and wages for the bottom half of the U.S. population – they are nonetheless a necessary foundation for sustainable poverty alleviation. Indeed, at all levels of geography – neighborhood, regional, national – the overall employment rate is one of the strongest predictors of poverty. Chapter 3 in fact acknowledges that “...the market economy is becoming an organizing principle for a majority of [place-based] initiatives, a central theme running through all of them regardless of the outcomes they focus on.”

The next generation of smart, place-based strategies leverages the power of markets to achieve better social and economic outcomes. These market-based strategies focus not just on producing (or attracting) any jobs, but generating good-paying jobs in durable industries and ensuring those jobs are directly accessible for workers, including families and local firms in adjacent communities. This approach contrasts starkly with conventional strategies in which consumption and housing production fueled a boom and bust or merely distributed resources and spending within a metro area with no net gain for residents and communities. The new wave of economic strategies taking shape in cities and metro areas across the nation is focusing on:

1. Bolstering advanced industries and worker skills:

Positioning places for production in the most innovative manufacturing and services industries, and providing younger workers, no matter where they live, with the STEM skills those industries demand;

2. *Fostering a new geography of innovation:*

Capitalizing on the rise in open innovation and demand for density, especially around “eds and meds” and other large employers, to restore the economies of urban core neighborhoods;

3. *Increasing global trade and investment:*

Helping places take advantage of export and investment opportunities arising out of global urbanization and growth of the global middle class to generate good-paying jobs;

4. *Delivering transformative infrastructure:*

Designing, financing, and delivering projects of all types (transport, trade, energy, water, telecommunications, public works) in a sector that today supports more than 14 million quality jobs and is key to connecting workers and neighborhoods to market opportunities.

In short, rather than assume a passive stance in the face of large market forces, emerging place-based initiatives are proactively working to position communities strategically amid rapid global, technological, and demographic currents. The promise is not simply more jobs, but better jobs and sustained income that directly benefit a wider segment of the population, including those living in low-income communities.

If people live in neighborhoods and markets are regional then what is the proper scale of intervention to promote economic opportunity and reduce poverty? Ensuring that lower-income places benefit from wider economic initiatives often requires strategies at different geographic scales, depending on the market opportunity in question. This is even more the case now that most low-income people in metropolitan areas live in suburbs rather than cities, where the “neighborhood” is not as meaningful a geography for organizing and delivering policy or funding.

Take, for instance, the South King County region within Greater Seattle, which, along with several suburban municipalities, share common demographic and economic challenges. They have a highly racially and ethnically diverse younger population that exhibits higher school dropout rates and lower educational achievement than the rest of the region. This ultimately acts as a barrier to their residents accessing the large numbers of STEM jobs being created elsewhere in the region, and to those communities attracting quality jobs with specialized skills demand. And the region’s global capabilities in aerospace, information technology, and other advanced manufacturing and services sectors are increasingly stressed by a lack of highly trained workers, especially in the local marketplace.

Rather than approach this issue school by school, or even district by district, the communities of South King County united under the banner of the Road Map Project. This project, with support from government and philanthropy, works across seven school districts in South King County to share resources, strategies, and data, all aimed at improving student achievement and preparing the sub-region’s young people for college and careers. By intervening at a multi-jurisdictional scale, the project is working to improve the prospects for a shared future labor pool across the county. This is especially the case given the high rates of inter-district mobility among families there.

In other cases, a neighborhood – or a collection of neighborhoods – may in fact be a logical scale at which to promote new economic opportunities. In Philadelphia, the University City area is combining its assets in teaching, research, and medicine to become a hub of innovation and entrepreneurship. As part of that effort, Drexel University’s Innovation Neighborhood project is developing 12 acres of underutilized land near 30th Street Station into a live/work/learn area. This neighborhood is adjacent to Mantua, the third most economically distressed neighborhood in Philadelphia. Backed by a federal “Promise Zone” designation for Mantua, Drexel is now working to create a new STEM-focused elementary and middle school that capitalizes on the wealth of nearby institutions, and is investing more in local public safety and retail corridors to improve opportunities and quality of life for local residents. In this instance, the market opportunity lends itself naturally to a neighborhood-focused intervention.

Truly comprehensive strategies can address the needs of lower-income places at multiple geographic scales. In the Chicago region, World Business Chicago’s Plan for Economic Growth and Jobs is advancing a series of strategies to enhance the region’s competitiveness. These include investments in priority sectors that are sources of good jobs, such as advanced manufacturing and transportation and logistics, boosting local firms’ access to global markets, and focusing workforce and higher education programs

on current and projected employment demand. Another of the plan's pillar strategies seeks to develop and deploy the assets of underserved neighborhoods in service of the overall growth plan. In that vein, economically struggling neighborhoods such as Greater Chatham on Chicago's South Side are assessing opportunities to connect local businesses to supply chains in high-growth regional manufacturing sectors identified by the plan. Similarly, municipalities across South Cook County that face high rates of poverty and economic distress have come together through the Calumet Green Manufacturing Partnership to support manufacturing competitiveness by matching firms with trained workers. And at the city scale, Chicago realigned its under-performing city colleges to prepare young people from many low-income neighborhoods for careers in one of the key sectors identified in the plan, and engaged private industry to help design curricula and provide internships and apprenticeships. Chicago is also poised to launch a new 16-mile Bus Rapid Transit line that will connect households along the line – 25 percent of which do not have a car – to two emerging industrial corridors, major job centers like the Illinois Medical District, and more than 100 educational institutions.

Place-based initiatives cannot, and should not, rely on the market alone to alleviate poverty in place. Complementary strategies to raise wages and benefits, or secure public health and safety, are equally critical. Ultimately, however, initiatives must engage with the market economy, which can provide a platform for sustainable poverty reduction. As funders and policymakers conceive place-based initiatives, they should also design their geographic target communities to match the market opportunities they believe are most promising for helping low-income residents.

Rich Ghettos/Poor Ghettos

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Since the 1980s, most discussions within the philanthropic community about the “urban crisis” or of what to do about “ghetto poverty” have missed the larger picture of economic inequality and the concentration of income, wealth, and political power. High-poverty places are part of a system of economic segregation that has resulted from business practices and government policies that embrace free-market ideas. This monograph reflects the narrow perspective on poverty that, with some notable exceptions, is how mainstream philanthropy (as well as many policy-makers and academics) look at these issues. That thinking focuses on the poor rather than on the super-rich, and focuses on geographic places rather than on the larger economic system in which those places are embedded. The report gives lip-service to the problem of widening inequality, but the prescriptions avoid any challenge to this reality.

Social scientists tend to study the “underclass,” but they pay much less attention to the “overclass.” The two are connected. That is a key theme of the book that I wrote with John Mollenkopf and Todd Swanstrom, *Place Matters: Metropolitcs for the 21st Century*. We recognize the power of place in shaping the lives and destinies of people, but our focus is not simply about the people who live in areas of concentrated poverty. We focus, instead, on the broader dynamics of geographic segregation by wealth, income, and race.

William Julius Wilson’s 1987 book *The Truly Disadvantaged* spawned a cottage industry of research devoted to understanding the geography of poverty and the consequences of living in areas of concentrated poverty (compounded by racial segregation). That research has led philanthropic funders to devote substantial resources to addressing poverty in specific geographic areas through “place-based” initiatives like the Harlem Children’s Zone.

But those studies, and those initiatives, have paid little attention to the dynamic of widening economic inequality of income and wealth, the proliferation of low-wage jobs, the excessive compensation of top corporate executives, and the growing geographic isolation of America’s wealthy living in urban and suburban enclaves.

Poor ghettos are the flip side of rich ghettos. Poverty is the flip side of super-wealth. The solution is shared prosperity, and that never happens without strong rules that limit market forces. It requires government – and government run by people who believe in the power of laws and rules to change human behavior, institutions, and society.

Few social scientists, foundation staffers, or policy-makers ask the kinds of questions that would address these broader issues: What are the consequences of living in areas of concentrated wealth? Who studies the lives of people in our wealthiest communities where the 1% (or, more accurately, the .01%) live? Why don’t foundations fund more research about the overlapping networks of corporate board members and the decisions made by top executives that have devastating impacts on the entire society, including middle-class and low-income people and their communities? Why don’t more social scientists explore the “culture of the rich” to learn how their daily lives and routines make most (though not all) of them immune to understanding (or caring about) the consequences of their corporate decisions on the lives of the poor and middle class? During the past two decades, when advocacy groups were warning about the consequences of bank deregulation, why wasn’t there more research about the decisions of top Wall Street executives who caused financial havoc, recession, layoffs, the epidemic of foreclosures, and the harsh reality that millions of Americans are still drowning in debt with “underwater” mortgages?

American workers today face declining job security and dwindling earnings as companies downsize, move overseas, and shift more jobs to part-time workers. Place-based policies cannot address these major trends.

The solution is full employment with decent pay and benefits. Only the federal government has the capacity (and responsibility) to guarantee that everyone who wants to work has a job.

The explosion of low-wage jobs is not the result of workers having inadequate education or skills. Over the past two decades, both education levels and skills have improved, but incomes have nevertheless stagnated.

This troubling trend is due, for the most part, to the declining bargaining power of America's employees, a result due in large part to the explosion of union-busting by big corporations and the decline of labor union membership.

What to do? Just three years ago, the idea of a \$15/hour minimum wage was also considered a crazy notion. But in 2014 Seattle passed a citywide minimum wage at that level. This "radical" idea has now become almost mainstream. In a growing number of cities, local elected officials are proposing similar policies. The dramatic change in so short a time didn't happen by accident. It is the culmination of years of grassroots activism, changes in public opinion, and frustration with the political gridlock in Washington.

We need foundations to fund organizations that mobilize people to challenge corporations that pay low wages, spew pollution, engage in predatory lending, and profit from slum housing.

Predictably, when activists propose policies to raise wages, increase taxes, or regulate business practices – like the Community Reinvestment Act, or inclusionary zoning laws, efforts to require companies to reduce spewing of dangerous toxins into the environment, or paid family leave – corporate lobbyists and their consultants-for-hire warn that these policies will scare away private capital, increase unemployment, and undermine a city's tax base. In the 1990s, they warned that local "living wage" laws would kill jobs. Now they're saying the same thing about municipal minimum wages.

Why aren't foundations funding research to challenge the propaganda campaign waged by big business against policies that would require corporations to be more socially responsible?

America is now in the midst of a new Gilded Age with a new group of corporate Robber Barons, many of them operating on a global scale. Like its predecessor, this new Gilded Age is characterized by a frenzy of corporate mergers, widening economic disparities, a proliferation of low-wage jobs, and deteriorating social conditions. America today has the biggest concentration of income and wealth since 1928. Meanwhile, the American Dream – the ability to buy a home, pay for college tuition and health insurance, take a yearly vacation, and save for retirement – has become increasingly elusive.

The obvious question confronting America is what role, if any, government should play in setting standards and rules for those corporations and their stockholders, taming their abuses; stimulating the economy to boost and sustain private economic growth; providing or helping people afford education (both K-12 and college), health care, child care, and retirement savings; and protecting the environment and public health from the dangers and damages of pollution and by the corporations that profit from our dependence on fossil fuels.

America seems to be holding its breath, trying to decide what kind of country we want to be. We seem to be at one of those crossroads moments when attitudes are rapidly shifting and significant reform is possible. Americans are upset with widening inequality, the political influence of big business, and declining living standards. Public opinion is generally favorable toward greater government activism to address poverty, inequality, and opportunity. But public opinion, on its own, doesn't translate into public policy. It has to be mobilized.

That's what movements do. Can a coalition of conscience can take advantage of the new mood in the country, which has created openings for unions, community organizations, environmental justice advocates, faith groups, and fair-minded elected officials to promote a growth-with-equity agenda? They are up against enormous odds. They need more resources to build movements and issue campaigns that can win real victories that change public policy, improve people's lives, and change institutions.

Social justice philanthropy has a long and valuable tradition in the United States, but it is still a marginal part of the foundation world. If philanthropists want to help create a more humane, fair, and democratic society – and reduce poverty – they should support the many organizations and activists that are building a movement for shared prosperity.

The Post-Initiative World

*Jennifer S. Vanica
VanicaCummings*

The Landscape

Chapter 3 of this monograph describes a landscape of philanthropic and political responses to disinvested neighborhoods in which the pendulum has swung from separating people from their historical communities in order to change the place, as with urban renewal, to defining the people who live there as consumers of social services in order to change the people, to dual strategies that help foundations and public officials discover “levers” and “proof-points” in neighborhoods while also working regionally or nationally to influence markets and change place-conscious policy.

In changing the trajectory of a disinvested community, those of us in the foundation sector have known for a long time that incremental strategies and isolated projects are not enough, so it is good to see that in the debate about whether to focus nationally on large economic forces, regionally on metro-level policy, or at the neighborhood level where people live and act, that the field has moved to the answer: “Yes, yes, and yes. All of the above.”

As this inquiry scans the landscape of the field, it summarizes the array of strategies philanthropy and government formed in the initiatives we launched, the theories we tested, the resources we braided, the cross-sectoral approaches we integrated, and the hard-earned lessons we amassed. But as we enter this new “post-initiative world,” what isn’t fully addressed is the fundamental role and relationship between philanthropy and the communities it seeks to engage.

Fourteen years ago, Sandra Jibrell from The Annie E. Casey Foundation, in a Chapin Hall report on the core issues of power and race in place-based initiatives, noted: “As a group, funders of comprehensive community initiatives have to undergo significant shifts in both the assumptions that we hold and in our behavior, if we are to be effective catalysts for the level of change that we envision in distressed communities.” Her poignant self-reflection highlights our inclination toward “being the ultimate expert and authority” on most topics and issues and our tendency to marginalize the communities that we work in, “regarding them as ‘sites’ in a traditional treatment modality, rather than communities of people with the same needs and aspirations that we have.”⁶

Sandra was asking, as were many of us who were leading place-based work at that time, how do we as foundations achieve a level of mutual trust and respect that would allow us to work together with people in communities on a shared commitment to change? We envisioned a different inside-outside way of coming together that was neither top-down nor bottom-up. We believed that local efforts would naturally link, as people hit barriers and had to address them, across sectors and regions or through public policy. We envisioned that we would expand our internal capacity to embrace people in communities as citizens, and not clients, and to advance deep and open dialogue on race and class, power and control. We believed that resident voice wasn’t necessary for “pragmatic” reasons, situational to capacity, but rather as a matter of principle – precisely because of the legacy of poor public policy that demolished neighborhoods, relocated businesses, devastated cultural communities by cutting freeways through them, and displaced people.

Over the last 30 years, there have been many daring teams which undertook community initiatives to connect people and place, to forge market-based strategies for social change, and to grow the community-building field. These people took us beyond the debate about whether or not residents who lack expertise should have a voice, whether their involvement can or will derail our models, whether or not it is burdensome or difficult to get beyond “window dressing” and tokenism. Residents as the primary partners in place-based work became deeply rooted in our values.

⁶ Brock Jibrell, Sandra (2000). “Changing Foundation Assumptions and Behavior,” *Core Issues in Comprehensive Community-Building Initiatives: Exploring Power and Race*, Chapin Hall Center for Children, Chicago: University of Chicago, p. 79-80.

Looking Back

For 20 years I led a place-based foundation headquartered in San Diego's southeastern neighborhoods. We worked with teams – across disciplines, sectors, cultures, and generations – to bring the community its first full-service grocery, build a science institute for young people, create jobs, restore a toxic waterway, support entrepreneurship, and improve public safety. During that time, I came to believe that the biggest reason why community change that addresses the complex underlying conditions of disinvestment doesn't happen is – it's hard. It's hard to step out of norms. Hard to change the ecosystem of how funders, nonprofits, and residents in communities interact. Hard to change the power dynamic of money. Hard to let go of control. And, hard to stay the course when things get hard or messy. But these are the challenges we must embrace to create enduring change.

We believed, as Peter Block so eloquently articulates in his work, that we stay stuck when we see our communities as problems to be solved. “We call for better programs, more expertise, more funding, better leadership, stronger consequences, and more protection. We are committed to trying harder at what is not working.”⁷ Every time something goes wrong, we want someone or something to blame – leaders, laws, oversight, while “restoration comes from the choice to value possibility and relatedness,” our willingness to connect to each other, changing the conversation from fear and fault to creating something together.

Building resilient communities requires us to envision and expect something different in our collective future, bring our gifts and talents to the table, share our stories, work in relationship, and act as responsible citizens. Without clear values and principles of equity and inclusion at the forefront, what feeds resiliency is lost.

When a woman in a community meeting said her grandmother used to say, “don't do about me without me,” it spoke volumes about the importance of these underlying values in place-based philanthropy and public policy. Not only are we losing the greatest tool we have at our disposal – the wisdom, experience, and creativity of people on the ground in their own neighborhoods – but we also run the risk of repeating the great damage that has been done to residents and their neighborhoods when we make decisions without them.

In looking back on the “Market Creek experience,” as the southeastern San Diego neighborhood residents called the community and economic development work we did together, I've asked myself why thousands of people came every year during my tenure to be surrounded by its power. It was because a community partnership was forged on the guiding principle of ownership – the belief that people who are deeply engaged make a commitment to action and own the approach for moving forward. When people own change, human creativity is unleashed, relationships are nourished, dreams are nurtured, and people easily step into personal and collective responsibility for change.

What visitors experienced at Market Creek was the power and capacity of people to step into a different future, a future that is fundamentally about inclusion, creativity, and empowerment: One that honored all voices, regardless of income or education; one that thrived on a sense of abundance that was achieved through the power of participation; and one where the richness of our relationships took the work from feeling heavy and hard to innovative and inspired.

The Power of Participation

I learned about the power of participation in the early 1990s from the Institute for Cultural Affairs (ICA). ICA had been working in communities around the world for 40 years. Through practical experience and applied learning, they had developed and refined a set of integrated methods and a masterful approach to fostering participation, enhancing collaboration, and enabling groups to think and plan together across differences.

