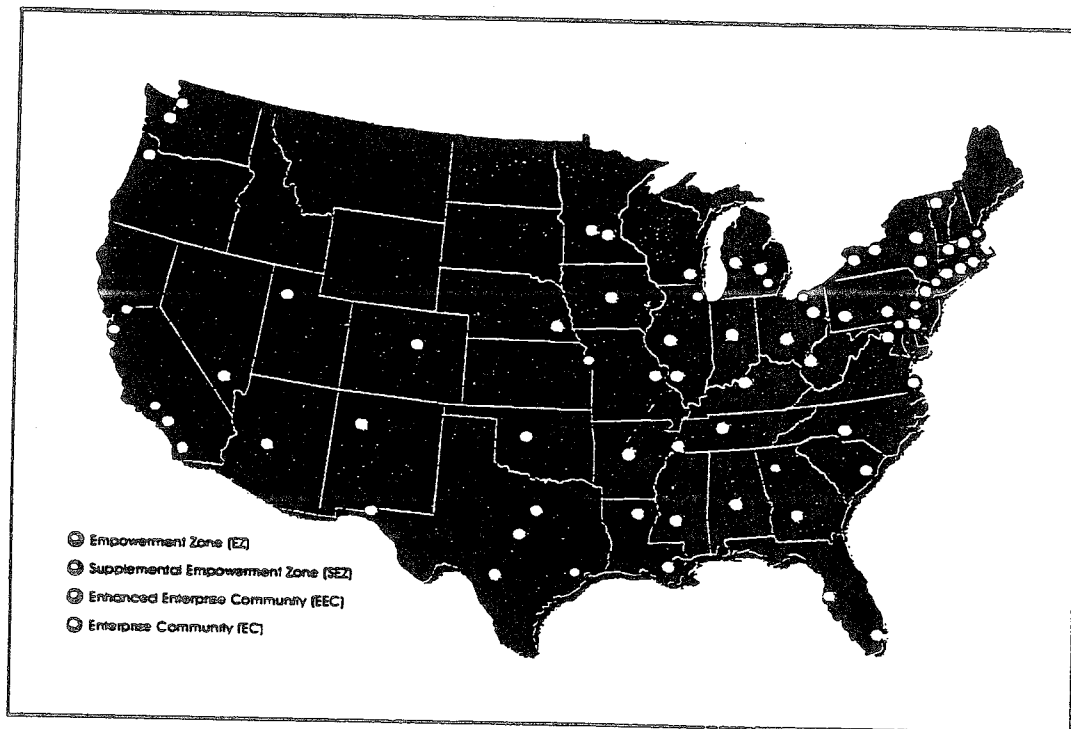


THE URBAN EMPOWERMENT ZONES

# Empowerment Zone Initiative

Building a Community Plan for Strategic Change  
Findings from the First Round of Assessment



Nelson A. Rockefeller Institute of Government

# **Building a Community Plan for Strategic Change**

Findings from the First Round of Assessment

The Nelson A. Rockefeller Institute of Government  
State University of New York

Richard P. Nathan  
Director

David J. Wright  
Director of Urban Studies

Prepared for the U.S. Department of Housing and Urban Development  
under contract DU100C0000018065.

The analysis contained in this report represents the findings of the  
Nelson A. Rockefeller Institute of Government.

## Contributors

### *Principal Investigator*

*RICHARD P. NATHAN*

Richard P. Nathan is Director of the Nelson A. Rockefeller Institute of Government and Provost of the Rockefeller College of Public Affairs and Policy, State University of New York at Albany. Professor Nathan is also chairman of the board of the Manpower Demonstration Research Corporation and serves as principal investigator for the Rockefeller Institute field network study of working- and middle-class minority neighborhoods and co-principal investigator for the field network evaluation of the Pew Charitable Trusts' Neighborhood Preservation Initiative. He has extensive experience directing field network studies of federal grant-in-aid programs including public service employment, community development block grant programs, revenue sharing and President Reagan's domestic policy while at the government studies program at the Brookings Institution and the Urban and Regional Research Center at the Woodrow Wilson School of Princeton University. During President Nixon's first term, Professor Nathan served as Assistant Director of the Office of Management and Budget and subsequently as Deputy Under Secretary for Welfare Reform at the (then) Department of Health, Education, and Welfare.

### *Project Director*

*DAVID J. WRIGHT*

David J. Wright is Director of Urban Studies at the Rockefeller Institute of Government. Responsible for managing the center, Mr. Wright also directs the Urban Neighborhood Study, a field network study of working- and middle-class neighborhoods in 16 metropolitan regions across the country, is co-principal investigator and project director for a nine-city field evaluation of the Pew Charitable Trusts' Neighborhood Preservation Initiative, and is researching the role of economic clustering and networking in inner-city development. Prior to joining the Institute, Mr. Wright served as Deputy Secretary to New York Governor Mario Cuomo for policy, program design, coordination, and budgeting, particularly on workforce development, technology, and targeted economic growth. Mr. Wright first worked for the State of New York as a senior examiner in the Office of Management and Productivity, conducting operational audits and program evaluation studies. Before that, Mr. Wright served as a senior policy analyst with the Setting Municipal Priorities Project and the Trust for Public Land.

### *Atlanta, GA*

*MICHAEL J. RICH*

Michael J. Rich is Associate Professor of Political Science at Emory University. Dr. Rich served as Assistant Professor of Political Science at Brown University and held research appointments at the Brookings Institution and the US Department of Housing and Urban Development. He is the author of *Federal Policymaking and the Poor* as well as several publications on federalism and a variety of urban policy topics. His current research focuses on community building and neighborhood revitalization strategies. Dr. Rich received his Ph.D. in Political Science from Northwestern University.

Michael Giles is Professor and former departmental chair of Political Science at Emory University. A past chair of the Southern Political Science Association, Professor Giles has written extensively on such topics as judicial politics and policymaking, race relations and research methods. Dr. Giles received his Ph.D. from the University of Kentucky.

Robert A. Brown is Assistant Professor of Political Science and African American Studies at Emory University. Having received his Ph.D. from the University of Michigan, Dr. Brown's research and teaching interests are in urban politics, race and American political development. He is readying for publication a study on urban fiscal economies of American cities from 1972 to 1990.

*Baltimore, MD*

*ROBERT P. STOKER*

Robert P. Stoker is Associate Professor of Political Science and Associate Director of the Graduate Program in Public Policy at George Washington University, Washington, DC. Dr. Stoker has taught courses on methods of policy analysis, policy implementation, and welfare reform. Professor Stoker's book, *Reluctant Partners: Implementing Federal Policy*, analyzes the problems of arranging cooperation among implementation participants. His other published works include investigations of the school lunch program, welfare reform, criminal court performance, and urban redevelopment. Most recently, he has been participating in the evaluation of the Primary Prevention Initiative, a welfare reform initiative in Maryland. Dr. Stoker received his Ph.D. from the University of Maryland.

*Boston, MA*

*KARL F. SEIDMAN*

Karl F. Seidman is a Lecturer in Urban Studies and Planning at the Massachusetts Institute of Technology and an economic development consultant. He has 15 years direct experience in economic development, development finance and real estate development at the neighborhood, city, and state level. He has designed and managed programs, financed and supervised complex development projects, and overseen studies, plans, and strategies. Mr. Seidman holds a Master's degree in Public Policy from Harvard's Kennedy School of Government.

*Charlotte, NC*

*WILLIAM M. ROHE*

Dr. William M. Rohe is the Dean E. Smith Professor of City and Regional Planning and the Director of the Center for Urban and Regional Studies at the University of North Carolina at Chapel Hill. He is the co-author of *Planning with Neighborhoods* and has authored or co-authored over 35 journal articles on housing and community development policy and practice. Dr. Rohe has conducted evaluations of a number of federal housing and community development programs including the Public Housing Homeownership Demonstration, the Local Property Urban Homesteading Program, and the Neighborhood Housing Services Program. He is currently conducting an evaluation, sponsored by the Ford Foundation, of the Charlotte Housing Authority's Gateway Family Self-Sufficiency Program. Dr. Rohe received his Ph.D. from Pennsylvania State University.

*Chicago, IL*

*CHARLES J. ORLEBEKE*

Charles J. Orlebeke is Professor of Urban Planning and Public Affairs at the University of Illinois at Chicago. A former Assistant Secretary for Policy Development and Research at the US Department of Housing and Urban Development, Dr. Orlebeke's research interests are in the areas of national urban policy, intergovernmental and urban finance, community-based development, and housing policy. He is the author of *Federal Aid to Chicago* and numerous book chapters, journal articles, and reports. A book on the New York City Housing Partnership is being readied for publication later this year. Professor Orlebeke received his Ph.D. in Political Science from Michigan State University.

*Cleveland, OH*

*DENNIS KEATING*

Dennis Keating is Professor and Associate Dean of the Levin College of Urban Affairs at Cleveland State University. Dr. Keating received his Ph.D. in City and Regional Planning from the University of California at Berkeley, and he has taught, researched and published widely about housing and community development. His most recent book is entitled *Revitalizing Urban Neighborhoods*.

Norman Krumholz is Professor in the Levin College of Urban Affairs at Cleveland State University. Professor Krumholz is a former planning director for the City of Cleveland and city planner in Buffalo, Ithaca, and Pittsburgh. He has written chapters for nine books, has published widely in professional journals, and co-authored, with John Forester, *Making Equity Planning Work: Leadership in the Public Sector*. Dr. Krumholz is a former president of the American Planning Association and recipient of the APA's Award for Distinguished Leadership.