About the time we were starting our foundation's place-based work, ICA released a multi-site evaluation on the impact of participation on agriculture and health in rural Kenya. In the report, Mary D'Souza wrote: “When the will and motivation of village people are invigorated through grassroots participation, villagers find the ways to feed their children, build their roads, educate their families, and save their land.”⁸

⁷ Block, Peter (2008). *Community: The Structure of Belonging*. San Francisco: Berrett-Koehler Publishers, p. 39.

⁸ D'Souza, Mary (1998). “Participation: Key to Human Resources Development,” Brussels, Belgium: The Institute for Cultural Affairs, p. 7.

What she experienced was the power of people to solve their own problems when a platform is offered for them to come together and work on issues of common concern. The villagers, having a stake in solving one problem, solved many.

In her research on the impact of participation, Mary D'Souza went on to write: "Too often [citizen participation] is seen as a low priority, thus becoming a 'good idea' added to some major, 'hard' or macro project. Too often it is pushed to an afterthought, causing the local participation factor to be viewed as more trouble than it is worth."

Practicing the Technology of Participation (TOP) for nearly 20 years, I came to understand that in our search for "hard" outcomes, we have failed to address the most important factors in human resiliency: relationships and people's belief that they are capable, creative, and resourceful. By pre-determining the program design that will be used to address an issue, we have wasted the creativity of people to address the issues in front of them.

In Bill Staples' masterful book, *Transformational Strategy: Facilitation of TOP Participatory Planning*,⁹ written 20 years after I first experienced the "happening" of the power of participation, he traces the history and evolution of the TOP process from early theorists in social psychology and organizational development. In the book, he shares how early TOP practitioners were highly influenced by Victor Frankl's 1945 book, *Man's Search for Meaning*, noting that the development of these methods wasn't "merely as a way to increase productivity or efficiency, or even as a better way of getting things done, but rather as a way for people to take control of their lives and to transform the external situation in which they found themselves."

An Uncompromising Commitment to Inclusion

In the work of community change, the Market Creek teams needed a planning process that could get at the underlying and unspoken barriers in the way of the future they envisioned. Who defined these barriers mattered, and the workshops needed to leave room for multiple realities. They could be challenging or even painful, but naming the barrier together provided the doorway to healing, hope, innovation, and change. This was a different kind of action planning. This was not about getting from point A to point B. This process gave people space and time to surface issues and bring them into view. It helped people get beyond hurt and blame, break down resistance to change, and embrace the opportunity to give strategic focus to achieving the a new vision of the future.

The "magic" of Market Creek – as visitors who had spent a day with the resident teams would always call it – grew directly out of the broad definition of "stakeholder" and the intentional and uncompromising commitment to inclusion. These cross-cultural teams ranged in size from 25 to 125 and worked in multiple languages. They reported to the larger community through quarterly town hall meetings involving 400 to 500 community residents who set the agenda for the next round of teams to be launched.

As I look back on our experience, there were four key reasons why broad participation at this level of inclusion was essential: new ways of thinking required new voices; our greatest resource was the diversity of people's experience and points of view; ownership and responsibility for change needed to be shared to be sustained; and the planning and decision-making process needed to stand on principle and model the future we hoped to create.

1. New ways of thinking required new voices.

Albert Einstein has a well-known saying: "You can't solve a problem with the same consciousness that created it." To let go of old arguments, old patterns, and old ways of thinking, we needed new voices at the table. Our role, we discovered, was to get people – including ourselves – to see the world in a new way, open ourselves up to new risks, and think freely about new ways to do the work of community regeneration together. For goals to be met by growing groups of people taking inspired action over time, we needed a broad cross-section of the community in the room, actively engaged – not passively trying to implement what they weren't involved in planning. Because we needed to break down fear, build trust, and affirm that all people are gifted, creative, and capable, broad civic action was essential.

⁹ Staples, Bill (2013). *Transformation Strategy: Facilitation of TOP Participatory Planning*, Bloomington, IN: iUniverse.

2. *Our greatest resource was the diversity of people's experience and points of view.*

We knew we couldn't staff our way out of the complex and interconnected issues our disinvested community faced. There was not enough grant money or governmental support for this to be the only way we thought about approaching the entangled network of issues that plagued this historically disinvested area. Without large-scale civic involvement woven into a web of connections capable of bridging the boundaries that divided us, we knew we would never achieve what was truly possible. That required the participation and ownership of strategic action by ordinary people – in large numbers. Working across disciplines, sectors, areas of interest, cultures, and age groups required a high level of respect for differences, and those differences are what helped us see in our blind spots and kept us constantly challenging old assumptions.

3. *Ownership and responsibility for change needed to be shared to be sustained.*

Broad participation distributes the work and gives everyone in the ecosystem responsibility. When people make plans, they care about them, and when they care about them, they can implement them. Throughout the ecosystem, people needed to be involved, valued, and voice what they really believed was standing in the way, so that all stakeholders' ideas could be combined in a way that achieved economy of effort and leveraged action. This rode on all stakeholders sharing decisions, building systems of accountability to each other, acquiring and managing resources, and developing a love for learning. Culture might eat strategy for lunch, but when it comes to inspired action, participation feeds ownership and ownership continues to feed change.

4. *The planning and decision-making process needed to stand on principle and model the future we hoped to create.*

Last but not least, we knew that if our goal was to achieve a society that is inclusive, embraces differences, is built on a foundation of dignity and respect for all, and can tap people's gifts and talents, we needed a process that was uncompromising in reflecting these values.

Looking Forward

In looking forward to our “post-initiative world,” we will move the needle on social change if we are willing to model the values we want to see in the world, risk working in partnership, and respect broad resident voice and civic participation.

Goals for employment and equitable contracting can be achieved if cultural networks intersect with community-based organizations that connect to employers who are working with community developers. Civic action will escalate if residents own a piece of their own block as a collective investment, alongside of foundations, banks, and other investors. Land planning will improve if mothers who walk their children to school participate. Neighborhoods will be safer if residents connect and build – not just safe pathways to school for their children – but relationships with law enforcement, who have relationships with OGs, who care about getting young people into jobs.

In this post-initiative world, we must no longer debate resident engagement as essential, but see it as a first step toward the ability of people to come together and create a future in which people thrive, utilize each other's gifts and talents, take collective and inspired action, and seize opportunity.

We must define residents as citizens who are capable of taking charge of change in their own lives and in their communities, and help them build an infrastructure to support and sustain that civic action, not as a touchy-feely idea that just happens to be getting better results, but because we are bold enough to stand on principle. Inclusion starts with us. Appreciating differences starts with us. Being willing to have our own world-views challenged and changed starts with us.

Do we need teams working at the national, regional, and local levels? Yes, yes and yes.

But meaningful and lasting change depends on the whole ecosystem working in direct relationship, staying open and real, embracing each other as people and not roles, contributing to a can-do spirit, embracing the challenges of change, and living out the values of involvement, inclusion and empowerment.

We need to practice walking around in the future we envision. Why wait?

From Local Change to Systems Change: Linking the Narratives

Anthony Iton
The California Endowment

Our national ideal, the American Dream, asserts that every person enters this world with equal potential for a long, healthy, and productive life. And yet, reality is a dramatic departure from this ideal. Babies born into East Oakland families and into the more affluent Oakland Hills families, a couple miles away, enter into this world with equal potential but not equal opportunity. As a result, East Oakland parents are burdened by the reality that their baby's life is expected to be 15 years shorter than that of the Oakland Hills' baby. No parent should have this burden.

We know everything we need to know about why place matters for health and how to eliminate these unconscionable inequities – ensure everyone has access to healthy food, clean air and water, affordable, reliable transportation, a job with benefits, stable housing, quality childcare, high performing schools, quality healthcare, invest in arts, culture, and healing the wounds etched by centuries of oppression, and so on. Despite this knowledge, the life expectancy gap persists and is even widening. As a society, we consciously fail to make proven investments that increase the odds that all babies will realize their inherent potential. Instead we leave children in East Oakland and scores of other urban, suburban and rural communities to essentially fend for themselves against long odds. This societal negligence exacts a heavy cost in incarceration, foster care, welfare, and health care. This is not the American Dream.

Our national stories about who matters and who is expendable – stories honed over the course of our nation's history – drive public discourse and shape public policy. The stories we tell become the communities we live in, determining which communities share in the prosperity and which shoulder the burdens that are the collateral of our interconnected neighborhoods, cities, regions and the world. If the vision behind place-based initiatives is to transform our communities so that everyone, regardless of their home address, has a fair chance in life, then at the heart of these initiatives must be a concerted effort to change the stories we tell about our communities and the people in them.

This response briefly discusses the importance of “shared narratives,” specifically in relation to mobilizing large numbers of community residents towards shared goals. To deepen our impact, we must hook these hyper-local narratives into broader scale narrative change efforts. We need to overhaul the centuries old stories that brought us to where we are now and replace them with a new narrative grounded in values of societal responsibility and shared prosperity. Five years into The California Endowment's (TCE) Building Healthy Communities initiative, it is possible to say with certainty that narrative change, combined with the powerful tools of power building, collaborative efficacy, and policy change, is the secret ingredient to our success. I will illustrate with an example.

For those who are not familiar with Building Healthy Communities (BHC), it is a ten-year, \$1 billion place-based initiative launched in 2010 to advance statewide policy advocacy and communications that support community health, and to transform 14 of California's communities most devastated by health inequities into places where all people have an opportunity to thrive. At its core, BHC is aimed at disrupting the spatial concentration of poverty and poor health that is the legacy of redlining and the other legal vehicles our nation used to systematically devalue and discriminate against populations based on race, immigration status, gender, sexual orientation, disability status, and so on. The rules – or policies and systems – that shaped these communities are the prime target for change. Transformative and sustained change requires power. So that is where we started.

Having learned from many of the great thinkers whose ideas are shared in this monograph, we began with a sophisticated understanding of resident engagement, the common pitfalls, and how to keep the focus on building real power, including among youth, for neighborhood change. Rather than imposing predetermined priorities, BHC's official launch was preceded by a 12-month planning process that engaged over 24,000 people across the sites and produced 14 plans for community change as unique as the communities themselves. Those most adversely impacted by health inequities were and continue to be engaged in setting priorities, identifying upstream intervention points, and organizing for those policies and systems changes that will level the playing field. Those among us with extensive experience working

to improve health outcomes in the community setting – myself included – expected to see overlap across the communities in terms of the broad areas of policy change. And in fact, twelve discrete areas – what we call the “Transformative Twelve” – emerged. However, what we didn’t expect were the types of problems and solutions within each policy area that gained the most traction. This brings me to my narrative change example.

One cannot talk about neighborhood conditions and challenges without talking about schools – the quality, the safety, the engagement with parents and community, the relationship to property values and the ability to attract investment. Going into BHC, we anticipated that all of these problems would surface, and they did. But the issue that rose to the top was not among those anticipated: “school push out.” Young people and parents in site after site relayed stories of unfair and arbitrary detentions and suspensions that do more to put young talent on the path to prison than they do to create environments conducive to learning. They talked about receiving truancy tickets after arriving late to school because they had no transportation and missing entire school days rather than one period. Or they talked about being sent home for two days for being “defiant” because they dared to defend themselves to adults accusing them of such minor infractions as not wearing the school uniform correctly.

Schools in the BHC sites – and indeed across California and the nation – had criminalized behavior once effectively handled by principals and school counselors. A climate of harsh and automatic punishments began to take hold in the 1990s, as prevailing thinking supported “zero tolerance” for misbehavior as the only way to keep schools safe and increase student success. The movement for zero tolerance reflected broader movement from prevention and rehabilitation to punishment, as seen in the spread of “Three Strikes” laws and other criminal justice policies that resulted in an exploding prison population with little concomitant public safety improvements. A culture and practice of zero tolerance was so fully embraced in California schools that there were more than 2 million suspensions in just the three years before the issue became a focus for The California Endowment.

Taking on the entrenched school discipline practices required that youth, parents, and adult allies re-frame the public discourse to one in which there are no disposable students and every student’s success matters. With funding and technical support from TCE, youth across BHC sites combined stories, academic research, and data to show the extent to which suspensions were commonplace as a response to even minor misbehavior. They also showed that such zero tolerance policies had the most serious impact on youth of color, and that the practices harmed kids and increased educational inequities without leading to safer or more successful schools. By taking the focus off of punishing individual “bad kids,” the youth shifted the narrative to the school systems failing to support student success through the overuse of harsh and ineffective punishments. Additionally, by bringing youth together from across BHC sites, and providing statewide data on the issue, TCE helped the youth frame the issue as both local and statewide, validating local efforts and creating momentum for state-level policy change. Finally, TCE supported messaging research, which youth and adult allies used to frame and shape the debate. The research showed us that terms such as “zero tolerance” (which tested favorably), school push-out and school-to-prison were not the most compelling terms. Instead youth and adult allies used “harsh and extreme school discipline” to describe the problem, and framed the solution as “holding kids accountable with commonsense school discipline approaches that kept kids in school and on track for success.”

The young people’s message – shedding light on the persistent inequity, institutional racism in this critical system, and the need to put schools back on track for supporting all students’ success – hit a nerve. School districts across BHC have repealed zero tolerance policies and many are dedicating resources to restorative justice and other proven methods for resolving conflict and creating a school climate conducive for learning. School discipline hearings were held at the state level, prompting the passage of a number of school discipline reform bills. While there is still more work to be done at the policy and systems change level, the story we tell about school challenges and how to handle them has changed moving forward. We cannot give up on and push out children, regardless of race or income or immigration status. Every child matters.

In my role overseeing the work in our 14 Building Healthy Communities sites, I have the privilege of regularly witnessing the power of people joining together across generations, race, immigration status, gender, and sexual orientation – all of the things that can divide us – to create healthier neighborhoods for all. While the communities vary drastically in their needs and priorities, there is one common theme.

Every young leader I get to meet, every grandmother that patiently describes her struggle, is dreaming of a community where everyone matters; where no one is terrorized because of their presumed immigration status, no child placed on the track to prison, or any of the number of ways we artificially divide ourselves and assign value. We have learned a lot about how to structure place-based initiatives, how to support authentic and sustainable power building, the locus of change, and all of the mechanics of this work. Now we need to focus on the heart of the issue and create a new narrative based on inclusion where all of us matter and no one is devalued by virtue of the zip code in which they live.

The Importance of Resident Engagement in Place-Based Initiatives

*Denise McGregor Armbrister
Wells Fargo Regional Foundation and
Wells Fargo Regional Community Development Corporation*

In 2003, The Wells Fargo Regional Foundation embarked on a strategic planning process to help bring some structure and guidance to their grantmaking. During this process, the Foundation found that while many foundations were providing valuable resources in the area of community development, they were neither coordinated with other activities taking place nor informed by the needs of the neighborhood. As a result, the Foundation decided to focus its grantmaking in the area of comprehensive neighborhood revitalization by focusing its resources on the development of comprehensive, resident-driven neighborhood revitalization plans and the implementation of those plans. The fact that the plans are resident-driven is a key component of our grantmaking strategy. It is our belief that without the involvement and input of residents in the development of a neighborhood revitalization initiative, the project is less likely to be successful.

The Foundation saw this firsthand in the Cramer Hill neighborhood in Camden New Jersey. In 2003, Cramer Hill was embarking upon the implementation of a top-down neighborhood revitalization plan, which involved the relocation of hundreds of residents and the creation of upscale housing, a hotel and a golf course on the waterfront in Camden. Through the use of eminent domain, the City would acquire “prime” real estate, which was at the time inhabited by long-term residents, and sell it to the developer. This plan had been developed and presented by Cherokee, an out-of-town developer. When the plan was unveiled to residents there was significant protest by residents and other community stakeholders to the revitalization of the Cramer Hill neighborhood, so much so that there was a lawsuit filed and the plan itself was never able to be implemented.

After the failing of the Cherokee plan, the neighborhood residents, led by a community-based organization, decided to organize and develop their own plan for the revitalization of the neighborhood. The plan, with funding from the Wells Fargo Regional Foundation, was completed in 2007 and has been in its implementation phase since 2009 with no opposition from residents. This is just one example of how engaging residents will lead to a successful revitalization project in the neighborhood.

The Foundation strategy for resident engagement is very clear. All grantees who receive a neighborhood planning grant are required to do a systematic door-to-door survey of residents in their neighborhood. The survey is scientific and randomized and gathers data about resident perception of the neighborhoods. Along with the SuccessMeasures survey which is a product of NeighborWorks America, the Foundation also partners with NeighborWorks to provide grantees with a professional coach to help with administration of the survey and evaluation of survey results. In addition to the survey, all neighborhood planning processes are required to be led by a steering committee comprised of neighborhood residents and key community stakeholders. Lastly, the Foundation reviews any planning consultant contracts to ensure that the consultant chosen has a history and understanding of resident-driven planning.

Since utilizing a resident-driven strategy, Foundation grantees have indicated that though many of them have been providing community development or social services in their neighborhoods for years, this type of in-depth community outreach has brought a new perspective to the way they approach their work in the neighborhoods served. Many grantees enter a planning process with one understanding of the needs and concerns of neighborhood residents. Once neighborhood surveying, community meetings and organizing begins, the feedback provided sheds light on a completely different set of issues to be addressed.

In the East Ferry Street neighborhood in the Ironbound section of Newark, NJ, the Ironbound Community Corporation (ICC) has worked together with residents to address environmental justice issues that have plagued the neighborhood for years. ICC has indicated how critical the resident perception survey was to engaging residents in their community organizing activities. Prior to conducting the survey, ICC experienced difficulty in their attempts to connect with community members. After conducting their door-to-door survey the organization noted a marked increase in resident engagement and their understanding of community needs.

The East Ferry Street neighborhood suffers from significant pollution and environmental neglect due to its location. It is surrounded by major transportation ports on each side. As a result of ICC's leadership and resident voices being brought to the forefront, ICC has been able to leverage federal dollars to cut down on truck idling and traffic traveling through the neighborhood, which is a major contribution to the air pollution, as well as leverage municipal support to stop refuse dumping in the neighborhood. Furthermore, engaging residents exposes community assets that might otherwise go undiscovered. Through many resident-driven community development initiatives, new leadership emerges from among the resident base. Community development organizations are utilizing their resident engagement strategies to train leaders from the community who can organize residents to bring about change.