Mittie Olion Chandler is Associate Professor and Director of the Master of Urban Planning, Design and Development and Master of Science in Urban Studies programs at Cleveland State University. With a Ph.D. in Political Science and Master of Urban Planning from Wayne State University, Dr. Chandler's research interests and published writings focus on low-income housing and urban politics. A former city planner and public housing manager, Professor Chandler has also served on the board or as a technical adviser to various community-based organizations, including the Empowerment Center and the Local Initiative Support Corporation Advisory Committee.

*Dallas, TX*

*PAUL A. JARGOWSKY*

Paul A. Jargowsky is Assistant Professor of Political Economy at the University of Texas at Dallas. Professor Jargowsky's main research interest has been the growth of ghettos and barrios in the United States. His research is the subject of a recent book, *Poverty in Place: Ghettos, Barrios and the American City*. His current work analyzes the relative importance of macroeconomic and spatial factors in determining the growth of high-poverty neighborhoods. Other research interests include economic

segregation, racial segregation, and the effects of neighborhood environment on child development. Professor Jargowsky was the principal author of *The New Social Contract*, the final report of the New York State Task Force on Poverty and Welfare. Dr. Jargowsky received his Ph.D. from Harvard University.

*Detroit, MI*

*ROBIN M. BOYLE*

Robin M. Boyle is Associate Dean of the College of Urban, Labor, and Metropolitan Affairs and Professor of Urban Planning at Wayne State University. A native of Glasgow, Scotland, Professor Boyle moved to the US in 1992 after spending 16 years with the Centre for Planning at the University of Strathclyde in Glasgow. His research interests included comparative urban policy, local economic development, and community planning. He is currently co-principal investigator on a major School-to-Work applied research project, which involves building three-way partnerships between business, the community and education.

*East St. Louis, IL*

*GEORGE DORIAN WENDEL*

George Dorian Wendel is Professor of Political Science and Public Policy and former Director of the Center for Urban Programs at St. Louis University. Professor Wendel has performed research for the federal government, numerous universities, institutions and foundations. While serving as an associate of the Governmental Studies program of the Brookings Institution, he co-authored *Federal Aid to St. Louis* with Henry Schmandat and E.A. Tomey. Professor Wendel performed research on health care policy and delivery at Columbia University, resulting in his co-authorship of two books, *Health Care for the Urban Poor: Lessons for Policy* and *Local Health Policy in Action, The Municipal Health Services Program*. In addition, he co-authored *Metropolitan Reform in St. Louis* with Henry J. Schmandat and Paul G. Steinbicker.

*Los Angeles, CA*

*ALI MODARRES*

Ali Modarres is Associate Professor of Geography and Urban Analysis and the Director of Applied Research at the Edmund G. "Pat" Brown Institute of Public Affairs at California State University, Los Angeles. Dr. Modarres' primary research and outreach projects focus on urban policy issues, including ethnic community development, immigration and the spatial dynamics of population distribution, and the resulting social and urban structure. He has published in the areas of race and ethnicity in American cities and has prepared planning publications to assist grass-root groups achieve their community development goals. Professor Modarres recently published a book on the demographic aspects of race and ethnicity in Los Angeles titled *The Racial and Ethnic Structure of Los Angeles County* and has presented a number of papers on this topic. Dr. Modarres received his Ph.D. from the University of Arizona.

*Louisville, KY*

*HANK SAVITCH*

Hank V. Savitch is Professor of Urban Policy and Management at the College of Business and Public Administration at the University of Louisville. Professor Savitch has authored three books on various aspects of urban affairs, including neighborhood politics, national urban policy, and comparative urban government. He co-edited *Big City Politics in Transition* with John Thomas and *Regional Politics: America in a Post City Age* with Ronald K. Vogel. Professor Savitch is also co-editor of the Journal of Urban Affairs and has served as a consultant to federal and local governments. His articles have appeared in leading journals, and he is a member of the Governing Board of the Urban Affairs Association.

Ronald K. Vogel is Associate Professor of Political Science and a faculty member in the doctoral program in Urban and Public Affairs at the University of Louisville. Professor Vogel's research focuses on urban economic development and metropolitan governance, and he is author of *Urban Political Economy: Broward County, Florida*, editor of *Handbook of Research on Urban Politics and Policy*, and co-editor of *Regional Politics: America in a Post City Age*. Professor Vogel serves on the Executive Council of the Urban Politics section of the American Political Science Association. Professors Savitch and Vogel have also served as consultants to Jefferson County's Fiscal Court on issues pertaining to government reorganization. Dr. Vogel received his Ph.D. in Political Science from the University of Florida.

*Minneapolis, MN*

*CECILIA R. MARTINEZ*

Cecilia R. Martinez is Assistant Professor at Metropolitan State University and Adjunct Professor at the Center for Energy and Environmental Policy Research at the University of Delaware. Professor Martinez has published and conducted research in the areas of environmental policy, urban planning, and social equality, and the political economy of urban and energy transitions. Professor Martinez is undertaking a multi-year study of community-level development and preservation issues in two working-class neighborhoods in Saint Paul for the Rockefeller Institute of Government. She also works with and provides research assistance to the American Indian Research and Policy Institute in Saint Paul, MN.

*New York, NY*

*ELIZABETH J. MUELLER*

Elizabeth J. Mueller is Assistant Professor of Urban Policy and Senior Research Associate, Community Development Research Center, Robert J. Milano Graduate School of Management and Urban Policy, New School for Social Research. Her research focuses on low-wage workers in cities and community-based efforts to revitalize low-income communities and employ their residents. Her recent publications include *From Neighborhood to Community: The Social Effects of Community Development*.

*Philadelphia, PA/Camden, NJ*

*ROBERT W. BAILEY*

Robert W. Bailey is Assistant Professor of the Graduate Faculty of Public Policy and Administration at Rutgers University and is currently Adjunct Professor of Politics and Education at Teachers College. He has taught at Barnard College and the School of International and Public Affairs at Columbia University. His main research interests are in the areas of state and local politics, development policy, and financial management. Bailey is author of *The Crisis Regime: The MAC and EFCB and the Political Impact of the New York City Financial Crisis* and is completing a book on the effects of sexual identity on urban politics and public policy to be published later this year by Columbia University Press.

*Phoenix, AZ*

*JOHN STUART HALL*

John Stuart Hall is Professor of Public Affairs and Public Services at Arizona State University. Professor Hall is the author or co-author of numerous books and articles about urban and intergovernmental politics and governance issues. His most recent book, with Neal Pierce and Curtis Johnson, is *Citistates: How Urban America Can Prosper in a Competitive World*. Professor Hall frequently counsels international groups and delegations about US federalism, state and local government, and regional issues. He received his Ph.D. in Political Science from the University of Oregon.

*San Francisco, CA/Oakland, CA*

*DAVID H. TABB*

David H. Tabb is Professor of Political Science and Acting Chair of the Department of Political Science at San Francisco State University. Dr. Tabb has served as Visiting Professor at the American Institute of Foreign Study in London and held research appointments at the National Science Foundation, the Institute of Governmental Studies, and several other universities and foundations. In addition, Professor Tabb has written extensively on such topics as economic, political and racial equality, and urban politics. Dr. Tabb received his Ph.D. in political science from the University of North Carolina at Chapel Hill.

Richard DeLeon is Professor and Chair of the Department of Political Science at San Francisco State University. Having received his Ph.D. from Washington University, St. Louis in 1972, Dr. DeLeon has taught courses on urban politics, American government and politics, and methods of policy analysis. Professor DeLeon's book, *Left Coast City: Progressive Politics in San Francisco, 1974-1991*, earned him the Best Book on Urban Politics award from the American Political Science Association.

*Tacoma, WA*

*BETTY JANE NARVER*

Betty Jane Narver is the Director of the Institute for Public Policy and Management, a research unit within the Graduate School of Public Affairs at the University of Washington. Ms. Narver has conducted research on the implementation of a number of federal and state programs including federal block



grants, First Steps (a state extension of Medicaid to pregnant women at 185 percent of poverty), and programs for the developmentally disabled. Ms. Narver has also been actively involved in examining regional governance and the impact of growth in Washington State.

\* \* \* \* \*

*Disclosures:* In addition to their participation on this assessment, some of the contributors and institutions have had prior or contemporaneous experience with the EZ/EC Initiative:

- David Wright served in an unrelated capacity in the Governor's Office when the State of New York was asked for, and determined to provide, support to localities seeking EZ/EC designation.
- As Executive Director of the Providence Plan, a nonprofit strategic planning organization in Providence, Rhode Island, Dr. Michael Rich directed the city's successful application for designation as an Enterprise Community and helped launch a number of community-building initiatives.
- Dr. Michael Giles is Fellow and former Senior Advisor for Research and Evaluation at the Carter Center, which provided technical assistance to community organizers during the formative stages of Atlanta's EZ proposal.
- As Deputy Director of the Massachusetts Government Land Bank, Karl Seidman participated on a state level task force designed to assist communities seeking EZ/EC designation and worked to secure the agency's set aside of funds for projects in communities receiving EZ/EC designation.
- Dr. Ali Modarres provided early technical assistance in data gathering and GIS database development for Los Angeles' EZ application, including development of an initial set of maps for the Los Angeles County Community Development Commission.
- Elizabeth Mueller was supported by other staff from the New School for Social Research. Dr. Avis Vidal, Associate Professor and Director of the Community Development Research Center at the Milano Graduate School of Management and Urban Policy, initially led the New York assessment team and currently serves as a co-principal investigator on a separate HUD-sponsored evaluation of the EZ/EC Initiative. Dr. Dennis Derryck, Professor of Professional Practice at the Milano Graduate School of Management and Urban Policy, served as a technical consultant to the New York assessment team. Prior to joining the New School, Dr. Derryck was Director of Commercial Development at the Harlem Urban Development Corporation, where he played a central role in the preparation of New York's EZ application.
- Dr. John Hall is directly involved with the Arizona State University Community Outreach Partnership Center grant (see below).
- Arizona State University, Cleveland State University (as part of a consortium with Case Western Reserve University), San Francisco State University (as part of a consortium with the University of California at Berkeley), the University of Illinois-Chicago, and Wayne State University (as part

of a consortium with Michigan State University and the University of Michigan) have received Community Outreach Partnership Center (COPC) grants from the Office of Policy Development and Research of the US Department of Housing and Urban Development. COPC grants were awarded to academic institutions and consortia of academic institutions for the purposes of underwriting technical assistance and research support to community-based organizations, including those within designated EZ/EC areas.

- Some institutions provided support during the plenary and implementation phases of the EZ/EC Initiative in select cities. Arizona State University's Morrison Institute played a supporting role in the development of the Phoenix EC's benchmarking methodology. Wayne State University supported and assisted in the development of Detroit's EZ application. In addition, Wayne State University's College of Education, unrelated to the College of Urban, Labor, and Metropolitan Affairs, stands to be involved in six projects included in the EZ plan that are pending approval and award of SSBG funds. Each of these activities are being directed by staff unrelated to this assessment.

## Table of Contents

I. INTRODUCTION and SUMMARY .....	1
II. BACKGROUND on the EZ/EC INITIATIVE .....	6
A. Program Description .....	6
B. Key Features of the EZ/EC Initiative .....	9
III. BACKGROUND on the ASSESSMENT of the EMPOWERMENT ZONE/ENTERPRISE COMMUNITY INITIATIVE .....	11
A. The Study Sample Communities .....	11
B. The Information .....	11
IV. FINDINGS from ROUND ONE .....	14
A. Citizen Participation in the Strategic Planning Process .....	15
B. The Selection of EZ/EC Boundaries .....	22
C. Patterns in Strategic and Program Activities .....	30
D. EZ/EC Governance Structures .....	40
E. Benchmarking .....	60
V. INITIAL CONCLUSIONS from ROUND ONE .....	67
APPENDICES	

## List of Tables

Table 1 - Selected Characteristics of the Strategic Planning Process .....	after 18
Table 2 - Level of Community Influence on Content of Strategic Plan .....	after 21
Table 3 - Measures of Distress in Empowerment Zones/Enterprise Communities and Surrounding Areas: Summary .....	after 28
Table 4 - Original Strategic Plan Application v. Designation .....	31
Table 5 - Strategies and Program Activities .....	after 31
Table 6 - Overall EZ/EC Revitalization Strategy Characterization .....	after 39
Table 7 - Classification of Local Governance Structures in Empowerment Zone and Enterprise Community Cities .....	after 40

## I. INTRODUCTION and SUMMARY

The Empowerment Zone/Enterprise Community Initiative ranks among the most significant efforts launched by the federal government in decades on behalf of this nation's distressed inner cities and rural areas. The program is a notable and innovative approach to building partnerships and community capacity; for fostering reform in the relationship between citizens and their government, and among levels of government; and for insisting on a new level of accountability, with visionary goals connected to measurable results.

The aim of the EZ/EC Initiative is to serve as a catalyst for locally generated strategies and plans, with benchmarks to assure accountability for the activities undertaken. This is surely ambitious. Although the program has distinct and new features, it is similar in a number of ways and in its aspirations to other federal and foundation efforts.

The design of the EZ/EC Initiative appears to reflect the benefit of prior experience. Consistent with the preponderance of evidence from analyses of economic development efforts at the state and local level, including reviews of some of the 37 state enterprise zone programs, the Initiative seeks to combine targeted tax incentives with such things as direct financial assistance, job readiness training and placement services, improvements to physical infrastructure and public safety and the development of strong community partnerships shown to be essential for long-term success. Learning from Community Action and Model Cities, the Initiative's design seeks to focus both on community involvement and on better coordination among responsible locally elected officials, together with their state and federal counterparts. The program design prescribes

specific forms of community involvement and intergovernmental reform from among a wide range of actors. And the promise of Federal reform, rather than being left to a single agency with limited authority, is institutionalized in the form of the Community Empowerment Board, chaired by the Vice President and comprising all relevant domestic agencies of the federal government.

This assessment of the Empowerment Zone/Enterprise Community Initiative -- a report to the U.S. Department of Housing and Urban Development produced by the Nelson A. Rockefeller Institute of Government in cooperation with Price Waterhouse LLP -- marks an important opportunity to help ensure that our government and nation learn the right lessons about this important undertaking. The assessment also serves as a method of identifying the sites, people and programs that are standout performers, and using and sharing those models and best practices as lessons for improvement while the Initiative is underway.

The 18 designated areas in the sample for this study include all six Empowerment Zones, two Supplemental Empowerment Zones, two Enhanced Enterprise Communities, and eight Enterprise Communities. Overall, the designated EZ/ECs in the study sample are dispersed in that 13 communities have multiple sites, while five have a single contiguous site. Both SEZs, both EECs and five of the eight ECs in the sample had initially sought designation as an EZ. Altogether, these 18 designated areas account for 80 percent of the urban-area funds distributed under this Initiative.

This report places special emphasis on community participation and empowerment in the planning and governance process for the start-up of this new program; it covers the first 18 months of the Initiative. In the typical city in

the study sample, the public sector initiated the strategic planning process, played a major role in structuring and designing the process and assumed responsibility for the day-to-day management of the process. The typical city also formed some type of steering committee or collection of task forces to organize input for the community. That input was substantial and surprisingly so, given the tight timelines leading up to and following site designation.

The field associates for this study were nearly unanimous in their assessment that the citizen participation that occurred during the development of their city's strategic plan was *significantly and substantively greater* than that which has taken place under previous federal urban initiatives. Associates reported that outreach was more extensive and that a wide group of community stakeholders were involved in the planning process. This includes leading citizens in the program areas, business groups, major nonprofit institutions (such as colleges, universities, and hospitals), and a large number of government departments and agencies.

For 17 of the 18 sample sites, associates reported that most citizen participants were savvy, experienced leaders and representatives of community groups and neighborhood-based service providers. The exception was Oakland where an in-depth resident-interviewer approach was used to train community residents to promote grassroots involvement.

Because of the size and character of the task and the schedule involved, in many sample sites the strategic planning process and the design of program activities occurred *simultaneously* with the decision process for designating the geographic area for program designation. Among the cities studied, the typical process for designating proposed EZ/EC boundaries began with staff from a relevant city

agency, usually from city planning or an office of community and economic development. Involvement of a working group quickly followed, bringing staff from other agencies of local government together with community stakeholders and outside experts to identify the areas meeting the federal eligibility requirements and then to whittle the potential area down to the necessary size.

In the sample cities, the areas designated as EZ/ECs were found to be significantly more distressed than the other areas in these cities eligible for designation and the respective metropolitan areas as a whole. Taken as a group, the EZs/ECs in the study sample had significantly higher rates of poverty, working-age persons not in the labor force, 16-19 year olds neither in school nor working, and female-headed households with children than the surrounding metropolitan regions or the others areas in these regions eligible for designation. Populations in the EZs/ECs likewise had far lower levels of educational attainment and far fewer "prestige" or "white collar" workers than in those other areas.

As they focused their efforts on particularly distressed areas, the vast majority of EZ/EC communities in the study sample -- 13 of 18 -- have emphasized comprehensive, broad-based approaches to neighborhood revitalization. Field associates categorized nine of the EZ/EC sample sites as emphasizing a "*holistic*" approach to revitalization -- that is, attempting to integrate activities in the areas of economic, physical, environmental, community and human development. Study sample cities designated as holistic included three Empowerment Zone cities and six Enterprise Communities.

The EZ/EC sites studied embraced a number of strategies in their initial plans to

address the four program goals (1) economic opportunity, (2) sustainable community development, (3) community-based partnerships and (4) strategic vision for change. Of the four goals, the first two are outcome-focused. All of the EZ/EC sites are attempting to establish benchmarks to measure their program achievement in these two areas.

A review of the strategic plans produced by the sample EZ/ECs in this study reveals that almost all are pursuing a "one-stop shopping" model as part of their economic development strategy. All are incorporating job training as an element in their approach, some concentrated on industry-specific areas such as construction, entrepreneurship and health care. All of the six EZ cities have strategies to establish an entity along the lines of a community development bank or "one-stop capital shop," to enhance family self-sufficiency through strengthened human services including a focus on youth and health care, to improve the quality and availability of housing, and to improve public safety by expanding community policing. All of the EC sites planned to focus their economic development efforts on making financial and technical assistance available to businesses in their areas.

At this stage of the Initiative, nearly 18 months after designation in December 1994, all of the sample cities have their formal governance structures in place. New York City and Camden only recently reached agreement on their respective Empowerment Zone governance structures and it required intervention of HUD officials in these communities to bring this about. As this is written, Minneapolis is considering whether to continue operating the EC Initiative through the governance structure in place for its Neighborhood Revitalization Program or to adopt a separate structure for its EC program.

The development of the formal governance structures in the EZ/EC cities under review has been an involved and painstaking process; a process not without some conflict. The planning stage saw the generation of considerable, and in some cases unprecedented community-level participation. The structure necessary to manage implementation of the Initiative in each EZ/EC, however, needed to strike the right balance between bottom-up decision-making, fiduciary responsibility for the effective and accountable use of funds and degree of integration with the existing structure of a representative democracy.

Overall, citizens in most communities were able to obtain what the field researchers classified as a *moderate to substantial* role in the governance of their community's EZ/EC Initiative, either through direct participation on the governing board or through a separately established advisory board along with subsidiary task forces or subgroups.