In the Walnut Hill neighborhood of West Philadelphia, The Enterprise Center CDC (TEC-CDC) has created the Community Leaders Program. TEC-CDC staff coach and support community leaders throughout the program, and every March there is an intensive two week training that focuses on five community concepts: effective communication, customer service, problem solving, community awareness and service leadership. These concepts are reinforced at monthly trainings from April to October. As part of the training, TEC-CDC connects community leaders to their neighbors and the broader community. Community leaders are trained to conduct surveys; provide timely, relevant connections to social services; extend the local outreach capacity of public education campaigns; and develop new initiatives to improve the neighborhood. They also receive a small stipend to take on these leadership roles in their neighborhoods.

All participants of the Community Leaders Program are required to plan and implement a service project in order to graduate from the program. A service project could be a neighborhood block clean-up, an educational workshop or a community event. This gives participants an opportunity to apply what they've learned and further engage the community. After completing the program, they have gained the knowledge and confidence to become true leaders in their community. The current head of the Community Leaders Program is a neighborhood resident and was a member of the initial cohort of participants who has since been promoted to run the program. It has had such success in West Philadelphia, that TEC-CDC has been training other neighborhood organizations in Philadelphia and Camden to implement the model.

Responsibly engaging residents in neighborhood revitalization means providing them a forum to get their voices heard, giving them the tools to move past grievances, and offering pathways to take actions that will lead to successful neighborhood revitalization.

SCALE OF INTERVENTION

The Case for Addressing Poverty One Place at a Time

Greg Giornelli
Purpose Built Communities

One particular quote in Chapter 3 of this monograph caught our attention: “tackling poverty one place at a time is a fool’s errand.” We disagree. For the last 50 years our nation has fought a war on poverty through “systems-level” policy, yet our poverty rate is little better today than it was when the War on Poverty started. It strikes us that the only fool’s errand would be to continue to address the complex problem of poverty by applying the failed top down, disconnected systems approaches of the past that focus on the symptoms as opposed to the causes of the problem.

Purpose Built Communities is led by a former mayor, a former city chief operating officer, a former city policy advisor and a former general counsel at a housing authority, and we can say with some confidence that reform at the systems level – whether they be schools, housing, or public health – is a less effective path to success than the focused efforts on neighborhood transformation. The scale of problems at the systems-level is simply too big; the institutions too bureaucratic; the politics too ingrained to allow for large-scale reform. Anything more than marginal improvement is unrealistic.

Neighborhoods of concentrated poverty trap people in swamps of multi-generational poverty. Dilapidated housing, high crime, failed schools, nonexistent wellness programs, the lack of high quality early childhood education – these are all at the heart of America’s poorest communities. If these neighborhoods remain unchanged, future generations are all but guaranteed to continue the cycle, even if a lucky few manage to escape. The science behind brain development, toxic stress and environmental impacts on long-term health all point to a direct connection between the conditions of concentrated poverty and inter-generational poverty. Both science and commonsense say the same thing: the conditions you grow up in have an enormous impact on your outcomes. You can’t solve inter-generational poverty without fundamentally changing America’s poorest neighborhoods.

Proponents of systems-level solutions will argue that there are too many poor neighborhoods and that trying to make changes one neighborhood at a time will take too much time. Is that true? How many of these neighborhoods are there?

Paul Jargowsky at the Center for Urban Research and Urban Education at Rutgers University estimates that in 2011 there were approximately 10 million people living in 3,400 urban Census tracts with poverty rates over 40 percent.¹⁰ These tracts average 3,000 residents each and are generally “clumped” together, forming impoverished neighborhoods of 10,000 to 15,000 residents. Using that math to generalize across the country, there are approximately 1,100 highly distressed neighborhoods in our metro areas.

While 1,100 neighborhoods is a lot of neighborhoods, it is important to remember that Purpose Built Communities alone has projects underway in ten of those neighborhoods and has initiated efforts in another 20 to 30. Imagine what a nationwide effort could achieve if properly led and resourced.

Assume for a moment that a neighborhood revitalization effort of the scope and scale that Purpose Built Communities leads was directed at these 1,100 neighborhoods. Further assume that \$200 million is needed for each neighborhood to deliver the mixed-income housing, cradle-to-college and community wellness solutions that we suggest is needed to transform these communities. The total one-time cost of this effort would be \$220 billion.

That sounds like a lot. But consider this: \$220 billion is less than 6 percent of the total annual federal budget. The federal government already spends over \$500 billion on poverty-related programs each year. If you add state and local funding, the annual total exceeds \$1 trillion. A one-time time investment of \$220 billion that would fundamentally transform the worst pockets of multi-generational poverty in this

¹⁰ Jargowsky, Paul (2011). “Concentration of Poverty in the New Millennium: Changes in the Prevalence, Composition, and Location of High-Poverty Neighborhoods.” A Report by The Century Foundation and the Center for Urban Research and Urban Education at Rutgers University.

country strikes us as a relatively modest investment. As a point of comparison, the U.S. Department of Housing and Urban Development (HUD) has spent more than \$1 trillion over the nearly 50-year life of the agency; if they had dedicated those funds simply to buying rental housing, they would own more than one-third of the existing rental stock in the country by now.¹¹

This is not to say that local, state and national policies are unimportant. Of course they're important. But it is hard not to be skeptical given the track record. A half century of experience would suggest that systems initiatives are either wrong-headed (e.g., urban renewal, public housing) or focused on providing relief rather than attacking root causes (e.g., income support, food stamps, Medicaid).

Truly transformational change can happen at the neighborhood level. While no one can point to a single urban school system that has been transformed into a college factory, there are hundreds of examples of neighborhood schools that regularly send almost all their graduates to college. The scale of the neighborhood makes these problems solvable.

A place-based approach also has the advantage of addressing issues at the level at which people actually live their lives – in neighborhoods. The urban attributes that we all aspire to create and nurture in our cities – walkability, access to green space, cultural vitality – all are experienced by our residents largely through the neighborhoods they inhabit. The quality of peoples' lives is directly a consequence of the quality of the neighborhood environment within which they live. While this may seem obvious, it is surprising how many public policies are adopted at the local, state and federal levels that do not consider neighborhood impacts at all.

Attacking poverty through neighborhood-based revitalization is far from a fool's errand. Indeed, all things considered, it's the most compelling approach we've tried. At Purpose Built Communities we have 10 examples of how it can work: a holistic set of housing, educational and wellness programs, with local, private sector leadership, an emphasis on accountability, and reliance on market forces to propel and sustain neighborhood revitalization. There are other successful place-based models out there, too. We share one central conceit: rather than being prisons of poverty that kids seek to escape, neighborhoods should be their launch pads to prosperity.

¹¹ See: Mark Calabria's chapter, "Rules, Not Resources," page 294, in *Investing in What Works for America* (2012). The Federal Reserve Bank of San Francisco and Low Income Investment Fund.

Place-Based Philanthropy in Rural Settings: Increasing the Potential for Whole-Community Change

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We begin this response by underscoring the “defining insight” insight of Chapter 3, namely that localized community-change efforts need to take account of larger trends, forces and policies. Most place-based poverty-reduction initiatives operate within urban neighborhoods. Investments are targeted toward improving the physical, economic and social infrastructure within the neighborhood, while at the same time seeking to increase civic engagement, leadership, capacity and political power among local residents. As is pointed out, these neighborhood-specific change efforts need to take account of the larger ecosystem within which the neighborhood is nested. Regardless of how much energy, resourcefulness, creativity and strategic thinking that local residents bring to the initiative, an impoverished urban neighborhood is unlikely to transform itself solely through localized change-making efforts.

Foundations that have experimented with place-based initiatives have come to realize the limitations of operating solely at the neighborhood level. Also noted in Chapter 3 is that this recognition has led to initiatives, such as The California Endowment’s *Building Healthier Communities*, that include not only local grantmaking and capacity building, but also education and advocacy to change policies and systems at the state and national levels.

Along these same lines, we recommend that place-based initiatives adopt an expanded definition of “place,” one that extends beyond specific neighborhoods of interest to encompass the entire city or town within which those neighborhoods reside. At their core, place-based initiatives intend to generate more functional and productive actions, decisions, attitudes and relationships among local actors (individuals, organizations, institutions, etc.), while also improving the environmental, political, social and cultural conditions that support health and prosperity. Although place-based initiatives have typically applied a neighborhood-level lens in stimulating community-change, this is an artificial constraint. Foundations can structure their initiatives in ways that reach out to actors at more macro levels of the community, including civic leaders, business leaders, nonprofit organizations, government agencies, clergy and progressively-oriented residents who have values aligned with the foundation’s intent. The expectation is not so much that these larger scale actors will focus their attention on specific low-wealth neighborhoods, but rather that they will play a role in creating social, economic and political change on a community-wide basis.

This “whole-community” approach to place-based philanthropy is admittedly challenging in large urban communities. The dollars that foundations – even major foundations – can make available for these initiatives will inevitably appear small relative to the total budgets of city agencies and metro-wide nonprofit organizations. Moreover, the foundation may find itself competing with a multitude of other change-oriented actors already operating in the urban landscape.

The dynamic can be very different in rural communities, and this may be precisely where place-based philanthropy is best suited. The prospect of six- or seven-figure grants will readily attract the attention and fuel the imagination of people throughout a rural community. More importantly, small towns and rural counties are more naturally suited for community-wide change than are urban or suburban communities. First off, the smaller population makes it easier to engage a critical mass of people and organizations in a large-scale change effort. Second, rural communities tend to be less socially segmented than are cities. Residents of different social and economic classes interact in a variety of social and business settings on a daily basis (e.g., commercial transactions, school functions, sports leagues, civic clubs, churches), which facilitates the diffusion of new ideas, conversations, networking and working together. This smaller scale and personal interaction also makes it easier to gain community-wide alignment around priorities and solutions. All these factors suggest that it is easier in rural than urban settings to achieve a “whole-community” shift in conditions, attitudes, knowledge and ways of doing things.

We have in fact begun to see the wholesale transformation of communities within *Healthy Places NC* (HPNC), a place-based initiative that focuses exclusively on rural, economically challenged counties.

HPNC was launched by the Kate B. Reynolds Charitable Trust in 2012 with the intent of improving community health in up to 15 of these counties across North Carolina. Under the initiative, the Trust has committed at least \$100 million in grants over 10 years to support locally defined health-improvement projects and various forms of individual and organizational capacity building.

The core strategy of HPNC involves activating and supporting a broad range of people and organizations to carry out new work that addresses the community's critical health issues. Rather than asking a group of local leaders to come together on the front end and develop a strategic plan, HPNC begins by sending the foundation's program officers into the community to find people who have an interest in taking action to improve health. Recognizing that a community's health depends on broader economic and social conditions, the foundation looks well beyond health-care institutions and health-related agencies. Especially in rural communities, health is everybody's business. Accordingly, program officers spend considerable time on the ground (6-8 days per month) meeting with representatives from a variety of nonprofit and governmental organizations as well as unaffiliated residents interested in the health and well-being of their community. The program officer's task is to learn about local conditions and issues, while at the same time stimulating new thinking and action – by listening to residents' ideas for what could happen in the community, encouraging them to pursue promising ideas, offering up the prospect of grants, prodding deeper thinking, suggesting connections and partnerships, and bringing in others who might be useful in moving an idea forward. Organizations such as the Center for Creative Leadership provide targeted leadership development programming for established and emerging leaders who are playing key roles in carrying out and growing the work. This training focuses not only on building the personal capacity of participants, but also on strengthening organizations and networks (network leadership is a special area of emphasis).

Under HPNC, grants serve both as a form of enticement and a means of testing out new ideas. The program officer maintains a close working relationship with the funded groups to promote learning and to encourage deeper and more strategic projects, which in turn are supported with subsequent rounds of grantmaking. The initiative also encourages cross-sector partnerships that transcend the silos and segregated thinking that are all too common within institutions.

HPNC is still a young initiative. The Trust identified the initial three counties two-and-a-half years ago and added a fourth county a year later. Despite the relatively short time frame, it is possible to find signs and harbingers of whole-community change. A simple but telling indicator is the number and variety of competitive grant proposals that organizations in each of the participating counties have submitted to the Trust (between 10-20 grants funded in each county). Prior to HPNC, these four counties were largely absent in the Trust's funding portfolio. One of these counties actually had a reputation among funders in the state as a place to avoid making grants, but under HPNC has made considerable progress on multiple grants and has advanced to larger and more comprehensive strategies for increasing physical activity.

Broader forms of progress are also evident in the initial cohort of HPNC counties. An independent evaluation carried out by a team at Duke University interviewed approximately 15 key informants in each of the first three HPNC counties to assess initial effects stemming from the Trust's investments and activation work. Interviewees consistently reported that they were observing new partnerships, expanded networks, increased capacity, more "sense of possibility," and the building of community-wide momentum to improve health (i.e., greater will to act). The Duke team is surveying larger samples of residents in each HPNC county in order to assess more directly whether and how people are changing (e.g., attitudes, propensity to act, leadership activities) and how networks are expanding.

One of the promising early results from HPNC is broad, diverse engagement in the business of community change. Established institutional leaders (e.g., elected officials, town managers, hospital executives, YMCA directors, community college presidents, and heads of chambers of commerce) have worked together and within their own domains to design and carry out major new projects. We have been particularly pleased to see that city officials have not tried to act as gatekeepers to control how the Trust's grants are expended, but instead have used HPNC as a platform to enter into broad, open-ended conversations to explore what else might be done to improve community health. At the same time, residents who have never done work along these lines are finding their way into these efforts and taking the initiative to develop their own ideas into viable projects.

In other words, we are beginning to see transformation at a “whole-community” level. These effects might be due to the peculiar place-based strategy embodied in HPNC. But we also believe that we’re observing the huge benefits of doing place-based work in rural settings. Whereas neighborhood initiatives have struggled to engage key actors from the larger ecosystem, HPNC is reaching and influencing a broad range of stakeholders. Capturing the attention and imagination of actors at all levels of the community is an essential condition for success in any place-based initiative, rural or urban.

Tackling the Causes of Neighborhood Distress Through Place-Conscious Strategies

Margery Austin Turner
The Urban Institute

Chapter 3 of this monograph gives insufficient attention to the structural forces that created and sustain neighborhoods of poverty and distress. And as a consequence, the *place-based* policies and practices it explores are too limited. Here I argue for a *place-conscious* perspective that tackles both the disinvestment and distress of poor (mostly minority) neighborhoods and the exclusion of poor people (especially people of color) from opportunity-rich neighborhoods.

Neighborhoods of concentrated poverty and distress are not the products of “natural” or “normal” housing market operations.

Instead, policies and practices caused their downward spiral and sustain their disadvantage. As Massey and Denton demonstrated, discriminatory policies and practices confining African Americans – who were markedly more likely than whites to be poor – to a limited set of neighborhoods produced communities with much higher poverty rates than existed in white communities.¹² Subsequent job losses and rising unemployment pushed poverty and isolation in many central-city black neighborhoods even higher. These poor, minority neighborhoods were also starved of the resources and investments that communities need to thrive, such as financing for homeownership, business investment, and essential public-sector services, including well-resourced schools. Non-poor families fled these neighborhoods, further raising the poverty rate and accelerating disinvestment and distress.

Today, although blacks and Hispanics are less starkly segregated from whites than they were in the past, ongoing racial and ethnic segregation combines with rising income inequality to sustain neighborhoods of distress.¹³ Most high-poverty neighborhoods are predominantly black and/or Hispanic, while poor whites (and Asians) are much more geographically dispersed. And when blacks and Hispanics move, they are less likely than whites to escape high-poverty neighborhoods; they move either from one high-poverty neighborhood to another or from lower-poverty to higher-poverty locations.¹⁴

To achieve meaningful and sustainable change, we must tackle the intersecting problems of neighborhood exclusion and neighborhood disinvestment.

Too often, the goals of neighborhood transformation (aka community development) and inclusion (aka fair housing) have been pursued separately, with a different set of public agencies, advocates and practitioners devoted to each. Community development advocates and practitioners have focused on changing conditions within the boundaries of distressed neighborhoods by building and rehabilitating housing, improving community amenities, delivering needed services, and expanding jobs within the neighborhood. In contrast, the fair housing movement has focused primarily on breaking down the barriers that exclude people of color from predominantly white neighborhoods (where, for the most part, the schools perform effectively, the streets and parks are safe, and the environment is healthy). They have worked to combat discrimination against minority home-seekers by real estate agents, landlords, and mortgage lenders and to reform suburban zoning and land-use regulations that block the development of more affordable housing.

We need a next generation of strategies that *both* revitalize distressed communities *and* remove the barriers that exclude (or displace) people from thriving, opportunity-rich communities. The monograph focuses only on the first component, which – in my view – cannot fully succeed if the second is left unaddressed. I argue that we can bring these essential components together through policies and practices that are better described as “place-conscious” than “place-based.”¹⁵ This approach recognizes the importance of place

¹² Massey, Douglas S., and Nancy Denton (1993). *American Apartheid: Segregation and the Making of the Underclass*. Cambridge, MA: Harvard University Press.

¹³ Quillian, Lincoln (2012). “Segregation and Poverty Concentration: The Role of Three Segregations.” *American Sociological Review* 77 (3): 354–79.

¹⁴ Sharkey, Patrick (2013). *Stuck in Place: Urban Neighborhoods and the End of Progress toward Racial Equality*. Chicago: University of Chicago Press.

and focuses on the particular challenges of distressed neighborhoods, but is less constrained by narrowly defined neighborhood boundaries than traditional community development work, more attuned to region-wide perspectives and trends, and aimed both at improving people's quality of life and at expanding access to opportunities for families.

A place-conscious perspective highlights two particular opportunities for impact that much of this monograph overlooks.

1. Some neighborhoods may function effectively as “launchpads” for low-income residents, even while remaining poor.

Traditionally, place-based community revitalization initiatives have reflected an implicit vision that a neighborhood should function as an incubator for its residents – especially its low-income or otherwise vulnerable residents. The theory of change underlying this approach is that investments in neighborhood programs and services provide the supports that low-income families need to thrive as well as the amenities that make them want to remain in the neighborhood as their circumstances improve. Simultaneous investments in community building strengthen social capital and civic capacity, further enhancing the well-being of individual residents and the vitality of the neighborhood. Over time, gradual improvements in well-being among residents reduce overall neighborhood poverty and distress levels (without displacement).

This is an admirable aspiration, but it is not the only possible vision for neighborhood success. Some neighborhoods may more effectively serve as launch pads for their residents, instead of incubators.¹⁶ Like an incubator neighborhood, a launch pad offers needed services and supports, enabling residents to advance economically. But as residents achieve greater economic security, they move on to more desirable neighborhoods, continuously replaced by new cohorts of needy households. Launch-pad neighborhoods would experience high mobility, and, even though many residents were making significant individual progress, the neighborhood as a whole might not show any improvement on indicators such as employment, income, or wealth. Past research suggests that neighborhoods that serve as entry points for successive waves of immigrants may function in this way.¹⁷

A city or region-wide place-conscious strategy might identify some neighborhoods that already function as launch pads – or have the potential to do so, and others that can become incubators. Then, neighborhood-level investments could be tailored to strengthen their performance, with an emphasis on improving outcomes for low-income families, whether they stay in place or move.

2. Helping families move to different neighborhoods – if they want to – should be part of a local place-conscious strategy.

Residential mobility can be a symptom (and a source) of instability and insecurity, with many low-income households making short-distance moves because of problems with landlords, creditors, housing conditions, or in response to family violence or conflict. But mobility can also reflect positive changes in a family's circumstances, such as buying a home for the first time, moving to be close to a new job, or trading up to a larger or better-quality house or apartment. High levels of mobility complicate the intended mechanisms of many neighborhood change strategies if substantial numbers of families leave before they have had time to benefit fully from enhanced services and supports or if they are crowded out by rising rents in a revitalizing neighborhood. One way to address these challenges is to try to reduce involuntary mobility among families living in a neighborhood who want to stay there. Indeed, helping families avoid unplanned or disruptive moves can play a critical role in their well-being and in the success of a neighborhood change strategy.

¹⁵ Turner, Margery Austin, Peter Edelman, Erika Poethig, and Laudan Aron (2014). *Tackling Persistent Poverty in Distressed Urban Neighborhoods: History, Principles, and Strategies for Philanthropic Investment*. Washington, D.C.: The Urban Institute.

¹⁶ Coulton, Claudia J., Brett Theodos, and Margery Austin Turner (2009). “Family Mobility and Neighborhood Change: New Evidence and Implications for Community Initiatives.” Washington, DC: Urban Institute.

¹⁷ Borjas, George J. (1998). “To Ghetto or Not to Ghetto: Ethnicity and Residential Segregation.” *Journal of Urban Economics* 44: 228–53.

In addition, however, place-conscious policies can and should offer assisted housing mobility options, giving low-income families the choice to move to neighborhoods that already offer safety, effective schools, decent public services, and private sector amenities. The best-known assisted housing mobility program is the Moving to Opportunity (MTO) demonstration, conducted by HUD in five metropolitan areas to evaluate the impact of relocation for poor families and their children.¹⁸ The evaluation concluded that, as a group, the MTO experimental families do enjoy significantly lower crime rates, improved housing, and better mental health than the control group but not higher employment, incomes, or educational attainment.¹⁹ One reason that MTO gains were limited to health outcomes is that the special mobility assistance provided by the demonstration did not enable the experimental families to gain and sustain access to high-opportunity neighborhoods. Experimental families moved to better-quality housing and safer neighborhoods but few spent more than a year or two in low-poverty neighborhoods.

New analysis finds that the MTO families that lived for longer periods in neighborhoods with lower poverty did achieve better outcomes in work and school, as well as in health.²⁰ These findings argue for investments in programs that help low-income families find and afford housing in well-resourced neighborhoods, including housing vouchers (accompanied by mobility assistance and incentives), but also targeted housing acquisition and construction programs to expand the availability of moderately priced rental housing in non-poor neighborhoods.

It's time to move beyond the tired dichotomy of "people versus place" and pursue strategies that tackle both the disinvestment and distress plaguing high-poverty neighborhoods and the barriers that exclude low-income people and people of color from neighborhoods of opportunity. We cannot afford to think of these as competing goals when in fact they are interdependent and mutually reinforcing.

¹⁸ Briggs, Xavier de Souza, Susan J. Popkin, and John Goering (2010). *Moving to Opportunity: The Story of an American Experiment to Fight Ghetto Poverty*. New York: Oxford University Press

¹⁹ Sanbonmatsu, Lisa, Jens Ludwig, Lawrence F. Katz, Lisa A. Gennetian, Greg J. Duncan, Ronald C. Kessler, Emma Adam, Thomas W. McDade, and Stacy Tessler Lindau (2011). "Impacts of the Moving to Opportunity for Fair Housing Demonstration Program after 10 to 15 Years." Washington, DC: U.S. Department of Housing and Urban Development, Office of Policy Development and Research.

²⁰ Turner, Margery Austin, Austin Nichols, Jennifer Comey (2012). *Benefits of Living in High-Opportunity Neighborhoods: Insights from the Moving to Opportunity Demonstration*. Washington, D.C.: The Urban Institute.

From Pilot to Policy: Bringing Place-Based Initiatives to Scale

Judith Bell
PolicyLink

Place-based initiatives are more than efforts to improve opportunity in low-income neighborhoods. They are also laboratories for learning what works in communities, incubators for solutions that can be adapted and brought to the scale needed to expand opportunity for all.

To fulfill this potential – to create sustainable, scalable solutions that erase deficits in opportunity and substantially improve the lives of low-income people – requires policy change. Thus, from their initial design to implementation to day-to-day operations, place-based initiatives must incorporate a plan for moving from pilot to scalable solutions to policy change, to reach population-level results. Place-based efforts must collect and track data, focus on results, and translate success into scalable policy. Equally important, they must use the data and focus on results to identify obstacles to success that can be removed through policy change.

Policies are statements of our values and they identify the goals we want to achieve. Policies shape systems, services, infrastructure, and practice, for better or for worse. Without a commitment to policy change rooted in equity, justice, and fairness, place-based initiatives may improve opportunities for several hundred or even several thousand residents, but the work will do little to remove the barriers that block millions more from participating in society – today and for generations to come.

We have all seen countless examples of neighborhoods working hard to address their challenges, but without a focus on data and results along with a commitment to policy change. Community organizations, residents, faith leaders, and philanthropists come together to provide services for youth, families, low-income seniors, the unemployed, or people returning from prison. But when we don't make the triple commitment to data, results, and policy, such efforts tend to remain small, or they languish as communities and constituencies struggle for funding, public recognition, and priority on crowded reform agendas in a nation that desires silver-bullet solutions.

As Chapter 3 of the monograph reminds us, the move from pilot to scalable solutions to policy, fueled by data and results, does not happen very often; certainly not as often as it should. However, over the last six years, place-based initiatives have expanded geographically, and in scope and scale. Most notably, the federal Neighborhood Revitalization Initiative has supported hundreds of place-based efforts across the country, with attention to robust data collection and analysis, a focus on results and outcomes, and requirements for meaningful community engagement.

These efforts include Promise Neighborhoods, Choice Neighborhoods, the Byrne Criminal Justice Innovation Program, the Sustainable Communities Initiative, and Promise Zones. Each starts from a particular frame, connected to the mandate of the sponsoring agency – e.g. education, affordable housing, violence prevention, sustainable and inclusive development – but requires a comprehensive approach that seeks equity impacts in low-income communities. All five initiatives build on earlier place-based efforts, incorporating lessons learned into their scale, scope, and approach.

Promise Neighborhoods emerged from the lessons learned over years of effort at the Harlem Children's Zone (HCZ). That successful effort wraps children in high-quality, coordinated health, social, community, and education support from cradle to career. HCZ asked our organization, PolicyLink, to help them translate their effective model into policy. The request was sparked when then candidate Barack Obama, in the 2008 Presidential campaign, began to discuss his plan to use the HCZ model to create Promise Neighborhoods across the country.

The success of HCZ comes through from its stories and its data. The organization is committed to success for every child. Although the model was designed to fit its community's unique circumstances, HCZ also had developed principles and practices that held huge value for low-income communities across the country. These principles and practices are what needed to be translated into effective federal policies and programs for children, youth, and families.

We (PolicyLink and HCZ) knew that communities did not want or need another program created from afar and imposed in cookie-cutter fashion. In our partnership with HCZ we did not seek to replicate the program but focused on distilling the model to discover the foundation and scaffolding – the elements of success that needed to be applied in all communities and embedded into policy. We also did substantial research and engagement with the field, testing and refining ideas.

We identified five key operating principles: 1) serving a community comprehensively and at scale; 2) creating a pipeline of solutions for young people from birth through college graduation and wrapping that pipeline in supports for families; 3) building a community among all the people and institutions involved in a child's life to create a healthy environment, with an emphasis on authentic community engagement; 4) evaluating program results and creating a data feedback loop for improving and refining programs; and (5) developing a strong culture of accountability. Subsequently, a “Results Framework” was developed with 10 results and 15 indicators to chart the pathways so that all children can reach their full potential.

Implementing these principles and the Results Framework successfully, in different communities across the country, requires disciplined execution with a laser-focus on results. Systems for data infrastructure and management are the critical foundation. They enable communities to find the pathways to success and track results. A variety of leaders, agencies, and neighborhood residents are engaged and committed, holding themselves and systems accountable for these results. Moreover, the data systems provide metrics to help tell the stories of Promise Neighborhoods across the country – how their work demonstrates the power of moving from pilot to scalable solutions to policy and illuminates additional policy changes needed to strengthen the pathways to allow all children to reach their full potential.

We included all these elements in the Promise Neighborhoods policy framework that we delivered to President Obama's transition team in late 2008, and they became the basis for the federal program. These elements also guided us in designing the Promise Neighborhoods Institute at PolicyLink (PNI), which serves as a backbone organization to support and amplify the efforts of local leaders and engages in education and advocacy to strengthen and sustain cradle to college/career efforts throughout the country.

PNI worked with community leaders and policymakers to move the federal program from initial demonstration support to implementation. Now PNI advocates for policies that support the scaling and sustainability of these cradle to college/career efforts. We have learned that even after a significant policy victory, advocacy must continue to expand and refine policy, secure additional funding, and sustain political and public support.

By collecting, aggregating, and analyzing data from Promise Neighborhoods around the country, a potent, visible community of practice and evidence of the effectiveness of cradle-to-career strategies is emerging. Such visibility and data-driven evidence are critical for translating place-based efforts into policy.

Collective impact provides the framework for moving from pilot to policy to population-level results. It acknowledges that the problems facing low-income communities are too big for one person, organization, or approach to solve. Rather, we need a collection of approaches and multiple partners across sectors, all focused on data, accountable for results, and committed to policy change.

The Promise Neighborhoods experience offers guidance to the field for moving place-based initiatives from pilot to scalable solutions to policy:

- Focus on results with indicators to measure progress;
- Develop shared systems for data collection;
- Specify team, system, organizational, and individual accountability for each indicator and result;
- Embrace community residents and families as full partners;
- Use data analysis to tell what works, and what doesn't, and respond accordingly;
- Nurture communities of practice to share and adopt lessons learned;
- Foster disciplined, dedicated, and accountable leadership; and
- Use data showcasing results and local leaders as spokespeople to make the case and advocate for scalable solutions and policy change.

Place-based initiatives must be alert to the ramifications for policy. We need to know what policies can support and advance the work, and what policies thwart it, and we must be determined advocates for policy change, however small or large. Even a seemingly minor policy change can have a significant impact on the lives of young people and families, and on the success of a place-based initiative. In one Promise Neighborhood – where children are assigned multiple identifiers as they move among schools, making it impossible to track their progress throughout their academic career – community leaders persuaded the local government to study better ways to follow students and assess their needs. In another community, the local school district has located staff in a family center within the Promise Neighborhood, so that social service providers and school district staff – formerly working in separate silos – can coordinate their efforts to help children, and do it under one roof.

This inquiry by The Center on Philanthropy and Public Policy and the Sol Price Center for Social Innovation at the University of Southern California has opened an important conversation about place-based work. It would be a mistake to abandon the work because past efforts have not always lived up to our high ambitions. Rather, let's use the lessons learned from those efforts, and from many successes on the ground, to inform and elevate our practice.

NEW TOOLS, NEW APPROACHES

New Tools for a New Time

Kerry Sullivan
The Bank of America Foundation

Many of us have been thinking about the 50th anniversary of the War on Poverty and where we are today as we emerge from the financial crisis. While some progress has been made, we are keenly aware that we continue to face enormous challenges in our communities and in our country. There is much more to be done, and more than ever it is critical to consider place-based initiatives and past models of excellence as catalysts for change in this new era.

Cross-sector partnerships and collaborative efforts were borne over the past few decades to address fundamental issues facing families – in particular, those in low-income communities living on the margin every day. Many of these partnerships were formed on the premise that if you tackle some critical needs at the neighborhood level, it would move the dial to creating economic health and stability in communities of need. The work at the neighborhood level was in large part a philanthropic approach: addressing the broader needs of the community and supporting efforts tied in economic development, education and basic human services. In most cases, private, community and corporate foundations came together and pooled philanthropic dollars to support leading community-based organizations in targeted neighborhoods. Investments were made to build an infrastructure within a neighborhood while also building the capacity of the organization and the expansion of services. Early place-based models really paved the way for the deployment of more “evolved” neighborhood strategies, where using an array of assets and allocation of resources, community indicators and data are all critical components to making an impact.

As a global financial institution with deep roots in the local communities and regions that we serve, we know that when we apply our resources, people and expertise to social issues, we can have a lasting and meaningful impact. Lending and investing, philanthropy and volunteerism are traditional assets that have been deployed to benefit communities. Bank of America has worked locally, regionally and nationally on place-based initiatives, and through these efforts we have collaborated with the public, private and nonprofit sectors to connect to the needs of neighborhoods. We have learned a lot from successful initiatives, such as the Harlem Children’s Zone in New York and Dudley Square Neighborhood in Boston, and from our own work as a founding partner of the Los Angeles Urban Funders, which created the America Block By Block (ABBB) initiative. As a result of what we’ve learned over the years, our role has evolved. Mainly, we’ve learned that place-based approaches are difficult to replicate. Also, while concepts often work, there rarely are enough dollars to bring these models to scale and, thus, transform a community.

A lot has changed since the early years of place-based work. Poverty has migrated beyond the inner city; it affects urban, suburban and rural areas, and the hardest hit are struggling with pressing issues of hunger, homelessness and unemployment. Most recognize that the needs of each community – both large and small – are unique. But to go further, we need to consider the whole person – the whole community – to make a meaningful impact.

Innovation, creativity and collaboration are vital to improving economic access and opportunity in struggling communities. Change also can be sparked by national solutions designed to set the wheels in motion locally. For example, the GreenLight Fund, which is active in Boston, Philadelphia and the San Francisco Bay area, focuses on issues affecting low-income children and families in those areas by importing innovative, entrepreneurial programs that can have a significant impact. The fund works with local residents to identify the greatest needs, searches nationally for nonprofits that are meeting those needs in other cities, and then awards grants to those nonprofits to bring their programs to the city.

We need to support and promote the expansion of innovative, transformative programs like the GreenLight Fund, and also look at other national strategies that have successfully addressed social issues. Through national service programs, individuals have volunteered and worked in poverty stricken communities for more than 25 years serving those with urgent needs, such as hunger and unemployment. Through our work in local neighborhoods, we’ve learned that to help individuals move out of poverty

and to improve the financial health of communities the long term goal should be creating something sustainable.

Providing access to benefits, financial coaching and asset building can create pathways to financial independence and stability. Last year Bank of America partnered with Points of Light and the Corporation for National and Community Service (CNCS) on the Financial Opportunity Corps, in which 20 AmeriCorps VISTA members joined nonprofits in 10 U.S. cities to help train volunteers to become financial coaches for low- and moderate-income residents. More recently, this year saw the creation of The Shriver Corps, a national service partnership by A Woman's Nation, CNCS, LIFT and Bank of America. Over the next three years in several cities, 20 Shriver AmeriCorps Fellows will enable LIFT to recruit thousands of volunteers to help people overcome poverty, improving communities across the country.

Clearly an evolution is underway. Cross-sector partnerships continue to have some success in connecting the government and philanthropic community to work towards common goals and social issues. But there is an opportunity to do more, have a greater impact and diversify the way we invest and collaborate to drive positive community change. Nonprofits are still struggling to make ends meet, and we can no longer look at philanthropy alone as their sole funding mechanism. Moving forward, we need to look beyond traditional approaches to place-based work and seek partnerships that explore new models, bringing in new tools and evidence-based programming. Connecting nonprofits to other tools and resources is imperative to their organizational sustainability and success. For example, social impact funds and Pay for Success/Social Impact Bonds are innovative approaches to addressing community needs that have both a social and an economic return on investment.

Ultimately, it takes both national and grassroots efforts to improve communities and help stem the tide of poverty. We need to stay on course when working on issues of poverty, but truly improving the lives of individuals and building stronger communities will depend on learning from historical efforts and applying that knowledge through a new set of tools.

Complexity, Comprehensiveness and Collaborative Capacity: A Recipe for Impact?