The proportion of citizen members on EZ/EC governing bodies varied widely among the ten study cities that established separate governing boards, ranging from less than 10 percent in New York City, Los Angeles and Tacoma to cities where a majority of the seats on the governing board were held by citizen participants -- Boston (53 percent), Charlotte (65 percent), East St. Louis (60 percent), and San Francisco (72 percent). Under the central EZ board in New York are two local development corporations, each of which has a board whose majority is comprised of community residents. Los Angeles' governing structure includes a 12-member oversight committee, half of whom are residents of -- and all of whom either live, work, own property in or provide services to -- the SEZ area.

Eleven of the 18 sample cities adopted governance structures for their EZ/EC programs with a relatively high degree of integration with the city government. The other seven study communities adopted governance structures that place a relatively greater degree of responsibility for the program outside of the city government, typically vesting responsibility in a quasi-public or nonprofit corporation.

In all of the EZ/EC cities reviewed, a balance was struck reflecting some level of partnership between the community and local government. Where control appears to rest with bodies outside of the government, those entities typically contain representatives of the government. Where control appears to rest with the pre-existing governmental structure, new governing bodies and/or advisory bodies incorporating community members and stakeholders have responsibility for and power over the initiation of action and the approval of benchmarks and consequently, the flow of contracts and resources.

The benchmarking process itself has been a highly notable feature in an Initiative long on notable features. Benchmarking in the EZ/EC Initiative was intended as a way of prioritizing activity and ensuring results by tying the evaluation of progress and release of funds to specific measures of performance selected not by Washington, but by the participating communities themselves. In the EZ/EC cities under review, community participation in benchmarking was greater in the earlier than later parts of the process -- in selecting benchmarks to be included in the strategic plans and the accompanying materials for the Memoranda of Agreement with HUD, and in the prioritization of activities to measure. Typically, the more recent and technical part of the process -- the selection of specific measures and the filling out of the benchmark reports and

performance reviews filed with HUD-- was devolved to staff to complete and submit to the governing/advisory boards for their approval.

It is important to emphasize that the activity to date has largely involved planning and organization. What remains to be seen is how the new governance structures will operate over time. Most field associates reported that the role of the citizens to date in implementing the EZ/EC Initiative appears to be less than their role in the strategic planning process.

Reading about the EZ/EC Initiative, observers might be expected to look to the Empowerment Zones for the most pronounced governance and program effects. Although it is early, we are struck by the considerable extent to which Enterprise Communities appear to have adopted new strategies and governance arrangements under the program. We are also struck by the extensive leverage that the EZ/EC Initiative has generated primarily using federal grant funds from the Title XX Social Services Block Grant, along with other special and procedural changes.

Knowing how complex the task is and how other efforts have fared in this environment, we are impressed by the amount of serious effort and activity generated to date by the EZ/EC Initiative. The positive repercussions are being felt even beyond the Initiative itself.

As reported by our field associate in Tacoma, for example, "Through the task force and structure committee process itself, participating organizations were formulating new projects and collaborations which had never happened before. For example the Tacoma School District, the Private Industry Council and the largest downtown business created an internship program for 100 high school



students; port officials met leaders from CBOs that they had never met in person before."

San Francisco's Enterprise Community also offers a compelling story. According to our field team, "The Enterprise Community Strategic Planning process brought about ground-breaking collaboration that had not really happened before at the city-wide level. Perhaps the only comparable previous effort was the Continuum of Care effort. The goal of key EC planning participants now is to institutionalize this collaborative process. There is discussion about changing the CDBG allocation process to base it on the EC strategic planning. The Redevelopment Agency is now

using a similar process for planning the Mid-Market and South of Market Redevelopment Projects."

While the story behind the strategic planning process for each city is unique and the Clinton Administration's Empowerment Zone/Enterprise Community Initiative is just at the implementation stage, this assessment of the program design and planning processes suggests that the Initiative, for the most part, has been implemented with a spirit which remains true to the overall goals of the program.

## II. BACKGROUND on the EZ/EC INITIATIVE

### A. Program Description

The Empowerment Zone and Enterprise Community Initiative (abbreviated below as EZ/EC) was established in law on August 10, 1993, when President Clinton signed the Omnibus Budget Reconciliation Act of 1993. Provisions of the Act authorize the federal government to designate up to 104 communities throughout the country as Empowerment Zones or Enterprise Communities, enabling these selected communities to benefit from tax and regulatory relief, grants and other favorable treatment, provided to attract private investment and stimulate community revitalization.

Six Urban Empowerment Zones (abbreviated as EZs) were designated, comprising parts of: Atlanta, Baltimore, Chicago, Detroit, New York City and Philadelphia/Camden. Each will receive up to \$100 million in federal Social Services Block Grant (SSBG) funds, for the purposes described below. EZ businesses are eligible for federal income tax credits for employing zone residents: Employers located in Empowerment Zones are eligible to receive tax credits for each worker who resides in the zone for up to 20 percent of the first \$15,000 in wages and qualified costs of training. Empowerment Zone businesses are also eligible to receive additional allowances ranging from \$10,000 to \$20,000 for expensing of depreciable property in the first year of business. EZs are eligible for tax-exempt facility bonds for certain private business activities in addition to special consideration for requested waivers and the competition for numerous federal programs. The tax incentives may prove to be an important influence on program results, and have been estimated by the

U.S. Treasury to amount to more than \$2.5 billion over the ten-year life of the program.

SSBG funds can be used for a number of purposes (additional activities may be eligible for SSBG funding as well as those below, with proof they meet the same goals and with reasons for why these pre-approved programs were not pursued):

- Community and economic development services focused on disadvantaged adults and youths, including skills training, transportation, and counseling concerning employment, housing, business/financial management;
- Promoting home ownership, education or other routes to economic independence;
- Assisting with emergency and transitional housing;
- Assisting nonprofit organizations and/or community colleges that provide disadvantaged individuals with training that promotes self-sufficiency, or organizations that provide them with training and employment in construction, rehabilitation or improvement of affordable housing, public infrastructure or community facilities; or
- Services that ameliorate or prevent neglect of children and adults or that preserve families, through comprehensive drug treatment for pregnant women or mothers with children, or through after-school programming.

Two Supplemental Empowerment Zones (abbreviated below as SEZs) were designated

comprising parts of Los Angeles and Cleveland. In addition to being eligible for all the benefits made available to the other ECs, the Cleveland SEZ is to receive \$87 million in Economic Development Initiative (EDI) grants from HUD (for nearly \$90 million in total); Los Angeles is to receive \$125 million in EDI grants from HUD.

Four Enhanced Enterprise Communities (abbreviated below as EECs) have been designated among the ECs, comprising parts of: Boston, Houston, Kansas City and Oakland. In addition to being eligible for the benefits granted to Enterprise Communities (more below), each EEC is to receive \$22 million in EDI grants from HUD to provide financing for economic development, housing rehabilitation and other essential development projects (on top of the \$2.95 million in SSBG funds, for roughly \$25 million in total).

Urban Enterprise Communities (abbreviated as EC below) -- 65 of which are authorized in statute -- are eligible for tax-exempt facility bonds for certain private business activities, in addition to special consideration for requested waivers of federal regulations, flexibility in the use of existing program funds and in the competition for numerous federal programs, like National Service and Community Policing. Each EC is also eligible for approximately \$2.95 million in SSBG funds for the purposes described above.

To have been considered for Empowerment Zone and Enterprise Community designation, a community must meet stringent criteria to establish their relative need, involving pervasive poverty, unemployment and general distress. Additionally, a community must have submitted a strategic plan that:

- Describes the coordinated economic, human, community, and physical development and related activities proposed for the nominated area;
- Describes the process by which members of the community, local institutions and organizations are involved in, and have contributed to, the process of developing and implementing the plan;
- Specifies needed waivers or other changes sought in federal, state and local governmental programming to enable better coordination and delivery; and
- Identifies the state, local and private resources that will be available to the nominated area.

The area must also have been nominated by the state and relevant local government, putting these other partners in the position of assuring their own commitment to resources and reinvention. The strategic plan is the cornerstone of the application for EZ or EC designation.

The Empowerment Zone/Enterprise Community Initiative is not typical as a federal program. Unlike most federal programs that are administered by a single department or agency, the EZ/EC Initiative involves three federal cabinet departments in lead roles and the entire Initiative is under the direction of the President's Community Enterprise Board (an entity chaired by the Vice President that includes the Cabinet Secretaries and Commissioners of every major domestic agency of the U.S. government).

Just as the structure of the EZ/EC Initiative is not typical for a federal program, it did not have a conventional application process. The application process required for funding consideration was much more elaborate than for most federal programs. Unlike most federal grant programs, there was no standard application form to be completed for the EZ/EC program. Applicants were required to submit a "Notice of Intent to Participate" indicating their intent to apply for designation as an Empowerment Zone or Enterprise Community. In addition, communities were required to complete a form listing the census tracts of the proposed area for designation and information forms verifying these tracts' eligibility. According to the application guide distributed by HUD and the Department of Agriculture, the cornerstone of the application for designation as an Empowerment Zone or Enterprise Community was the strategic plan: "This plan should emerge from a bottom-up process and should be comprehensive in scope. The plan should be bold and innovative -- representing a creative approach to meet the needs of the nominated area in a way that builds on the assets of the area."<sup>1</sup>

The application process was designed to capture the spirit and philosophy of the EZ/EC initiative, fostering community building and empowerment. It was modeled in part on the comprehensive, community-based strategic planning initiatives (CCI) underway in many cities -- some of which were locally driven and others that were stimulated and supported by national foundations and community

---

<sup>1</sup> The President's Community Enterprise Board, Building Communities Together: Empowerment Zones and Enterprise Communities Application Guide (Washington, D.C.: U.S. Department of Agriculture and U.S. Department of Housing and Urban Development, 1994), p. 22.

development intermediaries.<sup>2</sup> For many cities, strategic planning represents a new undertaking different from the type of planning they have engaged in for previous federal grant applications. To assist cities in strategic planning for the EZ/EC initiative, HUD prepared a Guidebook on community-based strategic planning that drew from the experiences and best practices of many organizations engaged in strategic planning in distressed communities. In addition, HUD and the U.S. Department of Agriculture held a series of 12 regional workshops in February 1994 -- with attendance estimated at over 10,000 persons -- to explain the Initiative and the process for community-based strategic planning to potential applicants.