Salin Geevarghese

U.S. Department of Housing and Urban Development

After much policy development, program design, implementation and investment, at least one issue is clear – to me – when we think of creating more access to opportunity and addressing poverty: the dichotomy of people-based v. place-based strategies is false. As policymakers and practitioners, we have not customarily organized ourselves for improved results. We have gravitated toward policy silos, simple program prescriptions and silver-bullet solutions. Doing work this way is, quite simply, easier to grasp and pursue. While ease has appeal, ease should not be our goal: impact should be our goal. As chapter 3 discusses through the actors and approaches described, we recognize that complex issues require comprehensive solutions where collaborative capacity and collective impact strategies are used. Are we capable of impact when so much has to be contemplated and managed? I think so.

Poverty alleviation and place-based revitalization indeed involve complex issues. Our embrace of that complexity though has often yielded at least two distinct schools of thought. First, effective, enhanced service delivery can help people get out of poverty, and there is evidence to suggest that certain quality services (e.g., education, workforce development) do help create a pathway out of poverty. Second, poverty and place are inextricably linked so we focus on place-based revitalization and regional access to opportunity strategies to make sure the physical and social environment for people creates the best conditions for getting out of poverty. There is evidence to suggest that those strategies work. What these schools of thought belie is that the lives of poor people and high poverty neighborhoods are complex phenomena and that it is the interaction among these issues and strategies that is most important.

Throughout the tenure of President Obama's Administration, program and policy leaders have wrestled with this complexity and created a comprehensive suite of approaches that united people and place-based strategies together across a range of scales. Across the Promise Zones Initiative, Neighborhood Revitalization Initiative, Strong Cities, Strong Communities, and the Partnership for Sustainable Communities, each employed a framework that enabled leaders in communities to look at all strategies together. We have not avoided complexity but rather encouraged federal policy silo-busting to allow issues to be understood together: the effects of development on health outcomes, the challenge of housing stability on education attainment, access to transportation options and workforce development, the impact of residential segregation on economic mobility. We were not alone in the appreciation of complex, entangled issues; and, in fact, the federal government was likely late since many foundations already were in the struggle. Across policy and practice, our comfort is increasing with complexity.

Complex problems also typically require comprehensive solutions. Comprehensive solutions usually involve practitioners aligning and coordinating across various policies and program interventions for targeted populations. In fact, place-based efforts provide a great focus for this alignment and coordination: the place. The "place" provides the organizing point for comprehensiveness. How will a particular solution work for the target population in the "place," and how can other solutions be aligned for greater impact? What other conditions affect the success of the solutions in the "place"? As current place-based philanthropic efforts reveal, even those focused on service delivery have been attracted to the notion of place. However, some look at past comprehensive community change efforts and justifiably ask: "Will comprehensive solutions work?" When so much is happening in a place, how can you know whether something is working or not? These are legitimate questions to ask, but we know that poverty is systemic and an ecosystem of factors must work for people and communities to persist and prosper.

Systemic barriers that don't enable us to bring the full weight of solutions must be confronted. At the federal level, this "systems" approach has meant several things: identifying barriers that prevent, for example, jobs from going to neighborhood residents because of narrowly construed policies that have unintended consequences; addressing administrative and regulatory constraints that seemingly don't allow for streamlined, blended funding across policies; and, persisting amidst cynicism and resistance that springs from taking on responsibilities that are not part of the job. These barriers place the policy solution or resource that could be offered on the sidelines. If we have learned anything from the effort to revitalize place or increase economic mobility, we don't need actors and resources on the sidelines.

Even when complexity and comprehensiveness may be accepted, there still exists a hesitation about the collaborative capacity necessary to execute for collective impact. Policymakers and practitioners alike will ask, “Do we have the capacity to execute the comprehensive strategy?” But it’s not just any kind of capacity that is necessary for success in the work. Individuals and organizations must collaborate, bringing their roles and resources for shared results. This, perhaps, has been the biggest challenge in place-based work to date. Putting aside the heroes who overcome great odds – to whom we pay too much homage and set too much expectation for others – it’s unlikely or rare that any one organization or individual will have the requisite authority, authenticity, and autonomy to make an impact on their own. So, much like comprehensive solutions should be leveraged, this work is ripe for the collaborators, teammates, or crew, willing to focus on the shared results, to agree on the measures of those results, and to bring about change. This philosophy is more than a rhetorical flourish. It is what the work requires now.

Place-based philanthropists, social impact leaders and place-based policymakers are all building their collaborative capacity in ways that should inspire confidence going forward. Civic and private sectors leaders are seeing the need to work with government, and government is understanding the expertise and experience that others bring to solving problems. For government, value comes from getting out of the way when the public sector imposes burdens and barriers that compromise impact but also getting in the way when shared accountability for results is necessary. For private sector and civic actors, fostering and reinforcing agreement among disparate interests to strengthen resolve and collective impact is key. In the celebrated place-based efforts across the sectors, common attributes about leaders emerges: they suspend egos that are unwitting distractions, they embrace the value others bring to the table, and they are laser-like about the results they seek to accomplish together.

Through the last decades of place-based work, we have learned to embrace complexity, accelerate on comprehensive solutions, and build collaborative capacity for impact. The labels of the initiatives may change and the leaders may move on, but the essence and spirit of our place-based work should remain the same – keep “all eyes on the prize” and “all hands on deck.”

Perfecting the One-Two Punch: Some Hard-Learned Lessons for Place-Based Work

Ralph Smith
Annie E. Casey Foundation

After facilitating a year's worth of discussions on the major dimensions of place-based change – involving nearly four dozen field leaders – The Center on Philanthropy and Public Policy's (CPPP) Jim Ferris, and Emerging Markets Inc.'s Elwood Hopkins might be forgiven if they had walked away with either an overly simplified critique of the field or an analysis so complex and nuanced that it defied comprehension. Instead, the monograph provides a coherent and insightful look at many hard questions and hard-won answers about place-based community change.

Perhaps proving that no good deed goes unpunished, this monograph in fact is so good that it could fall short of its potential and promise if it does not deliver a sequel attending to the following: (1) the emergent issues of scale and two-generation strategies, which have gained prominence since this work was undertaken; (2) further exploration of “unit of change” and “resident engagement” concepts on which this monograph helpfully reconciles and makes sense of the many theories and approaches that exist in the field, but which deserve updating to capture promising real-world examples that challenge past practice; and (3) last, but by no means least, the one big miss – the legacy and lessons of the two-decade, \$6 billion HOPE VI program.

Emergent Issues: Scale and Two-Generation Strategies

The challenge of scale and the ascendancy of two-generation strategies are issues that have so recently moved to the center of discourse that it is understandable that they were not included in the scope of this work. However, their current prominence and the implications and ramifications for the cogency, relevance and applicability of any analysis of place-based change efforts suggest a need to figure out whether and to what extent these two issues affect the current analysis and should be accommodated in subsequent work.

Unit of Change

The truth is that one would search in vain for a rational or principled explanation about how, in the past, the choice of the unit of change generally was reached. More often than not, these choices were driven primarily by politics and resource constraints, predictably diminishing prospects for success. But we are beginning to understand that those prospects can be considerably enhanced by being more thoughtful about what we are trying to accomplish and then making a purpose-driven decision about the appropriate unit of change.

A notable contemporary example of this approach is Seattle's Road Map Project. Planners seeking to improve student outcomes realized that family mobility was a key factor. About 20 percent of King County students switched schools during the school year, but most stayed within six school districts that served nearly half of the county's students. That finding led to a design choice to make the unit of change coterminous with the data by including all six school districts. Accompanying this decision was the adoption of implementation strategies, such as region-wide data-sharing agreements to follow and smooth transitions for children as they move, and a broader range of interventions, such as working with the King County Housing Authority to help families resettle quickly, to minimize the disruption to children's education.

It would be worth considering what Seattle and other efforts that take a more intentional approach to selecting a unit of change have to teach us.

Resident Engagement

Notwithstanding this monograph's thoughtful take-up of the resident engagement issue, the discussion mostly “colors within the lines.” However, the conventional view reflected in that discussion is being challenged today by efforts that push the boundaries and speak to ownership as well as engagement,

creating opportunities for residents not simply to be “stakeholders” whose voices are heard, but rather “stockholders” who have a decision-making role in and who benefit from the revitalization and economic future of their neighborhoods. The Jacobs Family Foundation’s development of a \$23.5 million retail shopping center in Southeast San Diego offers an inspiring example.

In 2007, the Foundation developed a novel instrument – a Community-Development Initial Public Offering (CD-IPO) – that transferred 20 percent of ownership of the Market Creek Plaza mall to some 400 individual community investors. The IPO was offered to residents with modest income, about \$35,000 on average, who invested as little as \$200 or as much as \$10,000. The IPO generated half a million dollars from resident investors, who now earn dividends on their shares.

A local resident-run foundation, Neighborhood Unity Foundation, owns another 20 percent of the Market Creek Plaza and uses its dividends for a small grants fund that supports resident-led community-building efforts in the neighborhood. The remaining 60 percent share is held by the Jacobs Center for Neighborhood Innovation, which helps sustain focus on local hiring, youth employment and community revitalization goals. In 2018, resident investors can start to buy out the Center’s shares until the Plaza is owned in full by residents of the community.

As with the Seattle Road Map Project, we suspect that there are lessons in the Market Creek Plaza example that have implications for the field as a whole and that are worth distilling and sharing.

HOPE VI

Not including HOPE VI is the one significant miss in the current monograph. In defense of Hopkins and colleagues, the fault for this omission is not solely theirs. Fifteen years ago, Xavier de Souza Briggs – then a young Turk in the Clinton administration’s HUD and now a vice president of the Ford Foundation – challenged foundation leaders, asserting that, in being so focused on philanthropic initiatives and programs such as Empowerment Zones, they were missing the transformative potential represented by HOPE VI. He was right on target then and, regrettably, his prescient observation about our philanthropic-centric perspective continues to be the case.

HUD has observed that one of the major legacies of HOPE VI was “to shift the emphasis of housing policy from output (units built and managed) to outcomes – housing quality, safety, resident outcomes, economic opportunity, and the vitality of the surrounding neighborhood.” This clearly is consistent with philanthropy’s increasing emphasis on outcomes and offers a strong argument for broadening our understanding of the context, potential and opportunity of neighborhood revitalization and systems-change efforts.

Moreover, the impact of HOPE VI makes a strong case for seeing mixed-income, public housing redevelopment as an economic driver in low-income neighborhoods and a valuable strategy for disrupting concentrated and intergenerational poverty. Researchers Sean Zielenbach and Richard Voith found that HOPE VI redevelopment projects in Boston and Washington, D.C., “... for the most part ... have had positive, statistically significant effects on economic conditions in their surrounding neighborhoods,” including increased property values, lower crime and higher incomes.

As this monograph’s omission proves, we still are failing to recognize the achievements and lessons of this very important place-based change effort. Correcting this in subsequent work would be a most valuable contribution to the field.

Cautious Optimism

Chapter 3 ends on an optimistic note: The opportunities are immense for policies that reflect the needs of poor areas and improve opportunities for people who live in them. If philanthropic models or public incentives can help the private sector to find ways to operate profitably in low-income areas, the poor can be connected with the mainstream economy.

I hope that CPPP and Mr. Hopkins are right. But to make realization of that hoped-for future more likely, for the sake of the field, all of us should encourage CPPP to see this monograph as a wonderfully provocative opening salvo in need of a sequel.

Chapter 5: The Final Frontier

Dr. Robert K. Ross
The California Endowment

The work of place-based initiatives is a journey more than a destination. In a way, those of us working on such initiatives are like Trekkies of the *Star Trek* genre. We are exploring, to paraphrase Captain James Tiberius Kirk, “Place: the final frontier.” In this essay, I share with you the “voyages of the Starship California Endowment.” But there are many starships exploring this sector of the universe and the many contributors to this monograph can all share lessons about worm holes and black holes, undiscovered planets, pesky meteors, and hidden Klingon vessels.

My thoughts are organized in three sections. First, some context about why we went to “place” and what we were hoping to achieve through our efforts. Second, the early stage bumps, curves, adjustments and lessons. And, third, some encouraging developments about impact and results we are seeing as we approach the midpoint of our Building Healthy Communities (BHC) initiative and have encountered new directions for our work to take.

BHC is a ten-year, 14-site, \$1 billion campaign. It is not a side project of our foundation; rather, it will consume more than two-thirds of our grantmaking over the ten-year period. To our knowledge, it is the most ambitiously funded place-based initiative in domestic philanthropy. It was our intention to “go big or go home.”

Context

Each one of us arrives in our respective leadership roles through personal journey. For me, that journey began with the crack cocaine epidemic. In 1983, I began the practice of community pediatrics at a health center in Camden, New Jersey. By 1986, the community I served was utterly and completely ravaged. The introduction of crack – and the lowering of the price to \$5 for a hit of this intensely euphoric, short-acting drug – constituted a devastating, pervasive, evil form of disruptive innovation, one that scaled in an instant. Homicides, sexually transmitted diseases, child abuse, family violence, infant mortality, and property crimes all skyrocketed. I was rudely introduced to the greatest single risk factor in community and public health: the lethal absence of hope.

“Three strikes and you’re out” embodied the nation’s policy response. The red ribbon to the incarceration superhighway had been cut. At a fundamental level, our nation had essentially decided to criminalize sick people. I was personally and professionally devastated with what was unfolding in Camden, Philadelphia, New York, Detroit, Chicago, St. Louis, Oakland, and South Central Los Angeles. And I became smitten with the notion of place as a way to understand health. I changed my career.

Shortly after my arrival at The California Endowment in 2000, we began experimenting with some investments that bridged the gaps between and among health, place and policy. One such investment was a childhood obesity project. Another was a children’s health coverage effort. Mental health, farmworker health, and healthy workforce projects followed. In each of these efforts, we tested an approach over a five-year period with a presence in anywhere from three to seven different communities. There was work on the ground, led by local and/or grassroots leaders, and there were implications for broader regional and statewide policy that emerged. Although each of these initiatives experienced varying degrees of success, they all let us taste the power of bringing grantees together from different geographies in a shared sense of purpose.

Urged on by members of our Board of Directors, we also funded advocacy and community organizing to realize our health mission. And, at the very same time, we became familiar with the experiences of the Harlem Children’s Zone, the Dudley Street Neighborhood Initiative in Boston, Market Creek in Southeast San Diego, and the Los Angeles Urban Funders. I, and we, became consumed with the notion of scale. With six years of experience at the foundation under my belt, I became viscerally frustrated with two forms of altar worship in philanthropy. The first altar is innovation. The second altar is data.

We need to worship at the altar of power. Too much of our sector relies upon data and evidence to realize the path to scale. These are necessary, but woefully insufficient.

We decided at the outset to carry out a statewide portfolio of fourteen sites. Many people, both inside and outside of our Boardroom, wondered why we didn't begin more cautiously, with just two or three sites. Our reasoning was that we were not setting out to create individual models for national replication. Each site would have a unique strategy and produce its own local outcomes, for sure. But taken together, the fourteen sites would also constitute a strategy for policy change at the statewide scale. In a sense, the approach could be thought of us as “place-based plus.”

To be clear, to the extent there exists a traditional model of place-based philanthropy (and I'm not sure there is), we were not using it. One reason is that we wanted to tackle the question of scale through statewide policy change. The second reason is that we had learned from colleagues who had already navigated this path that place-based initiatives have a tendency to be too “inward-looking.” Of course, there are many decidedly local reasons why neighborhoods are distressed. But matters of race and racism, and poverty and unemployment, and housing and public funding, and financing streams are much larger than local. This is why it's difficult to throw an innovative teacher training curriculum at a low-performing school district and expect impactful and sustained results on the basis of that intervention alone. We can fund into a test tube all we want, but many of the key reagents will always exist outside of the test tube.

In essence, we wanted to strengthen the capacity of grassroots leaders and nonprofits to drive change towards a healthier community in a place – and connect them across sites for policy change. The aim was to work at multiple levels simultaneously.

Early Lessons

In choosing sites, we considered a preliminary list of 100 communities, whittled it down to forty, then twenty, and then the final fourteen. An important decision we made early on was that there would be no competition among the sites to get to the real “prize” money. True learning and sharing across the sites would not occur if they were in a *Hunger Games* format. We would pick fourteen sites and stick with them for the long haul.

Based on the learnings of other philanthropic initiatives, we identified four high-level results that we sought upfront: reverse childhood obesity, increase children's health coverage, increase school attendance and reduce youth violence. As a result of significant community engagement, however, we have since changed the goals framework and replaced the “Four Big Results” we initially had in mind with “Three BHC Campaigns” – Health Happens in Schools, Health Happens in Neighborhoods, and Health Happens with Prevention – that more closely align with resident priorities. We did it for the simple reason that the communities were more right than we were.

Organizationally, we needed to overhaul our foundation. At an Aspen Roundtable meeting in San Diego, while we were in deep planning for BHC, Frank Farrow, Director of the Center for the Study of Social Policy, said something that gave me a healthy kick to the head. He observed that philanthropy spends a great deal of time thinking about how to transform communities; but in order to do this brand of work, foundations need to transform themselves.

Ultimately we laid off more than 40% of our staff, replaced nearly all of the senior team, and restructured the programmatic aspects of the foundation into two groups: a “place” team for the work in the individual sites, and a “policy” team for the statewide work. Each BHC site would have its own program officer who lived in or near the site. I couldn't figure out how to structure the integration aspect of the place and policy work, and decided we would figure that out on the flight path. We had spent enough time planning in the huddle; it was time to run the damn play and see what happened.

The first phase of the work, which involved technical assistance and planning support for the fourteen sites, was rocky. Community leaders wanted to know where the hell the Big Four Results came from. They wanted to know why we insisted on “logic modelling,” and they annihilated our philanthropic jargon. Local leaders demanded to know why we insisted on focusing on childhood obesity at the same moment that people were losing jobs and homes in the Great Recession. They wanted to know why we couldn't do economic development. It was a bumpy 12-15 months. But we didn't flee down the street in terror after

being called out. We listened. We stuck with them and they were willing to stick with us. Trust was being built, but it didn't come easily.

Again, guided by advice from colleagues, we designed the funding strategy to emphasize what we thought of as early wins: a soccer field refurbishment in one site, an after-school program in another, a community library upgrade in yet another. Lots of neighborhood meetings and conversations were underway, and we knew we couldn't get to the two-year mark without some community-generated tangible wins. We were prudent to learn from the wisdom of funders who had already gone down this path.

We were frequently tested to see how serious we were about listening to and trusting community leaders. On several occasions I received phone calls from irritated local elected officials asking, "why don't you people just give us the money?"; or, "why are you funding these annoying people to disrupt what I want to do in my city's general plan or my economic development strategy." I recently received an angry message from a high-level school district official who was upset that a local advocacy nonprofit we fund was making his life uncomfortable at board meetings. In each of these cases we respectfully convey that we don't substitute community voice and experience with our own.

New Directions

We are now four years into implementation of this ten-year strategy. Three independent reviews or evaluations have been commissioned over the past year: the main one being from the Foundation Strategy Group, a second from the University of Southern California, and a third from the Center for Responsive Philanthropy. The reports, which are available on our website, (www.calendow.org), demonstrate that progress is being made but that we still have much work to do.

There are at least five things we now do differently as a result of what we have learned:

1. *We view community and youth organizing as the X-factor.*

Based on our experience, we have tweaked and fine-tuned our understanding of what drives community change, and we now appreciate the central role played by advocacy, organizing, and power building in achieving sustainable results. Ten years ago maybe 20-30 percent of our grants reflected this understanding. Now at least 80 percent of our grantmaking does.

2. *We changed the goals.*

Community leaders insisted on adopting an asset-based approach to goal setting, not one based on deficits or brokenness. So out went childhood obesity and youth violence. In came an umbrella "Health Happens Here" theme, with three sub-campaigns: Health Happens with Prevention, Health Happens in Schools, and Health Happens in Neighborhoods. There are local and statewide objectives for each of these three campaigns.

3. *We embarked on Impact Investing.*

We were assailed by community leaders on matter of jobs and economic development. It showed up everywhere we turned, in every nook and cranny of work in the fourteen sites. Although we did not have the luxury of transforming our health mission into an economic development one, our Board committed to significantly expanding our Program-Related Investments (PRI's) and embarked on a new Mission-Related Investing (MRI) program. Our first meaningful attempt at an MRI program flopped, and we are course-correcting now for a re-start. But using the range of our assets and resources in new ways remains an important aspect of our work. Parenthetically, the fact that this country does not have a sizable national philanthropic institution committed primarily to poverty and economic development is decidedly inconvenient and a real problem.

4. *We now do Criminal Justice Reform and Boys and Men Of Color (BMOC) work.*

Community leaders in the sites are in a simmering, enraged boil about the prison pipeline. It is the stuff of Ferguson and Trayvon Martin: racism and poverty and injustice. We now have Justice Reform and Boys and Young Men of Color work that we did not in any way envision in our planning phase. The communities decided this work was relevant to our health mission.

5. Evaluation and Storytelling.

We struggled with our battle over evaluation, and we are now in a better comfort zone about it. We have acquired a better sense of what success looks like, and what we need to measure. But we have also learned a great deal about the power of storytelling, especially when told through a frame of resiliency. We have three full-time evaluation staff and overhauled our communications team to be more intentional about following and lifting up stories of local and statewide success. We employ one full-time staffer who does nothing but capture video and digital content from the sites, and social media plays a huge role in capturing and sharing work and stories.

In closing, I'd like to share some thoughts about our field- and place-based work. We do this humbly and cautiously, as the thoughts are embryonic, developmental, and I share them in "real time". But it is important to contribute lessons to the field if we want to avoid seeing "place" relegated to the trash heap of flash-in-the-pan fads in the field of philanthropy. That said, there are five reasons I would encourage philanthropy to frame its work through place, or at least in our case, "place-based plus":

1. It forces us out of our silos.

Whether a foundation's mission is about health, or education, or housing, or children, it is impossible to engage in place-based work without an appreciation of the need for comprehensiveness and an integration of thinking across approaches.

2. It surfaces issues of injustice.

It is equally impossible to escape, dodge, or duck the discomfiting issues of race, racism, poverty, and systematic oppression of marginalized groups and communities. Funders can choose to ignore or minimize the relevance of these issues, but we do so at our peril. Even if you get results, they won't stick

3. It highlights the matter of trust.

The track record of philanthropic initiatives in place seems to share a common theme. If the trust-building factor is high, results are good; if it is poor, trouble abounds. Trust-building with community leaders in place requires our institutions to behave with candor, transparency, humility, and clarity. These are all much-needed attributes in the field.

4. It requires the recognition of assets.

If our 12-15 month planning process in BHC taught us anything, it was the following: Community leaders and young people expressed that "we are not problems for you to solve...we have strength and passion and ideas and energy to better this world." The communities are distressed, but the people are not broken. There is probably no better capstone about America and our democracy. In addition, place requires funders to more thoughtfully apply the bully pulpit of their foundation's brand in lifting up community priorities.

5. It underscores the power of the undiscovered idea.

In the research and planning phase of BHC, our Board commissioned the kind of elegant environmental and data scan from a reputable consulting firm that most foundations buy when considering a new strategic plan. Two years into implementation our Board conducted a site visit to Fresno, where the local BHC youth and grantees informed us that the highest priority health issue in their community was the zero-tolerance suspension policy in schools. At first, it struck me as neither a particularly relevant health nor education issue. And it showed up nowhere in our high-priced environmental scan. How relevant could it possibly be? It turned out that the issue was being discussed by youth not only in Fresno, but in Richmond, Oakland, South Los Angeles, Boyle Heights, and Long Beach. We were smart enough to connect the youth and nonprofits concerned about the issue across sites. Soon enough, state and national data showed that the kids were right: there was a national epidemic of school suspensions, disproportionately impacting black and brown boys, and the research verified school suspensions as a marker for academic failure and the prison pipeline. The young people rallied, made their voices heard, promoted effective alternatives

like restorative justice approaches, shaped policy and practice discussions statewide, and got five new bills passed in the legislature. This past year the state of California reported a more than 20% decrease in school suspensions. And it influenced a national conversation.

For us, this story about school suspensions represented the first real statewide affirmation about our theory of change and logic model for BHC. It connected a grassroots voice to a treetops change. The youth groups were energized, and we got fired up, too. Like the old Louis Armstrong tune, the school suspensions issue became “a kiss to build a dream on,” and the joy and beauty of the undiscovered planet on our journey.

The work of place is as exhilarating as it is messy. In my thirty-five years of professional life as a clinician, public executive, and foundation leader, the last five years have easily been the most exciting and insightful in my career. But riding a roller coaster is great fun... unless you have motion sickness. So, my advice to philanthropy is, if you have motion sickness, don't get on the ride. It's not for everyone.

In case I may not have been sufficiently clear about why we went to “place”. It was not to create the quintessential national model. It was about power-building and scale to promote health and it continues to be. Frederick Douglass said it best: “Power concedes nothing without a demand. It never did, and it never will.”

Chapter 6: Moving Forward: Addressing Spatially-Concentrated Poverty In the 21st Century

James M. Ferris
University of Southern California

Elwood M. Hopkins
Emerging Markets, Inc.

This inquiry into the current state of place-based initiatives has been grounded in a pragmatism and humility accumulated through trial and error and hard-learned lessons. At the same time, it is imprinted with an unmistakable sense of optimism and energy that derives from the increased sophistication and maturity of the field. In fact, there is a deeply resonating shared sentiment that it is time to think bigger, not smaller, when it comes to addressing issues of concentrated poverty.

Seven Insights

Seven informed insights – the key takeaways from this inquiry – are catalyzing this renewed sense of the possible:

1. *Low-Income Neighborhoods Are Not All The Same*

A primary insight transforming the field of place-based initiatives is the realization that poor neighborhoods are not all the same. It has been a recurring theme in our discussions: low-income geographic areas can differ enormously in terms of their level of socio-economic development, degree of cultural assimilation, and stage of civic evolution. Understanding these differences has enabled practitioners to make better decisions about the interventions that can produce desired outcomes, the timeframe and resources required, and even the sector that should take the lead role: public, philanthropic, or business. Increasingly sophisticated neighborhood typologies allow for cross-site learning among cohorts of communities sharing common traits, while not forcing uniform strategies across them all. This has enabled the field to effectively adapt the general approach to the wide variety of places where poverty is concentrated. It elevates the discussion of concentrated poverty from a focus on inner city slums to encompass impoverished rural areas, or inner ring suburbs, or Native American reservations. It has ignited the collective imagination of the field.

2. *Evaluation Must Adopt A Long-Term View.*

Evaluators of place-based initiatives have gradually moved away from the notion that communities simulate laboratory conditions, or that the results of an initiative can be evaluated in isolation from the contextual forces at play in a geographic area. This is not to say that assessments of individual, time-limited initiatives cannot be made. But the widening of perspective reflects a desire to situate these initiatives in their larger environment. The goal is to make intelligent inferences about how the set of interventions fit into an ongoing developmental process that pre-dates the initiative and continues long after it is over.

Lead thinkers in the field have become skilled at describing the likely trajectories of a community and how different investments and interventions impact it. Increasingly, evaluators are attempting to compile shared evaluation narratives across multiple initiatives, connecting the dots to assess how much each is contributing to cumulative change. Such learning has become possible with the emergence of a cadre of professional evaluators who have dedicated their professional lives to place-based initiatives and have the cross-site relationships to draw these connections.

3. *The Regional Economy Drives Local Change*

At the end of the day, philanthropic and public funding is woefully insufficient for the financing of neighborhood transformation, especially if it is attempting to compensate for receding private sector investments. Economic marginalization, after all, is at the root of virtually every problem confronting a low-income neighborhood. Without connecting the neighborhood to larger economies and leveraging market forces, progress will be short-lived. This basic idea has transformed place-based initiatives across the country, even those that are organized around outcomes that are not explicitly economic, such as education or health.

Initiatives now take into consideration the forward and backward linkages between their array of interventions and the larger economy, attempting to address the comprehensive set of barriers that hold back a community's economic opportunity. One important implication has been that many initiatives, recognizing that neighborhoods play different roles, sometimes seek to strengthen the community's function as a "gateway" or "platform" to greater economic livelihood rather than a place where they will permanently settle.

4. *Top-Down Replication is Unnecessary*

Outmoded ideas about paternalistic top-down replication by individual funders are being supplanted by more nuanced approaches. Over the past several decades, many major foundations confronted the daunting challenge of trying to transplant pilot or demonstrate initiatives in new community contexts. The volume of resources and sheer labor involved inherently limited the extent to which these foundations could replicate their initiatives, thereby fueling disillusionment and skepticism about the extent to which place-based initiatives could amount to real change.

But the fundamental premise at work – that every new community was a "greenfield" site requiring the initiative to be built up from scratch – was false. In fact, most low-income areas already have a collection of partners working on shared issues. And although they may not describe what they do as a "place-based initiative," these partners often function in a highly collaborative, concerted way toward shared outcomes. In that light, it is seldom necessary to transplant an initiative in its entirety from one place to another. Instead, the spreading of ideas can unfold naturally, through a decentralized process of cross-site learning in which communities import proven solutions from one another and use them to fill gaps in their efforts already in progress.

5. *We Must Learn to "Braid" Funding*

One of the most promising trends in the field of place-based initiatives is the emergence of structures for combining, aligning, blending, and braiding financial resources in support of place-based initiatives – public, philanthropic and corporate. Although these structures may still be the exception to the rule, their capacity to aggregate more resources enables increasingly more ambitious initiatives that can be sustained over longer periods of time. The coordination of funding streams makes it feasible to undertake comprehensive initiatives that involve interventions from many different disciplines and categorical funding areas.

Equally important are collaborative structures that make it possible to braid funding streams from the philanthropic and public sectors. Such structures not only combine funds and help bring together complementary strategies, they create environments in which the two sectors can explore the most thoughtful divisions of labor. When government agencies and private foundations can define the use of their funds in cooperation with one another, place-based initiatives benefit.

6. *Local Initiatives Must Be "Nested" in Public Policy*

One of the most significant insights of this inquiry has been the revelation that individual place-based initiatives must be "nested" within public policy. In this way, local initiatives can demonstrate new approaches that can be incorporated into public policy. If vertically integrated into state and federal government efforts, local initiatives can also serve as vehicles for implementing public initiatives on the ground. The government can also create conducive environments for the initiatives through place-conscious policies, altering the fundamental conditions of inequality or directing resources where they are most needed.

For many years, those advocating place-based initiatives often saw themselves standing in apparent opposition to policymakers. There were those who believed that change needed to be enacted on a highly local level and that policy level changes were too far removed from day-to-day life to offer more than tangential effects. And there were those who believed that, since the causes of concentrated poverty were often rooted in society-wide economic or racial inequality, that only policy reform would yield real change. Today, it is not only fundamentally accepted that both approaches are needed; it is understood that they need to be aligned with each other for mutual reinforcement.

7. Place-Based Initiatives Are About Race and Power

The inseparability of race and poverty in our society means that place-based initiatives are fundamentally – if not explicitly – about race. All too often, the areas of concentrated poverty targeted by place-based initiatives correlate with areas predominantly populated by African Americans, Latinos, and other racial minorities. In fact, theories of a permanent underclass generally argue that poor communities are often created by the societal barriers confronting these groups. As a result, the field of place-based initiatives has drawn heavily on the Civil Rights Movement, adopting strategies like community organizing, political constituency building, and leadership development that accumulates power for under-represented groups.

A New Landscape

To apply these insights in a way that represents wholesale change in the field, we may need to overlay some new organizational infrastructure. Each insight described above correlates to a set of functions that need to be performed by institutions or associations at the regional or national level. In fact, as this monograph reveals, many of these functions are already being carried out by existing entities, at least on a limited scale:

Data Analysis and Interpretation:

The democratization of data made possible through sources like The Reinvestment Fund's PolicyMap is making it possible for funders and practitioners to adapt their efforts to local communities. Institutions like The Reinvestment Fund and the Harwood Institute are providing the field with instructive neighborhood typologies, and Opportunity Nation is teaching us to index communities based on the degree of opportunity they afford their residents.

Evaluation:

If knowledge culled from evaluations is to be combined and synthesized to tell a larger story, we will need to establish professional standards that facilitate information sharing and ethics that allow for assessment of both funders and grantees. In short, we must create a genuine learning environment that is robust enough to enable adaptation over the long haul.

The Market:

As the market becomes more central to place-based initiatives and place-conscious policy, foundations and policymakers strive to bring the benefits of economic growth to low-income areas. Corporate philanthropy is leveraging its influence on lines of business, organizations like the Netter Center are mobilizing the assets of anchor institutions, like hospitals and universities, for low-income areas.

Replication:

As replication becomes a more decentralized cross-site learning process, then institutions like the GreenLight Fund will be increasingly pivotal. By helping communities recognize programmatic gaps and then scanning the country for successful program models that fill those gaps, the GreenLight Fund puts the transfer of ideas in the hands of on-the-ground practitioners.

Braided Funding:

Regional associations of grantmakers, funder affinity groups, and other networks are convening funder collaboratives to align funding for specific communities. Some of these collaboratives focus

on linking local and national foundations. Perhaps the most fertile efforts to braid funding involve partnerships that integrate philanthropic and public funding streams. At a national level, Living Cities aggregates and organizes resources for urban revitalization from the philanthropic, public, and private sector – including major financial institutions.

Public Policy:

Finally, the contextualization of place-based initiatives in public policy is going beyond efforts to understand particular initiatives and involving intermediaries like PolicyLink to distill the essence of initiatives, translate them into policy language, design request-for-proposal processes, and provide technical assistance to applicants.

A Final Thought

Fifty years ago, a handful of foundations and government agencies undertook a limited number of place-based initiatives in specific urban neighborhoods. These initiatives were painstakingly implemented by a scattering of community development corporations and community groups in each site. For some funders, both public and philanthropic, individual place-based initiatives like these will always make the most sense as an investment of time and resources. But place-based initiatives can no longer be viewed as isolated efforts that are de-coupled from public policies or economic forces.

The challenges of addressing geographically-concentrated poverty are now seen as integral to the much broader challenge of equity in our society. Initiatives are rooted in more than simply a desire to improve conditions in low-income neighborhoods or poor rural communities; they are grounded in a much wider assessment of the economic opportunities that exist within the larger metropolitan areas or regions and a critique of the extent to which these opportunities filter outwards. Equity frameworks are not used to argue for redistribution of wealth as much as to ensure that every neighborhood and community has equal access to opportunities.

Accordingly, the many leaders that have dedicated their lives to tackling the existence of deep pockets of poverty in our prosperous society have, along their way, broadened the arena for action and the array of institutions involved. They have erected a tent large enough to accommodate actors at every scale of intervention. By including public policy and the markets, these leaders have not only increased the effectiveness of local initiatives and enriched the debate around strategies to alleviate concentrated poverty, but they have also elevated the entire field of place-based strategies to a higher ground.

Appendix A: Discussion Groups

As a part of the yearlong inquiry, discussions were held in three cities: New York, Los Angeles and Washington, D.C. Each session had a different set of questions and goals. The sessions were facilitated by Elwood Hopkins of Emerging Markets, Inc. with James M. Ferris of the University of Southern California.

Session One: Goals

Ford Foundation, New York
April 23, 2014

Discussion Theme: What are our basic goals in doing place-based initiatives? What are we solving for?

The first discussion explored the overall goals of place-based initiatives as seen by philanthropic and public policymakers. What do they really hope to achieve, and how much goal variation is there across the field? The discussion was guided by the questions below.