A theme that was consistently emphasized at the regional workshops as well as in the statute, regulations, and application Guidebook, was that applicants must demonstrate that the strategic planning process involved broad participation from all segments of the community -- political and governmental leadership, community groups, nonprofit service providers, religious organizations, medical and educational institutions, the private sector, and most important, residents of the areas to be

---

<sup>2</sup> For an overview of these initiatives see Rebecca Stone, ed., "Core Issues in Comprehensive Community-Building Initiatives," Chapin Hall Center for Children at the University of Chicago, 1996. Also see Michael J. Rich, "Community Building and Empowerment: An Assessment of Neighborhood Transformation Initiatives in American Cities," Paper prepared for the annual meeting of the Association for Public Policy Analysis and Management, Washington, D.C., November 1995; and U.S. Department of Justice, Matrix of Community-Based Initiatives (Washington, D.C.: U.S. Department of Justice, Office of Justice Programs, Office of Juvenile Justice and Delinquency Prevention, May 1995).

assisted. As the application guide stated: "if you plan comprehensively and strategically for real change, if the community designs and drives the course, we, the Federal government, will waive burdensome regulations whenever possible, and work with you to make our programs responsive to your plan. Show us an innovative vision with performance-based benchmarks, and we will invest in your future."<sup>3</sup>

Although there was no prescribed format that communities had to follow in developing their strategic plans, the application guide listed topics and issues that communities "should consider" in preparing their plans. For example, these included: how was your strategic plan put together? What is the overall vision for revitalization of the designated area? How will your approaches to different community problems be linked together to make your vision a reality? What government resources will be used to support your plan? What private resources are committed to implement your plan? What are the barriers to the successful implementation of your plan? How are your State and local governments going to reinvent themselves to help implement your plan? How will you implement your strategic plan and what benchmarks will you use to measure progress?<sup>4</sup> According to the application guide, the strategic plans submitted were to be evaluated based on the four key principles of the EZ/EC initiative: creating economic opportunity, sustainable community development, community-based partnerships, and strategic vision for change.

Over 500 applications were submitted for designation, including 292 urban applications and 229 rural applications. In

---

<sup>3</sup> Building Communities Together, p. 9.

<sup>4</sup> *Ibid.*, pp. 22-24.

December 1994, 105 communities were designated -- 72 urban and 33 rural Empowerment Zones and Enterprise Communities. HUD also utilized additional funding to designate two Supplemental Empowerment Zones and four Enhanced Enterprise Communities.

The designation of urban EZs/ECs was made by HUD Secretary Cisneros (and rural designations by USDA Secretary Espy) following review by an interagency task force comprising nearly 100 senior executives from eleven different federal agencies. Additional reviews of the applications were performed by the agencies comprising the Community Empowerment Board, each in their own respective area of expertise.

#### B. Key Features of the EZ/EC Initiative

##### *Local Design and Community*

*Participation:* The latitude left to local variation and the requirements for community involvement are among the most distinctive features of the EZ/EC Initiative. As the application guide states: "[the community's] application will be judged both by the substance of the strategic plan and the extent to which [it] reflects the participation of community residents, citizen groups, the private and nonprofit sectors, and your local government entities" (p.6). The community-based, partnership-laden strategic planning process essentially became the application.

*Breadth of Vision:* The EZ/EC Initiative puts economic development/opportunity in a more comprehensive context than have traditional governmental efforts. While the programmatic details are left to the participating communities, the program design strongly encourages they take an integrated approach to address the interrelated problems of human,

economic and community development. These elements are emphasized in the four key principles enunciated for the EZ/EC Initiative: economic opportunity; sustainable community development; community-based partnerships; and strategic vision for change. This Initiative also encourages a longer-term perspective than what is typical for a governmental program, with 10-year designation and multiple-year strategic planning taking the place of single-year awards and spending summaries.

*Innovative Federalism and Governmental Reform:* The EZ/EC Initiative takes a challenge-grant approach to reinventing government -- putting up a federal commitment to change in exchange for complimentary commitments from state and local partners, and the identification of specific changes in governmental regulation requested from community-level service providers. The perspective on "reinvention" ranges from impacts on service delivery and coordination; to relationships among and within federal, state and local governments; and, more importantly,

relationships of citizens to those governments and one another.

*Building Community:* The design, application and implementation processes require partnerships among local players. The EZ/EC Initiative was intended to encourage businesses groups, locally elected officials and community advocates to join together, thinking and deciding about their common destinies and pulling in the same direction.

*Assuring Accountability:* The EZ/EC Initiative has placed particular emphasis on the development and use of benchmarks to measure and report actions and efforts specified in the strategic plans, tying the acceptance of these plans and the release of funds to the identification of measurable and specific indicators of task completion and performance. The Initiative has incorporated a parallel reporting requirement to HUD from the states and cities involved as well.

III. BACKGROUND on the ASSESSMENT of the EMPOWERMENT ZONE/ENTERPRISE COMMUNITY INITIATIVE

The U.S. Department of Housing and Urban Development has contracted with Price Waterhouse LLP and the Nelson A. Rockefeller Institute of Government, State University of New York, to assess the first two years of the Empowerment Zone and Enterprise Community (EZ/EC) Initiative. The Rockefeller Institute and a team of local field associates, working in concert with Price Waterhouse, are collecting and analyzing information to determine the following:

- How effectively 18 of the 74 communities are carrying out their strategic plans.
- To what extent they are meeting their performance measures.
- How they can improve their performance.
- How their successful techniques and process can be used by other communities.

A. The Study Sample Communities

The 18 communities selected for inclusion under this project include the following:

Empowerment Zones (EZs) (received \$100 million each)	Enterprise Communities (ECs) (received \$3 million each)	Supplemental Empowerment Zones (SEZs)	Enhanced Enterprise Communities (EECs) (received \$25 million each)
Atlanta, GA Baltimore, MD Chicago, IL Detroit, MI Philadelphia, PA/ Camden, NJ New York, NY	Charlotte, NC Dallas, TX East St. Louis, IL Louisville, KY Minneapolis, MN Phoenix, AZ San Francisco, CA Tacoma, WA	Los Angeles, CA (received \$125 million)  Cleveland, OH (received \$90 million)	Boston, MA Oakland, CA

*Together, these 18 cities received over 80 percent of the total amount of funds distributed under this Initiative.*

B. The Information

Local field associates in each of the 18 communities use interviews, focus groups, individual case studies, and local data sources to collect information on the wide range of programs and activities being implemented in each community. This data is organized around the four key principles of the EZ/EC

Initiative and will answer the following research questions:

*Economic Opportunity*

- How successful have EZ/EC sites been in generating economic opportunity?

- What barriers to implementation have arisen and how have they been addressed?
- What evidence is there of new jobs/economic opportunities in the EZ/ECs?
- What evidence is there of new business?
- How is the wage tax credit and Section 179 deduction being used in the EZs?
- How are the tax exempt facility bonds being used in the EZs and ECs?
- To what extent does the Initiative connect residents within the EZ/EC to economic opportunities within the respective metropolitan region as a whole?

#### *Sustainable Community Development*

- What is the composition and range of activities involving physical and human development in the EZ/ECs, and how do those activities complement economic development?
- How are the activities linked or integrated (collaboration; referral; service integration; joint planning)? Are there patterns or combinations of activities that fit more naturally or effectively than others?
- Is the Initiative impacting the physical development of the community?
- Is the Initiative impacting the health and well-being of EZ/EC residents?
- What are (or appear likely to be) the most successful strategies for achieving sustainable community development?

#### *Community-Based Partnerships*

- What efforts were undertaken to bring traditionally excluded groups into the policy process? What barriers have arisen and how have they been addressed?
- What are the changes over time in community participation from the development of the strategic plan through the creation and implementation of the governance structure and beyond?
- Have EZ/EC residents been empowered to take greater control over their own lives and the future of their neighborhoods?
- Is the Initiative helping to develop bonds between community residents, community-based organizations and key institutions necessary for revitalization, both within and beyond the area of the designated EZ or EC?
- What evidence is there that the Initiative has changed the way that the federal, state and local partners "do business?"

#### *Strategic Vision for Change*

- Have the strategic plans fulfilled their promise as a clear expression of community vision, an accountability device and an evaluative tool?
- Is there evidence of change in decisions and the decision-making process as a result of the Initiative?
- Were the benchmarks and benchmarking process useful as performance measures?
- What notable elements of strategy/approach/governance stand out as particularly successful or



challenging examples that should be shared across the EZ/EC sites?

This report is a descriptive summary of community participation in the strategic

planning, governance, and benchmarking process in the selected communities. Additional reports will cover progress during the first 18 months and the first 30 months of the EZ/EC Initiative.