1. What do we ultimately aim to achieve with place-based initiatives? Do we aim to reverse geographically-concentrated poverty? Or are neighborhoods a manageable, convenient scale for targeting resources?
2. What do current data projections tell us about the geography and demographics of poverty? What is the effect of the aging population, the suburbanization of poverty, and the “geography of opportunity” on this field?
3. Is place a means for directing resources to people in need, or an end in itself? Do we aim to “put a floor” beneath people in a place, accepting that success may lead them to move out as populations change? Or are we “place-making” – creating improved conditions to exist in perpetuity, for whoever lives there?
4. Are we helping some neighborhoods compete regionally, or piloting strategies to be applied in all neighborhoods? What functions do neighborhoods play in a city? Are we supporting some functions over others? What’s our ultimate frame of reference: neighborhood, city, or region?
5. How is progress toward these big-picture goals evaluated? What categories of outcomes are being measured? Can we link intermediate outcomes into a narrative showing cumulative progress toward larger goals?
6. Overall, how successful has place-based funding been? As a field, should we “declare victory around small stuff,” under the premise we’re building capacity for the long haul? Or should we hold out for more significant, quantifiable impacts? Are our goals and expectations changing?

Participants

Ana Marie Argilagos	Senior Advisor Ford Foundation
Alan Berube	Senior Fellow and Deputy Director, Metropolitan Policy Program The Brookings Institution
Xavier de Souza Briggs	Vice President for Economic Opportunity and Assets Ford Foundation
Robert J. Chaskin, PhD	Associate Professor and Deputy Dean for Strategic Initiatives School of Social Service Administration (SSA) University of Chicago
Anthony Iton	Senior Vice President, Healthy Communities The California Endowment
Russell Krumnow	Managing Director Opportunity Nation
George McCarthy	Director, Metropolitan Opportunity Ford Foundation

Robert McNulty	President Partners for Livable Communities
Rip Rapson	President and CEO The Kresge Foundation
Margery Turner	Senior Vice President for Program Planning and Management The Urban Institute
Robert Weissbourd	President RW Ventures
Kenneth H. Zimmerman	Director Open Society Foundations

Session Two: Theories Of Change

Ford Foundation, New York
April 24, 2014

Discussion Theme: What are the theoretical assumptions driving place-based initiatives today?

The second session examined the basic theoretical assumptions underlying place-based initiatives in general, as well as the theories of change and corresponding implementation models driving individual initiatives: The discussion was guided by the questions below.

1. What social problems (e.g. under-education, crime, poor health, unemployment) are best addressed at the neighborhood scale? How are we using data to drive our theories? Which need to be addressed regionally or societally? Is there any consensus around the optimal scale for place-based initiatives?
2. Place-based initiatives generally intend to achieve comprehensive change. But comprehensiveness can be achieved by working on all issues simultaneously, or by starting with a single “driver” issue and expanding the scope of the initiative from there. What is current wisdom on which approach works better?
3. Do we recognize different types of neighborhoods? Do they represent distinct states of maturation along a life-cycle, or are they non-sequential? How do the theoretical assumptions underlying each type determine the choice of interventions, funder role, investment time frames, and expected outcomes?
4. What are the different “models” for place-based initiatives today? Social service integration? Economic development? Civic empowerment? Hybrid, or comprehensive models? What theories underlie each?
5. To what extent have theories actually guided work on the ground? Has it been possible to keep a range of constituents focused on a shared theory? Or have funding initiatives become more reactive in practice?

Participants

Tonya Allen	President and CEO The Skillman Foundation
Prudence Brown	Independent Consultant
Thomas Burns	Managing Director Urban Ventures Group
Frank Farrow	Director Center for the Study of Social Policy
Greg Giornelli	President and COO Purpose Built Communities
Richard Harwood	Founder and President The Harwood Institute for Public Innovation
Jerry Maldonado	Program Officer Ford Foundation
Ralph Smith	Senior Vice President The Annie E. Casey Foundation
Susana Vasquez	Executive Director LISC Chicago

Session Three: Operating Capacity

University of Southern California, Los Angeles
April 30, 2014

Discussion Theme: What on-the-ground capacity is required to effectively carry out place-based initiatives?

The third session reflected on the organizational infrastructure and leadership required for successful place-based initiatives, and the ways in which public and private funders create or strengthen this infrastructure. The discussion was guided by the questions below.

1. What “preconditions” do place-based funders have at the civil society level? What are the “readiness factors” in local government? Are there signs indicating that a neighborhood is ready for a place-based initiative?
2. What are the roles of informal associations, natural helping networks, extended families and local leaders? Does the “map” of social networks coincide with geographic boundaries?
3. What types of nonprofit organizations (CDCs, social service agencies, advocacy groups) have turned out to be key partners? What capacities do they need? What do funders seek in terms of collaboration with them?
4. Is there a need for a “lead agency”? What does such an organization look like? How can one know if it is authentic and accountable?
5. How much are funders willing to invest in building this operating capacity versus only funding in areas that already possess it? What roles have funders played in cultivating local capacity?
6. What does it mean for a funder to partner with a neighborhood? Do funders work with a single partner organization that represents community-wide interests? Or do they work with a configuration of partners, a steering committee, or a specially-constructed governance structure? Does the “partner” evolve over time?
7. When a foundation or government agency undertakes a place-based agenda what internal institutional retooling is required? What capacities, competencies, and decision making structures does it need to acquire?

Participants

Denise McGregor Armbrister	Executive Director Wells Fargo Regional Foundation
Judith Bell	President PolicyLink
Brent A. Brown	Executive Director bcWORKSHOP
Tom Dewar	Independent Consultant
Rafael González	Director of Best Start First 5 LA
Dr. Beth P. Reynolds	Executive Director National Dropout Prevention Center
Beatriz Solís	Director, Healthy Communities (South Region) The California Endowment

Session Four: Market Influences

University of Southern California, Los Angeles
May 5, 2014

Discussion Theme: What role do economic and market forces played in place-based initiatives?

The fourth session looked at the extent to which place-based initiatives have acquired a market orientation and have attempted to connect low-income areas with larger economic tides. The discussion was guided by the questions below.

1. How are markets conceptualized for the purpose of place-based initiatives? Are they focused on stimulating neighborhoods as self-contained micro-markets, or connecting the neighborhoods to regional economic opportunities? Do funders tend to consider themselves “market makers” or “market shapers”?
2. What types of market research have enabled funders to become more market-oriented? How has this data been used? How effective has it been?
3. What aspects of the economy have been emphasized by place-based funders? Labor markets? Real estate markets? Financial markets? Retail markets? Have funders found themselves to be more effective in some than others?
4. To what degree have funders of place-based work moved beyond grants to program-related investments, social investments, loans, or other financial instruments?
5. More broadly, what is the role of the funder in these market-oriented strategies? Do they directly or indirectly engage private sector players?

Participants

Raphael Bostic	Professor, Judith and John Bedrosian Chair in Governance and the Public Enterprise Sol Price School of Public Policy University of Southern California
Peter Dreier	Dr. E.P. Clapp Distinguished Professor of Politics and Chair, Urban and Environmental Policy Department Occidental College
Renee Glover	Chair of the Board Habitat for Humanity International
Antonio Manning	Vice President Office of Corporate Responsibility JP Morgan Chase & Co. Global Philanthropy
Mauricio Lim Miller	Founder, President and CEO Family Independence Initiative
Gary Painter	Director of Graduate Programs in Public Policy and Director of Research, Lusk Center for Real Estate Sol Price School of Public Policy University of Southern California
Manuel Pastor	Professor of Sociology and American Studies and Ethnicity and Director, Program for Environmental and Regional Equity University of Southern California

Benson “Buzz” Roberts

Director, Office of Small Business, Community Development,
and Affordable Housing Policy
US Department of the Treasury

Kim Zeuli

Senior Vice President and Director of Research and Advisory Practice
Initiative for a Competitive Inner City (ICIC)

Session Five: Funding

USC Office of Research Advancement, Washington, D.C.
June 4, 2014

Discussion Theme: How have place-based initiatives altered funder behaviors?

This fifth session examined how funders have adjusted their own practice to be more effective in specific places, and whether or not these new funding practices have worked. In particular, it examined how public and philanthropic funding streams can be aligned in places. The discussion was facilitated by the questions below.

1. What kinds of funding strategies are necessitated by place-based efforts? Have funders changed the way they practice philanthropy, or is it essentially business-as-usual, but within geographic constraints?
2. What has been the role of corporate funding in place-based initiatives? To what degree have corporate foundations leveraged the assets of their companies? What has the corporate social responsibility lens meant for place-based funders?
3. Is there a logical division of labor between philanthropic and public sector funders? How do the sectors separately or in combination influence the private sector? What vehicles exist for funders to collaborate amongst themselves and between the sectors? Have these structures been beneficial?
4. When lead funders launch an initiative, have they tended to attract other funders to the place and leverage other resources? Or does their leadership presence actually repel other funders?
5. What is the lifecycle of a funder's engagement in a place? How has it coincided, aligned, or fallen short of the pace of neighborhood change?
6. Have place-based initiatives really served as laboratories for innovation? To what extent do these innovations ever achieve scale?
7. What have we learned about what works and what doesn't in funding place-based efforts? What guidelines can we give ourselves in the funding field moving forward?

Participants

Ana Marie Argilagos	Senior Advisor Ford Foundation
Sheri Brady	Senior Associate for Strategic Partnerships The Aspen Institute Forum for Community Solutions
Henry Cisneros	Chairman and CEO CityView
Salin Geevarghese	Deputy Assistant Secretary HUD Office for International and Philanthropic Innovation
Frederick "Bart" Harvey	Former Chairman Enterprise Community Partners
Amy Liu	Co-Director and Senior Fellow Metropolitan Policy Program
Rolf Pendall	Center Director Metropolitan Housing and Communities Policy Center The Urban Institute

Jennifer Vanica

Partner
VanicaCummings

Garland Yates

Senior Advisor
Neighborhood Funders Group

Appendix B: Prioritizing Place Forum Program



Program Agenda: Thursday, December 4, 2014

8:00–8:30 a.m. **Registration and Continental Breakfast**

8:30–8:45 a.m. **WELCOME AND OPENING REMARKS**

James M. Ferris, *Emery Evans Olson Chair in Nonprofit Entrepreneurship and Public Policy, and Director, The Center on Philanthropy and Public Policy, Sol Price School of Public Policy, University of Southern California*

8:45–9:10 a.m. **OPENING KEYNOTE: FROM GRASSROOTS TO TREETOPS**

Dr. Robert K. Ross, *President and CEO, The California Endowment*, will discuss how geographically-concentrated poverty must be addressed through both local place-based initiatives and complementary policies, and how funders can structure their organizations to operate on these two levels.

9:10–9:20 a.m. **OUTLINE OF THE DAY: Elwood Hopkins**, *Managing Director, Emerging Markets, Inc.*

9:20–10:40 a.m. **PLENARY: THEORY**

Increasingly, place-based initiatives are not viewed as isolated projects; they are strategically situated or “nested” within public policy or the market economy. This plenary will explore how this enlarged framework has changed the way we carry out place-based work.

- **Prudence Brown**, *Independent Consultant (Facilitator)*
- **Alan Berube**, *Senior Fellow and Deputy Director, Metropolitan Policy Program, The Brookings Institution*
- **Peter Dreier**, *Dr. E.P. Clapp Distinguished Professor of Politics, Chair, Urban and Environmental Policy Department, Occidental College*
- **Margery Turner**, *Senior Vice President for Program Planning and Management, The Urban Institute*

10:40–11:10 a.m. **Coffee Break**

11:10 a.m.–12:30 p.m. **Concurrent Sessions**

MEASURING OPPORTUNITY AND MOBILITY: How is data being used to better understand community dynamics? How do communities mix income groups and connect residents to economic opportunities?

- **Claudia Coulton**, *Lillian F. Harris Professor of Urban Research and Social Change, Case Western Reserve University*
- **Mark Joseph**, *Director, National Initiative on Mixed-Income Communities, Case Western Reserve University*
- **Russell Krumnow**, *Managing Director, Opportunity Nation*

THE ROLE OF THE MARKET: As place-based initiatives are situated within larger economies, how are market opportunities being leveraged? How are workforce pipelines tapping labor markets?

- **Gary Painter**, *Director of Graduate Programs in Public Policy, and Director of Research, Lusk Center for Real Estate, Sol Price School of Public Policy, University of Southern California*
- **Manuel Pastor**, *Professor of Sociology and American Studies and Ethnicity and Director, Program for Environmental and Regional Equity, University of Southern California*
- **Jim Riccio**, *Director, Low-Wage Workers and Communities Policy Area, MDRC*
- **Kim Zeuli**, *Senior Vice President, Initiative for a Competitive Inner City*

EVALUATION IN CONTEXT: How are place-based initiatives being evaluated in the context of larger forces and long-term change? Can we construct narratives that help us to observe the cumulative effects of efforts over time?

- **Jessica Bearman**, *Principal, Bearman Consulting*
- **Tom Burns**, *Managing Director, Urban Ventures Group*

- **David M. Chavis**, *Principal Associate and CEO, Community Science*
- **Pennie Foster-Fishman**, *Professor, Department of Psychology and Senior Outreach Fellow, University Outreach and Engagement, Michigan State University*

12:30–1:45 p.m.

LUNCH KEYNOTE: FROM NEIGHBORHOOD INITIATIVE TO CITYWIDE POLICY

John Barros, *Chief of Economic Development, City of Boston*, will reflect on his role leading the Dudley Street Neighborhood Initiative and how he is translating that experience into citywide policy.

1:45–3:30 p.m.

PLENARY: PRACTICE

Situating place-based initiatives in larger contexts presents operational challenges to practice. How do the philanthropic and public sectors need to work differently? What are the implications for community leaders and organizations?

- **Raphael Bostic**, *Professor, Judith and John Bedrosian Chair in Governance and the Public Enterprise, Sol Price School of Public Policy, University of Southern California (Facilitator)*
- **Denise McGregor Armbrister**, *Executive Director, Wells Fargo Regional Foundation*
- **Bart Harvey**, *Former Chairman, Enterprise Community Partners*
- **Antonio Manning**, *Vice President, Office of Corporate Responsibility, JPMorgan Chase & Co. Global Philanthropy*

3:30–4:00 p.m.

Coffee Break

4:00–5:30 p.m.

Concurrent Sessions

RURAL COMMUNITIES AND NATIVE RESERVATIONS: As we've moved beyond inner city areas, the field has developed differentiated approaches in different types of communities, including rural areas and Native American reservations. How are these approaches shaped by their locations?

- **Doug Easterling**, *Chair, Social Sciences and Health Policy, Wake Forest School of Medicine*
- **Peter Pennekamp**, *Senior Research Fellow, Philanthropy Northwest*
- **Lisa Richter**, *Principal, Avivar Capital*
- **Gladys Washington**, *Program Director, Mary Reynolds Babcock Foundation*

BRAIDING FUNDING STREAMS: Making place-based initiatives work today has meant blending, aligning, and “braiding” philanthropic and public funding streams. What collaborative structures and strategies are enabling this to happen?

- **David Bley**, *Director, Pacific Northwest Initiative, Bill and Melinda Gates Foundation*
- **Sheri Brady**, *Senior Associate for Strategic Partnerships, Aspen Forum for Community Solutions*
- **Salin Geevarghese**, *Deputy Assistant Secretary, Office for International and Philanthropic Innovation, U.S. Department of Housing and Urban Development*
- **Norman Rice**, *Trustee, Casey Family Programs*

BUILDING CIVIC CAPACITY: Connecting place-based initiatives to public policy and the economy requires new capacities from community-based organizations. What kinds of competencies and partnership configurations are being developed?

- **Angela Hurlock**, *Executive Director, Claretian Associates*
- **Mary Lee**, *Deputy Director, PolicyLink*
- **Dixon Slingerland**, *Executive Director, Youth Policy Institute*
- **Scot Spencer**, *Associate Director for Advocacy and Influence, The Annie E. Casey Foundation*
- **Jennifer Vanica**, *Partner, VanicaCummings*

5:30–6:30 p.m.

RECEPTION

Program Agenda: Friday, December 5, 2014

- 8:00–8:30 a.m.** **Continental Breakfast**
- 8:30–8:45 a.m.** **WELCOME BACK, RECAP**
- Elwood Hopkins**, *Managing Director, Emerging Markets, Inc.*
- James M. Ferris**, *Emery Evans Olson Chair in Nonprofit Entrepreneurship and Public Policy, and Director, The Center on Philanthropy and Public Policy, Sol Price School of Public Policy, University of Southern California*
- 8:45–9:15 a.m.** **BREAKFAST KEYNOTE: A ROLE FOR CORPORATIONS**
- Andrew Plepler**, *Global Corporate Social Responsibility and Consumer Policy Executive at Bank of America*, will explore the expanding role of the market in place-based initiatives and the new challenges and opportunities it presents.
- 9:15–10:30 a.m.** **PLENARY: MOVING FORWARD: REPLICATION AND SCALE**
- In principle, place-based initiatives can achieve scale through replication or incorporation into public policy. What have we learned about the realities of achieving scale? How should we view this challenge moving forward?
- **Rip Rapson**, *President and CEO, The Kresge Foundation* (Facilitator)
 - **Judith Bell**, *President, PolicyLink*
 - **Casey Johnson**, *Executive Director, GreenLight Bay Area, GreenLight Fund*
 - **Luke Tate**, *Senior Policy Advisor, Urban Affairs, Justice & Opportunity, White House Domestic Policy Council*
- 10:30–10:45 a.m.** **Coffee Break**
- 10:45–12:00 p.m.** **PLENARY: MOVING FORWARD: SOME LESSONS AND TAKEAWAYS**
- What do decision makers who are undertaking place-based initiatives need to know moving forward? Are the goals of these initiatives evolving? What challenges and opportunities lie ahead?
- **Rip Rapson**, *President and CEO, The Kresge Foundation* (Facilitator)
 - **Tonya Allen**, *President and CEO, The Skillman Foundation*
 - **Xavier de Souza Briggs**, *Vice President for Economic Opportunity and Assets, Ford Foundation*
 - **Michael Rubinger**, *President and CEO, LISC*
- 12:00–12:15 p.m.** **Break**
- 12:15–1:15 p.m.** **LUNCH KEYNOTE: THE SIGNIFICANCE OF PLACE-BASED INITIATIVES**
- Jack H. Knott**, *Dean, USC Sol Price School of Public Policy*, will introduce our final speaker.
- Henry Cisneros**, *Chairman and Chief Executive Officer, CityView, and former U.S. Secretary of Housing and Urban Development*, will put this convening in historical context, reflecting on the evolution of the field and the future of place-based initiatives in philanthropy and public policy.
- 1:15–1:30 p.m.** **CLOSING REMARKS**
- James M. Ferris**, *Emery Evans Olson Chair in Nonprofit Entrepreneurship and Public Policy, and Director, The Center on Philanthropy and Public Policy, Sol Price School of Public Policy, University of Southern California*

Appendix C: Glossary of Place-Based Initiatives



Best Start, a program of First 5 LA, works to improve the lives of young children through 14 specific neighborhoods throughout Los Angeles County. Local partnerships are formed with local residents, philanthropy, business leaders, faith leaders, and health care providers, among others, to create strategies for improvement in their community. First 5 LA then supports the local communities through the direction of the partnerships.

Building Healthy Communities is a 10-year, \$1 billion strategy through which the California Endowment is undertaking fourteen place-based initiatives throughout the state of California. Sites selected include a range of rural, suburban, and urban areas of concentrated poverty. Although the primary objective of the initiative is to observe measurable improvements in public health indicators, the work in each site is defined comprehensively, taking into account the various social, environment, and economic contributors to poor health. The initiatives begin with an extended planning period intended to enable community stakeholders to participate in data analysis, strategy development, partnership formation, and organizational and leadership development. The California Endowment is also pursuing a parallel track, contributing to the development of public policies that will be supportive of the work on the ground in each initiative.

Byrnes Justice Innovation Program is a Department of Justice initiative that works in communities where there are identifiable violent crime “hot spots” – usually a set of blocks or a few discrete intersections that have posed major problems for years, and where traditional methods of law enforcement or other community-led efforts have failed to interrupt crime patterns. The initiative enables community leaders to closely examine the varied factors contributing to crime with the help of a local research partner. The research partner assists sites with problem description and definition, identifying evidence based solutions, and providing ongoing analysis and assessment of program impact. A local cross-sector team uses data analysis and direct community input to select response appropriate strategies, which may address issues like physical disorder, social and economic opportunities, and collective efficacy. Byrnes Justice Innovation Program sites leverage resources of diverse partners as they implement these strategies.

Choice Neighborhoods focuses on geographic areas of concentrated poverty that contain distressed public housing or HUD-assisted housing. It aims to transform these areas into sustainable, mixed-income neighborhoods with access to economic opportunities by revitalizing severely distressed housing and linking housing improvements to community workforce investments. In this way, Choice Neighborhoods calls for a holistic approach to community development where the human development plan is integrated with the real estate development plan. Choice Neighborhoods fund both planning grants – which support the development of comprehensive neighborhood revitalization plans – and implementation grants – which support the actualization of those comprehensive plans.

The City Heights Initiative began when philanthropist Sol Price and a city councilman worked together to open a much-needed retail store in the low-income City Heights section of San Diego. Eventually, Price financed a City of San Diego police substation, equipped with community facilities. Building on these early actions, Price launched the “City Heights Initiative,” a holistic approach to revitalizing the area that includes housing, retail, healthcare, education, social services, public safety, job opportunities, and other quality of life issues and services. It became clear to Price that turning around City Heights required a two-pronged approach, one focused on nonprofit activities; the other on for-profit development. In 2000, Price founded the nonprofit Price Charities (formerly San Diego Revitalization Corporation) to develop and own real estate, while Price Philanthropies (formerly Price Family Charitable Fund) funded social services and nonprofit activities.

The Dallas City Design Studio was formed in 2009 through a grant to the City of Dallas from the Trinity Trust Foundation. Housed within Dallas’ city hall, the CityDesign Studio blends together the broader design community and the city of Dallas. It seeks to elevate the design consciousness and culture of Dallas, focusing on enhancing the livability of Dallas residents through improving the social, economic, environmental, and sustainable aspects of urban design projects. Led by Director Brent Brown, the leader of nonprofit community design center bcWORKSHOP, the CityDesign studio provides advisory services on urban design through developing urban design policies for the city, peer review of significant projects, and input into development applications. It also directs urban design services on projects to other departments, and raises awareness about the importance of urban design throughout the city of Dallas, and the throughout the government of the City of Dallas – serving as a link between the City, the design community, and residents and community stakeholders.

Dudley Street Neighborhood Initiative (DSNI) in Boston was established in 1984 by residents of the Roxbury neighborhood of Boston who were concerned about disinvestment and abandoned properties. During its early years it mapped all vacant, abandoned properties that were being held out of productive development by absentee speculators and launched a legal case – and corresponding organizing campaign – for community-driven eminent domain. Today, the organization proactively conducts community planning and property development on these sites. It has also expanded to provide an array of social service and educational activities in conjunction with local schools. DSNI engages diverse stakeholders in decision making, including more than 3,000 residents, business owners, nonprofit executives, school administrators, and leaders of religious institutions.

East Lake Initiative was launched in the mid-1990s in an area of concentrated poverty in southeast Atlanta. At the center of the neighborhood was one of the most troubled public housing complexes in the city as well a historic but rundown golf course. In 1993 Tom Cousins, a local real estate developer and philanthropist, bought the golf club and donated it to his family foundation so it could be redeveloped as an economic engine to revitalize the community. After negotiating with the Housing Authority and residents association, the public housing was demolished and replaced with the Villages at East Lake, a mixed-income community of 542 housing units encircled by the golf course. A charter school was constructed with a cradle-through-college education pipeline. The Cousins Family Foundation established an intermediary to guide a market-oriented revitalization process, attracting a supermarket, two banks, a YMCA, and the Center for Working Families. The University of Georgia reports that initial capital investment of \$154 million generated over \$226 in economic activity.

Harlem Children's Zone (HCZ) was launched in New York in 1997 as a one-block pilot project in Harlem, New York. It focuses on improving the outcomes of children living in this area from infancy to adulthood through a multifaceted approach in all aspects of their lives: childhood development, fostering learning and growth, creating economic and educational opportunities, and strengthening families. It has now expanded to a 100-block area. It has produced substantial outcomes to date: 100% of third graders at Harlem Children's Zone's charter school tested at or above grade-level on the New York State Regents math team, outperforming their peers in New York State. Fewer students missed days of school and visited the emergency room. At Baby College, another HCZ program, 86% of parents who indicated that they previously had read less than five times a week to their children, increased their reading frequency. In 2009, the program served 21,280 individuals (10,462 youth and 10,817 adults).

Healthy Places North Carolina focuses on improving the health and overall quality of life for people in rural areas of North Carolina. The program, started in 2012, seeks to invest \$100 million in 10 to 15 financially disadvantaged, rural North Carolina counties over the next 10 years. Undertaken by the Kate B. Reynolds Charitable Trust, Healthy Places North Carolina will help support locally-defined health-improvement projects and various forms of individual and organizational capacity building. Trust program officers spend a large amount of time forming relationships with local individuals and organizations, seeking to help them develop capacity through leadership training for committed individuals and organizations and capacity building grantmaking. Already increased grant applications have begun coming in from these counties which the Trust previously did not have as large of a presence, and locals have reported observing new partnerships, expanded networks, and increased capacity in their communities, among other benefits.

The Kings County Communities of Opportunity Initiative (Road Map Project) is a neighborhood-focused initiative that King County government and The Seattle Foundation are developing in partnership with community residents and groups, city governments, policymakers, and other funders and partners. The intent is to support community-identified goals that increase equity – health, social, racial and economic – and positively influence policies, systems and practices within and across these communities. The common umbrella for Communities of Opportunity will allow for more impact, prevent duplicative efforts, and create a foundation to engage other partners in the work. The initiative aims to close the gap in a cross-section of highly significant economic, social and health indicators, such as improving housing affordability and quality; improving education and economic opportunity (including living wage jobs, wealth-building opportunity); and improving community safety, reducing health risk factors and improving access to physical and behavioral health services.

Making Connections was a major, multi-site initiative launched by The Annie E. Casey Foundation in 1999, building on its previous efforts in the community development field. For more than a decade, it aimed to improve the lives of children and their families in disinvested communities throughout the country by taking a comprehensive approach to community change that emphasized strengthening families. The basic premise was that kids do well when their families do well, and families do better when they live in supportive communities. One key element of the initiative was the promotion of economic security for parents through training and jobs while at the same time ensuring children succeed in the early grades of school and are reading proficiently by the end of third grade. Making Connections began with 22 sites, eventually settling on 10 for full participation in the initiative: Denver, Des Moines, Hartford, Indianapolis, Louisville, Milwaukee, Oakland, Providence, San Antonio, and Seattle.

Market Creek Plaza is a comprehensive revitalization effort centered on an anchor retail development: Market Street Plaza in the Diamond neighborhoods of southeastern San Diego. The work expanded to be more comprehensive including physical, social, economic, civic and innovative learning components. In 1995, the lead funder, the Jacobs Family Foundation, created the Jacobs Center for Neighborhood Innovation (JCNI), an operating foundation that serves as “coordinating partner” for the Village at Market Creek. JCNI has placed enormous value on resident engagement, working with teams of residents – representing the many diverse ethnicities who reside in the immediate area – on virtually every aspect of planning and program development. The initiative has used a host of creative funding vehicles and leveraging strategies. Market Creek Plaza is partly owned by community members through a system of private shares and a resident-driven IPO. Other revenues are channeled back into community development.

Neighborhood and Family Initiative (NFI) was one of the earliest comprehensive community initiatives. Launched in 1990 by the Ford Foundation, NFI turned into a ten-year initiative working in a single neighborhood in each of four cities (Memphis, Hartford, Detroit, and Milwaukee). NFI sought to improve the quality of life for families in the selected neighborhoods by working with local community foundations, using them to administer funds and oversee the practices at the local level. After setting up the basic structure of the initiative and the “givens” under which it would operate, Ford sought to avoid directing the specific initiatives, and rather to let the local partners guide the way. Over the life of NFI, Ford provided around \$3 million for operations and program support at each site. In addition, Ford established a \$3 million program-related investment (PRI) fund for the local partners to draw on for specific projects. Further information on NFI can be found in the evaluations conducted by Chapin Hall at the University of Chicago (<http://www.chapinhall.org/>).

Neighborhood Revitalization Initiative (NRI) is a place-based approach that helps neighborhoods in distress to transform themselves into neighborhoods of opportunity. NRI engages the White House Domestic Policy Council, White House Office of Urban Affairs, and the Departments of Housing and Urban Development, Education, Justice, Health and Human Services, and Treasury in support of local solutions to revitalize and transform neighborhoods. The interagency strategy is designed to catalyze and empower local action while busting silos, prioritizing public-private partnerships, and making existing programs more effective and efficient.

The New Communities Program (NCP) is a long-term initiative of the Local Initiatives Support Corporation (LISC)/Chicago to support comprehensive community development in 16 Chicago neighborhoods. Funded initially by the MacArthur Foundation, the 10-year effort seeks to rejuvenate challenged communities, bolster those in danger of losing ground, and preserve the diversity of areas in the path of gentrification. NCP neighborhoods span a cross-section of Chicago’s South, Southwest, West and Northwest sides. Each effort is led by a neighborhood-based lead agency that coordinates programs among other local organizations and citywide support groups. The 14 lead agencies (one of which serves three adjacent communities) have at their disposal two full-time staff positions and a pool of loan and grant funds to mount short- and long-term initiatives. The funds, distributed by LISC on a competitive basis, serve as seed money to leverage other public and private resources; technical support and peer-learning opportunities, including planning expertise, trainings, access to subject-area experts and meetings with peers in other NCP agencies. Lead agencies are encouraged to forge partnerships with other nonprofit groups, businesses, government and residents to address issues such as affordable housing, prisoner re-entry, cultural programming, education reform, community marketing and open space.

Partnership for Sustainable Communities is a partnership between the federal agencies HUD, DOT, and the EPA. Begun in the summer of 2009, works to coordinate federal housing, transportation, water, and other infrastructure investments. The partnership has done this through grant programs at each of the constituent agencies, and also through production of certain tools to help comprehensively. Some of these tools include the Smart Location Database and the Sustainable Communities Census HotReport, which give community leaders and residents a reliable and easy way to measure their performance on a variety of sustainability measures; as well as webinars, roundtable discussions, support for the Governors' Institute on Community Design, and other means.

Promise Neighborhoods were adopted by the Obama Administration as part of its urban policy agenda and incorporated into planning documents produced by HUD and the Department of Health and Human Services (HHS). A significant funding step on the part of the administration was the issuance of a request for proposals for "Promise Neighborhoods." Modeled after Harlem Children's Zone the grant program seeks to fund 20 demonstration projects nationally that will "improve the educational and life outcomes for children living in the most distressed urban, rural, and tribal communities, and to transform those communities." The initial planning grants will award \$400,000 - \$500,000 to the lead agency to conduct needs assessment, form coalitions and partnerships, and develop comprehensive, sustainable programs to assist low-income families from cradle-through-college.

Promise Zones are designed to revitalize high-poverty neighborhoods across the country by creating jobs, increasing economic activity, improving educational opportunities, reducing serious crime, leveraging private capital, and assisting local leaders in navigating federal programs and cutting through red tape. The Promise Zone designation embeds a federal staff member in each selected community to help navigate the array of federal assistance programs, and to partner with local leaders who are addressing revitalization challenges. In early 2014, the following were designated the first five Promise Zones: Philadelphia. San Antonio, Los Angeles, Kentucky Highlands, and the Choctaw Nation of Oklahoma. The Promise Zone designation will be for a period of ten years and will be extended as necessary to capture the full term of availability for the Promise Zone tax incentives.

Rebuilding Communities Initiative (RCI) was a seven-year community change initiative launched in 1994 by The Annie E. Casey Foundation (AECF). It sought to develop local leaders and local organizations and to help build partnerships with funders and other community groups. Many of the lessons and relationships forged during this time paved the way for Making Connections, launched in 1999. Previous to RCI, most of AECF's grantmaking had been focused on the city or state level, RCI demonstrated a major refocusing on the neighborhood level. A comprehensive initiative, RCI worked on solutions in a wide range of areas that affected residents' quality of life. It designated organizations as Foundation grantees to lead the efforts in local communities, such as: The Dudley Street Initiative in Boston/Roxbury, Germantown Settlement in Philadelphia, Marshall Heights Community Development Organization in Washington, DC, NEWSED Community Development Corporation in Denver, and the Warren/Conner Development Coalition in Detroit.

Rural People, Rural Policy (RPRP) is a multi-year national initiative undertaken by the W.K. Kellogg Foundation focusing on issues affecting rural areas. The initiative is based on Rural Policy Networks, made up of up to 15 organizations each. Five of these Rural Policy Networks are place-based networks, based where Kellogg had already invested considerable resources, including: Central Appalachia, Mid-South, Great Plains, Southwest, and Michigan. Two networks are non-regional networks: an At-Large Network for local groups, and a Network of National Organizations. RPRP was launched in 2006 by Kellogg inviting 24 organizations to join four regional networks and the At-Large Network. In 2007, Kellogg invited 32 additional organizations to join the networks and set up the Network of National Organizations. Participating in the networks accrues benefits to the member organizations including: organized peer-to-peer learning, grant support, and access to funds.

The Strong Cities, Strong Communities Initiative first announced in June 2011 seeks to strengthen neighborhoods, towns, cities, and regions around the country by enhancing the capacity of local governments to develop and execute their economic vision and strategies, and providing necessary technical assistance and access to federal agency expertise. It is aimed at creating new partnerships between federal agencies and localities to spark economic development in communities that have faced significant long-term economic challenges. In addition to other components, it embeds federal experts into the

mayor's teams in six pilot cities: Chester, PA; Cleveland, OH, Youngstown, OH, Detroit, MI, Fresno, CA, Memphis, TN, and New Orleans, LA to help them execute their economic vision.

Sustainable Communities Initiative (SCI) Regional Planning grants support metropolitan and multi-jurisdictional planning efforts that integrate housing, land use, economic development, workforce development, transportation, and infrastructure investments. The office administers Regional Planning and Community Challenge grant programs that place priority on investing in partnerships which direct long-term regional development and reinvestment, demonstrate a commitment to addressing issues of regional significance, utilize data to set and monitor progress toward performance goals, and engage stakeholders and citizens in meaningful decision making roles. The initiative also has a strong focus on regionalism, equity, and workforce development.

USDA Strike Force focuses on rural communities that are still in a growth phase and in the process of building capacity for collective problem solving. USDA Strike Force for Rural Growth and Opportunity Initiative is designed to grow economies, increase investments, and create opportunities in poverty-stricken rural communities. It was officially launched in 2010 as a pilot project in persistent poverty areas in rural Arkansas, Georgia and Mississippi. Since then, it has been expanded into persistent poverty counties in Colorado, New Mexico, Nevada, Alabama, Alaska, Arizona, North Carolina, North Dakota, South Carolina, South Dakota, Texas, Utah and Virginia, Kentucky, Louisiana, Tennessee, and West Virginia. There are now over 700 persistent poverty counties parishes, boroughs, Colonias and tribal reservations in twenty states receiving Strike Force attention. Since its inception, the initiative has formed over 400 community-based partnerships and supported 80,300 projects and opportunities to strengthen America's rural economy.

Wells Fargo Regional Foundation Initiatives. The Wells Fargo Regional Foundation is a specialized charitable arm of Wells Fargo which works only in 62 counties in Delaware, New Jersey, and Eastern Pennsylvania. It supports local communities by offering a variety of support mechanisms: Neighborhood Planning Grants, Neighborhood Implementation Grants, and Neighborhood Implementation Renewal Grants. Neighborhood Planning Grants help locals develop community-driven plans by providing funds for technical assistance, outreach, and community meetings, among other things. Once a resident-driven plan is in place, Neighborhood Implementation Grants help support comprehensive community development projects, and Neighborhood Implementation Renewal Grants are available to maintain momentum for such projects once they've gotten underway.

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