#### IV. FINDINGS from ROUND ONE

In this first round of the EZ/EC assessment, field associates were asked to provide a narrative profile of the social, economic, and demographic characteristics and trends affecting their respective EZ/ECs and the surrounding metropolitan area. To help establish a local context for the EZ/EC initiative, the associates were also asked to provide a profile of their city's governmental structure and previous experience and involvement with major state and federal urban initiatives and with comprehensive, collaborative, community-based initiatives in the past or underway.

One of the central areas of inquiry in this round of the assessment revolves around the planning process used by the cities in the study sample in developing the strategic plans submitted in application for designation as an Empowerment Zone or Enterprise Community. Specifically, the field associates were asked to describe who initiated, led and provided support for the strategic planning process; what the key components of the strategic planning process were; what process was used and what factors were considered for selecting the areas that would be nominated for designation as an Empowerment Zone or Enterprise Community. Special attention was paid to the character and extent of community participation in the development of the strategic plans, particularly to the techniques used to generate community input and involvement in the strategic planning process and the nature of the role played by community residents and community-based organizations in selecting the areas nominated for EZ or EC designation and structuring the strategic planning process and its day-to-day administration.

A second, central component of the inquiry for this round focused on the content of the strategic plans submitted by the cities in the sample for designation as an Empowerment Zone or Enterprise Community. The field associates were each asked to describe the revitalization strategies and the planned activities outlined by their respective cities in the strategic plans submitted to HUD for designation as an EZ or EC, and to do so in a way that indicates how the community proposed that these strategies and activities fit with the four "key principles" set out in the framework for the EZ/EC Initiative -- economic opportunity, sustainable community development, community-based partnerships, and strategic vision for change.

The first round field research also asked for an assessment by the associates of events that have taken place following the submission of the strategic plans for designation as an EZ/EC. Of particular interest are changes in both the process and content of the plan that occurred following the designation of sites as an EZ/EC community. What changes, if any, have been made to strategic plans following designation? How have strategies and their corresponding programs and activities been revised, replaced or complemented?

Of related interest is the benchmarking process pursued in the designated areas; when it began, what it looked like, who was involved and in what way. The field associates were asked to focus on the extent of Zone/Community resident influence on the development of the EZ/SEZ/EEC/EC's benchmarks.

A final area of major interest in the first round research concerns how the nature and extent of community participation

changed, if at all, as the Zone/Community moved through the various phases of the EZ/EC Initiative (planning and submission of the strategic plan, post-submission/pre-designation, post-designation, start-up and implementation). Particular attention was paid to learning what role community residents are playing in the local governance structures being created to guide the EZ/EC Initiative in each community; the extent to which there is continuity in community participation across the various phases of the initiative; and what types of governance structures are being created in the study cities.

These findings are summarized in the following sections on:

- Citizen Participation in the Strategic Planning Process
  - The Selection of EZ/EC Boundaries
  - Patterns in Strategies and Program Activities
  - EZ/EC Governance Structures
  - Benchmarking
- A. Citizen Participation in the Strategic Planning Process

In this section of the report we review the strategic planning processes utilized in the 18 cities in the study sample. Although the processes varied widely across the sample sites, due primarily to the diversity in local governmental structure, past experiences with federal urban programs and other community-building initiatives, and the number and character of community-based organizations, several common patterns emerged. This

section focuses on the following topics: initiation, organization and direction of the strategic planning process; selection of the designated zone areas; major areas of controversy that arose during the planning process; and the relationship between the EZ/EC Initiative and other comprehensive, community-based initiatives that were underway in the study communities. Throughout the discussion we give special attention to citizen participation and the extent of influence citizens exercised in shaping and pursuing the strategic plans in their communities.

*Initiation, Organization and Direction of the Strategic Planning Process*

In the typical study sample city, the public sector initiated the strategic planning process, played a major role in structuring and designing the process, and assumed responsibility for the day-to-day management of the process. Generally, it was the mayor's or the city manager's office that initiated the process, though in several cities an operating department or agency such as economic development, community development or redevelopment, did much of the initial design work for the strategic planning process. This was not, however, uniform across all the study cities. In some cities outside groups which had been following federal urban initiatives and the EZ/EC legislation particularly encouraged the city to apply for designation and engaged in preliminary discussions with city officials about potential zone areas and the structure of the strategic planning process.

In Atlanta, for example, officials at The Atlanta Project (a nonprofit, comprehensive community building initiative launched by former President Jimmy Carter in October 1991), the Atlanta Economic

Development Corporation, a nonprofit citywide economic development agency, and the city's Bureau of Planning, met shortly after the legislation passed to compare notes and to discuss potential target areas and initiatives. Eventually these discussions were broadened to include other interested parties. Once it was decided that the EZ Initiative was something Atlanta should pursue, the city's planning director obtained the support of the mayor and the City Council, and the mayor appointed a 25-member management committee to oversee the development of Atlanta's strategic plan.

The impetus for Oakland's pursuit of an EZ/EC designation was spearheaded by a group of nonprofit community-based organizations led by one of their own: the Urban Strategies Council (USC). In 1993, the Urban Strategies Council convened a group of fellow nonprofit organizations engaged in collaborative, community-building efforts in several Oakland neighborhoods. The goal was to link these groups, now known as the Oakland Collaborative, with a national community-building network of groups in 26 other cities active in anti-poverty initiatives that the USC had earlier organized. The Oakland Collaborative began discussing the potential benefits of emerging federal programs which preceded the EZ/EC Initiative and was closely following the status of the EZ/EC legislation. In September 1993, the Oakland Collaboratives, headed by Angela Glover Blackwell of the Urban Strategies Council, informed Oakland's Mayor and City Manager that the Empowerment Zone Initiative was coming and lobbied for the city to assign resources to the project. The Oakland Collaboratives offered to provide significant resources for the planning process and were successful in getting the city to assign part-time staff from the City Manager's

Office. The Oakland Collaboratives took responsibility for administration and day-to-day coordination of the development of the Empowerment Zone proposal. By November 1993, a subcommittee of the Oakland Collaboratives began meeting regularly with city officials in the mayor and city manager's offices, and the departments of health and human services, and economic development and employment. This group evolved into the Empowerment Zone Coordinating Council and later expanded to include individuals from more than 70 organizations including other nonprofit collaboratives, additional city and county agencies, and legislative representatives.

In Baltimore, another city with a well-established community-building initiative (Community Building in Partnership, better known as Sandtown-Winchester), the mayor initiated the formal application and strategic planning process in March 1994. Pressure to apply for an Empowerment Zone designation came from the business community, foundations, and community organizations in early 1994.

Likewise in Chicago the mayor kicked off the strategic planning process in mid-February 1994 at a large public meeting held in the Harold Washington Public Library and followed up that meeting with the creation of a 30-member Coordinating Council made up of city officials and representatives of business groups and citywide nonprofits to recommend zone boundaries and guide the planning process. Prior to the mayor's formal kickoff, a coalition of community organizations serving primarily low-income neighborhoods had organized the Community Workshop on Economic Development (CWED), a technical assistance workshop on the EZ initiative, that attracted more than a 100 people from

community organizations, civic groups, and local officials. A second conference, organized by the Great Cities Institute of the University of Illinois at Chicago and co-sponsored by CWED, drew about 350 people. This conference focused on developing broad criteria for selecting areas that would be included in the EZ application and resulted in the formulation of the "Seven Area Principles" that the group urged be used in guiding the preparation of the city's strategic plan.

In New York City, the strategic planning process was affected by two important factors: the City's mayoral election in November 1993 and the active presence of a member of Congress who was pivotal to passage of the EZ/EC legislation. The city government started to consider what activities would be appropriate for the EZ SSBG funds immediately after legislation passed Congress. Congressman Charles Rangel, who played a critical role in the development and enactment of the legislation, strongly encouraged the city to submit an application for EZ designation. Beginning in early September 1993 there were discussions between the City of New York and Congressman Rangel's office about what the location and geographic boundaries of the proposed Empowerment Zone should be. Following the November 1993 elections, the outgoing Mayor announced that the New York City Empowerment Zone would be limited to Upper Manhattan. The incoming mayor, however, said he wanted to give the Bronx and other communities in the city an opportunity to compete for the right to be designated as New York City's Empowerment Zone. No community was able to officially begin its strategic planning process until HUD issued the application guidelines and rules on January 26, 1994, which provided time to re-open and renegotiate EZ boundaries in New

York. The parties entered into negotiations in January 1994, and those negotiations continued through the final days of the application process in late May. The central issue during these negotiations was the percentage of the zone population that would reside in the Bronx.

Meanwhile, the public strategic planning process in the Upper Manhattan community began once the Notice of Funding Availability was released for the EZ/EC Initiative. A community-wide meeting was called by Congressman Rangel on March 8, 1994, to initiate the strategic planning phase of the Initiative. The meeting was attended by more than 400 individuals; many of those in attendance signed up to participate in various working groups that would be created to develop the strategic plan. At Congressman Rangel's urging, the Harlem Urban Development Corporation, a subsidiary of the New York State Urban Development Corporation, took on responsibility for overseeing the strategic planning process and preparing the strategic plan. HUDC had been involved in physical redevelopment of the Harlem community over the last 22 years.

Regardless of when or how the strategic planning process was initiated, in most cities the process began as a city government-directed process and evolved -- sometimes gradually, sometimes rapidly -- into a more open and community-oriented planning process. This was usually accomplished by hiring an outside consultant to facilitate a series of town hall style meetings and/or community workshops, and in some instances, involved the creation of an entity such as a steering committee or advisory board to direct the planning process.

All but three of the study communities (New York City, Minneapolis, and San Francisco) established some type of steering committee to assist in the preparation

of the application (see Table 1). These committees varied widely in their composition and size, though most involved representatives from a broad spectrum of the community, including local government departments and agencies, citywide nonprofit organizations, community-based organizations and civic groups, religious organizations, businesses groups, and in some instances residents of zone areas (where zone boundaries had been established prior to the creation of the coordinating committee). The size of the strategic planning steering committees ranged from 20-25 members in Atlanta, Chicago and Detroit to more than 100 in Louisville.

The tasks and responsibilities of the steering committees varied widely across the study cities. In some cities, the steering committees were given responsibility for designating the area to be nominated for zone designation. In others, the primary responsibility of the steering committee was to develop the strategies and programs to include in the strategic plan, and thus served to represent a primary means through which the city solicited citizen input in the development of its plan. Some steering committees played an important role in guiding the overall strategic planning process, relying on consultants and facilitators to engage citizens and community organizations in the planning process through a series of community meetings and workshops. The steering committees would then use the information obtained from that process to guide the development of the strategic plan.

Most cities that established a steering committee subdivided the committee into working groups or task forces that reported back to the full committee. The number and organization of the task forces varied, typically 3-7, and usually organized along functional lines (economic development, housing, human services, and the like) that corresponded with the major thematic areas of the strategic plan.

A few cities, such as New York City, Philadelphia, Charlotte, and San Francisco, opted for a different approach that was more decentralized. These cities organized their task forces and steering committees by geographic areas, with separate strategic planning processes undertaken in each of the clusters. New York City had two separate strategic planning processes, one in Upper Manhattan and one in the South Bronx. The Philadelphia/Camden application was built from four strategic plans that were merged into a single document: one from the Camden zone and three from the neighborhood areas included in the two Philadelphia zones. In Charlotte, a decision was made to piggy-back the EC strategic planning initiative with an ongoing neighborhood initiative, City-Within-A-City, and the decentralized planning process used in that city focused on strategic plans developed by clusters of neighborhoods in each of the city's three EC areas. In San Francisco, six separate strategic plans were prepared by Neighborhood Planning Boards created in the six neighborhoods included in the city's three EC areas.

While many cities held a citywide town hall style public meeting to kick off the community portion of the strategic planning process, several cities supplemented the work of the task forces and working groups by also holding town hall style public meetings to solicit additional community input. In

	<i>Date Strategic Planning Began</i>	<i>Who Initiated Strategic Planning</i>	<i>Responsibility for Directing Strategic Planning Process</i>	<i>Date Citizen Component of Planning Began</i>	<i>Steering Committee Established</i>	<i>Task Forces Used</i>	<i>Public Town Hall/ Neighborhood Meetings</i>	<i>Formal Public Hearings</i>	<i>Citizens Advisory Board Established</i>
<b>Supplemental Empowerment Zones</b>									
Cleveland	March 1994	Mayor's Office and the Department of Economic Development	Directors of Economic Development and Community Development	Yes	Yes	Yes	Yes	No	Yes
Los Angeles	April 1994	County and City of Los Angeles' Community and Economic Development Departments	County and City of Los Angeles' Community and Economic Development Departments	No	Yes	Yes	Yes	Yes	No
<b>Enterprise Communities</b>									
Charlotte	March 1994	City Manager's Office	Planning Commission	March 1994	Yes	Yes	Yes	No	No
Dallas	December 1993	City Manager's Office	City Manager's Office	February 1994	Yes	Yes	Yes	Yes	No
East St. Louis	October 1993	Mayor's Office; Cong. Costello; Former chief executive of St. Louis County	Director of Business and Economic Development	February 1994	Yes	Yes	Yes	No	No
Louisville	Fall 1993	Mayor	Special Assistant to the Mayor	March 1994	Yes	Yes	Yes	No	No
Minneapolis	February 1994	City Office of Grants and Special Projects	City Coordinator's Office	May 1994	No	Yes	Yes	No	No
Phoenix	Early 1994	City Manager's Office	City Manager's Office	April 1994	Yes, 39 members	Yes, 5	Yes	No	Yes
San Francisco	March 1994	SF Redevelopment Agency and Office of Economic Development	Mayor's Office of Community Development	April 1994	No	Yes	Yes	No	No
Tacoma	Early 1994	Dept. of Planning and Development Services	Private consultant	February 1994	Yes	Yes	Yes	No	No

Table 1. Selected Characteristics of the Strategic Planning Process in the 18 Study Communities.

	<i>Date Strategic Planning Began</i>	<i>Who Initiated Strategic Planning</i>	<i>Responsibility for Directing Strategic Planning Process</i>	<i>Date Citizen Component of Planning Began</i>	<i>Steering Committee Established</i>	<i>Task Forces Used</i>	<i>Public Town Hall/ Neighborhood Meetings</i>	<i>Formal Public Hearings</i>	<i>Citizens Advisory Board Established</i>
<i>Empowerment Zone Cities</i>									
Atlanta	Fall 1993	The Atlanta Project City Bureau of Planning Atlanta Economic Development Corp.	Mayor's Office—EZ Coordinator; Consultant; EZ Management Committee	February 1994	Yes	Yes, 4	Yes	Yes	Yes
Baltimore	Early 1994	Business community, foundations, and community groups; Mayor's Office	Baltimore Development Corporation	March 1994	Yes	Yes	Yes	No	Yes
Chicago	February 1994	Mayor's Office; Coalition of Community Organizations	Dept. of Planning and Development	February 1994	Yes	No	Yes	Yes	No
Detroit	Fall 1993	Mayor's Office	Dept. of Planning and Development	March 1994	Yes	Yes, 6	Yes	No	Yes
New York	September 1993	Mayor's Office Cong. Rangel	Harlem UDC; Bronx Borough President	March/April 1994	No	Yes	Yes	No	No
Philadelphia/Camden	Spring 1994	Mayors' Office in both cities	Phila. Dept. of Commerce	Spring 1994	Yes, one in each zone area	Yes	Yes	Yes	Yes
<i>Enhanced Enterprise Communities</i>									
Boston	Late 1993	Mayor's Office	Boston Redevelopment Authority	January 1994	Yes, 61 members	Yes	Yes	No	No
Oakland	September 1993	Urban Strategies Council and the Oakland Collaborative	City Manager's Office	February 1994	Yes	Yes	Yes	No	No



Atlanta, for example, the city engaged a private consultant to organize and facilitate four such working groups that met for a five-week period in the Spring of 1994. Once these working groups had completed their planning sessions, a series of public meetings were held to report on their progress and to solicit additional community input in each of the four substantive areas covered by the working groups. The information and ideas collected during this phase of the strategic planning process became the foundation upon which the Community Empowerment Board (the citizens advisory board appointed by the mayor) and the Resource Team (the 25-member Management Team assembled by the mayor) developed the strategies and programs included in the city's EZ strategic plan. A few cities, including Atlanta, Chicago, and Dallas, also held formal public hearings at the end of the planning process just prior to submission of their applications.

In the majority of the study cities, the planning process evolved as it proceeded as opposed to following a prescribed script with a set of specific deadlines and milestones. Local politics, the complex (and ambitious) nature of the strategic planning requirements, and the open-ended nature of the application guides regarding the role of citizens, frequently led to changes in the process from what was originally envisioned by city officials. While most cities made the transition from a relatively closed, city-directed planning process to one that was more open, inclusive, and sensitive to citizen concerns, this transition was not always smooth.

In Chicago, for example, tensions between the role of the city and the role of the community were present from the very beginning of the city's efforts to secure an EZ

designation, and reflected similar tensions that had characterized the city's prior participation in federal urban initiatives such as Urban Renewal, Model Cities, Community Action, and CDBG. At issue was the extent of community participation in the preparation of the strategic plan. This issue came to a head near the end of the planning process at one of the city's planning sessions held at Malcom X College on May 7, 1994. As reported by the Chicago field associate, during the session, a community leader from the West EZ Cluster took the microphone from a somewhat startled deputy planning commissioner who was presiding. City officials and their consultants were then asked to leave the auditorium so that the 200 community representatives present could caucus. The caucus produced a proposal that the original 30-member coordinating council be re-constituted to include 15 members appointed by the mayor and 15 who would be delegates chosen by the three zone cluster groups. The re-constituted council would then oversee the remainder of the application process. The city team returned to the session and agreed to take the proposal to the mayor, who subsequently endorsed and implemented it.

Later on, with the June 30 application deadline bearing down, the cluster delegates to the new coordinating council became dissatisfied with the tone and much of the content of the drafts of the city's application produced by city planning staff and their consultants. Cluster leaders and a free-lance editor recruited by them then became directly involved in a hectic drafting process that took about two weeks to hammer out in the final application document. According to the field associate, the pressure of the moment and the relief of completing the task brought a kind of exhilaration and sense of comradery among the city and community people who had

pulled it off. Unfortunately, the Chicago associate reported, this didn't last.

The Atlanta field associates reported that a similar confrontation between community and city took place at the first meeting of the Community Empowerment Board in late February 1994. (Atlanta's process was especially elaborate and complex, in part because of community tensions generated by prior efforts like The Atlanta Project.) After more than 90 minutes of "being talked to" by city officials and told of the "sense of urgency and gravity" hanging over the EZ application effort, the city official presiding over the meeting asked the assembled citizen board members if they had any questions. One citizen member, speaking to a comment by a city official that we are behind in the application process, responded, "I am tired of getting things packaged and handed to us after the fact. This board should have been created and we should have been brought into this process six months ago. We are behind? I have a problem with your definition of the word "we." The problem with all this is precisely that you did it, not we. You designed this process, you picked the zone, you chose the consultants, you control how the money gets spent in the planning process."

In response to criticisms raised at that meeting -- as well as concerns raised by newly elected members of the City Council whose areas fared poorly in the zone designated by the Council in November 1993 and to the recommendation of the EZ Management Committee -- the City Council, at the request of the mayor, rescinded its earlier ordinance that designated Atlanta's zone area. The Council called for the expansion of the Community Empowerment Board (CEB) to include representatives of the 69

neighborhoods comprised of census tracts with poverty rates at or exceeding 35 percent. The original CEB had been limited to representatives of the 28 neighborhoods included in the area the council had designated as the Empowerment Zone in its November 1993 ordinance. The expanded CEB would be selected in a similar fashion to the original board: a slate of nominees were developed at the neighborhood level and submitted to the mayor for appointment.

When the expanded CEB met on March 12, the mayor addressed the group and emphasized the primacy of their role in choosing the zone and overseeing the drafting of the application. At this meeting the CEB agreed to form an executive committee to make a recommendation to the full CEB on which neighborhoods to include in Atlanta's EZ area. The CEB met again on March 19, presumably to hear the executive committee's report, but it was at that meeting that the process ground to a halt. Despite prodding from the city on the urgency of moving forward, the CEB members were not prepared to proceed further without further information from the city. Three issues were of greatest concern: what role would the CEB play in the implementation of the strategic plan? 2) why the CEB had to meet a March 19 deadline for selecting the zone? and 3) what was the role of the EZ Management Committee?

The following week, the city made a concerted effort to respond to those criticisms, including bringing in an outsider to serve as Empowerment Zone Coordinator to help bring business, the community, and government together and put the process back on track. From this point forward, the CEB played a more prominent role in the strategic planning process. It designated a zone area at its March 26 meeting and at its April 9 meeting,

Table 2

*Level of Community Influence on Content of Strategic Plan*

	STRATEGIES	PROGRAMS & ACTIVITIES	SELECTING EZ/EC ZONES
ATLANTA	Determined	Major	Determined
BALTIMORE	Determined	Major	Minor
BOSTON	Major <sup>1,2</sup>	Major <sup>1</sup> Minor <sup>2</sup>	Major <sup>1</sup> Minor <sup>2</sup>
CHARLOTTE	Determined	Determined	Determined
CHICAGO	Major	Major	Major
CLEVELAND	Major	Major	Major
DALLAS	Major	Minor	None
DETROIT	Major	Major	Determined
EAST ST. LOUIS	Minor	Major	*
LOS ANGELES	None	**	Major
LOUISVILLE	Major	Major	Major
MINNEAPOLIS	Major	Major	None
NEW YORK CITY	Major <sup>3,4</sup>	Minor <sup>3</sup> Major <sup>4</sup>	Minor <sup>3</sup> None <sup>4</sup>
OAKLAND	Major	Minor	None
PHILADELPHIA/ CAMDEN	Minor	Major	Minor
PHOENIX	Major	Minor	Major
SAN FRANCISCO	Minor	Major	Minor
TACOMA	Major	Major	Major

<sup>1</sup> Influence of Boston's community leaders and community-based organizations

<sup>2</sup> Influence of Boston's residents directly

<sup>3</sup> Community resident influence in Upper Manhattan

<sup>4</sup> Community resident influence in South Bronx

\* The entire City of East St. Louis qualified and was designated

\*\* The Los Angeles SEZ, funded with EDI resources, is devoted to establishing a Community Development Bank

Determined = Determined by Community Residents  
 Major = Major Community Resident Influence  
 Minor = Minor Community Resident Influence  
 None = No Community Resident Influence

the CEB voted unanimously to send a resolution to the mayor and the City Council indicating that the CEB would be "empowered to continue until the vision was fulfilled and that all empowerment zone benefits are exhausted."

The transition to greater community control was not as tumultuous in most cities as it was in Atlanta and Chicago. In a few cities, there was significant community control over the development of the strategic plan from the outset and that decision was not controversial. These typically tended to be cities with existing citizen participation structures, or cities that had ongoing neighborhood-based initiatives from which they could launch their strategic planning efforts. In Charlotte, for example, the field associate reported that "neighborhood groups were considered partners, and were treated as equals by city staff in developing the application." According to the associate, one Charlotte city official noted that "city staff had no idea where this process would end up. We had no idea, for example, we'd decide to have three empowerment centers." The associate added that "the key aspect of the process seems to be the city making sincere efforts to engage citizens in many procedural decisions such as choosing an EC area. Planning staff were able to gain the confidence of the neighborhood residents and help to draft an EC application consistent with their visions."

In Minneapolis, the EC strategic planning process was closely intertwined with the city's Neighborhood Revitalization Program, which had begun a few years earlier. Many of the neighborhood groups that were involved had already completed a neighborhood strategic plan or were in the process of completing one. In San Francisco, a city with a strong progressive tradition, the

city opted for a strategy that involved contracting with a respected community-based organization in each zone neighborhood to facilitate the strategic planning process. When conflict emerged in San Francisco, it was over which organization should represent the neighborhood (although that only occurred in one of the six neighborhoods). Unlike strategic planning efforts in other cities, it was not a power struggle between the city and the community.

#### *Assessment of Citizen Influence*

As part of the first round research, field associates were asked to assess the level of community influence on the content of their city's strategic plan by analyzing the extent to which the input of community residents and community-based organizations shaped the strategies, the programs and activities identified to carry out those strategies, and the geographic areas nominated for assistance. In addition, field associates were asked to assess the level of citizen influence on the development of their city's benchmarks.

As can be seen in Table 2, citizens were most influential in the development of the overall strategies or themes around which their strategic plans were organized. Field associates reported that in three cities (Atlanta, Baltimore, and Charlotte) the overall strategies were determined by citizens, in 12 cities citizens had "major influence" over the development of strategies, and only in three cities (East St. Louis, Philadelphia/Camden and San Francisco) was citizen influence over the development of strategies categorized as "minor."

The field associates reported that citizens were somewhat less influential over the development of specific programs and

activities included in their community's strategic plans. However, the overall level of citizen influence was still high with associates in 12 cities citing major citizen influence. Furthermore, the associate for Charlotte reported that citizens determined the programs and activities included in their strategic plan. On the other hand, field associates in four cities reported minor citizen influence concerning the identification of programs and activities. The Baltimore associate filed a split assessment, reporting major citizen influence for programs in the areas of community development, education, and training, and minor influence for economic development programs. The Boston field associate reported a major influence over programs and activities by community leaders and CBOs and relatively minor influence by residents directly.

Citizens were less successful in influencing the location of the zone areas nominated for designation. Associates in three cities (Atlanta, Charlotte, and Detroit) reported that citizens determined their zone areas. Field associates in six cities (Chicago, Cleveland, Los Angeles, Louisville, Phoenix and Tacoma) noted citizens had major influence on the designation of their zone areas. However, a majority of the field associates reported either minor citizen influence (Baltimore, New York-Upper Manhattan, Philadelphia/Camden, and San Francisco) or no citizen influence (Dallas, Minneapolis, New York-South Bronx, and Oakland). Site selection was not an issue in East St. Louis, where the entire City qualified and was designated as the EC.).

A theme that characterized the field reports from many cities was that citizen input and influence tended to decrease as the EZ/EC Initiative evolved from planning to

governance and implementation. This trend was captured in both the narrative of the field reports (discussed more fully in the following section on governance structures) and in the associates' classification of citizen influence over and participation in the evolving benchmarking process (also discussed below). Four of the six cities where associates reported major citizen influence were either Empowerment Zone cities (Atlanta, Detroit, New York City) or a Supplemental Empowerment Zone (Cleveland). Charlotte was the only city where the field associate noted that citizens wielded a determinative influence over the early stage (the selection of priority projects) and the later stages (the selection and use of measures to gauge performance and report results) of the benchmarking process. Thus, Charlotte was the only city in the sample where the field associate reported that citizens determined all aspects of the city's EC Initiative -- strategies, programs and activities, designated zone area, and benchmarks.

## B. The Selection of EZ/EC Boundaries

### *Who Picked the Boundaries*

Successfully targeting resources to a concentrated geographic area is one of the most difficult strategies to be achieved in the public arena. The experience of the EZ/EC Communities in the study sample provides some insight on surmounting the challenge.

The typical process for designating proposed EZ/EC boundaries in the study sample communities began with staff from a relevant city agency. Most frequently, such staff came from a city planning office, or an office of community or economic development. In some cases, lead staff came more directly from a chief executive: a mayoral staffer or

staff from a city manager's office, or a private party given the imprimatur to launch the process on behalf of the Executive.

Again, most often, involvement of a working group quickly followed, usually bringing together other staff from other relevant city agencies with representatives of community organizations and outside experts. These other organizations often included community-based development and service organizations, university-based planning experts, business groups and civic leaders.

There were a few notable exceptions to this pattern among the study sites. The two extreme cases of a closed process are New York City, where Congressman Charles Rangel's special role and the complications of newly-elected city and state leadership combined to require intense, closed negotiation; and Philadelphia/Camden, where the unique bi-city/bi-state configuration of that Zone made intense boundary negotiations among senior elected officials inescapable.

There were also exceptions of a heavily driven community process of boundary selection. Perhaps the two most notable exceptions were in Detroit and Charlotte.

Detroit had a variation on the theme -- a mixed body with appointed and self-appointed representatives from city-wide and community-based institutions that made the final cuts on proposed boundaries. Interestingly, the community-based participants -- who were described as having muscled their way into the process -- were successful in selecting an area that generally comported with their own respective areas of concentrated activity. An "augmented Working Group" was responsible for the development of selection criteria and making

the actual selection. In addition to meeting the federal criteria for poverty rate and other distress indicators, the Group agreed that the selected tracts must also contain demonstrated organizational capacity and other assets to serve as an established base for addressing preliminary economic, human and physical development goals. In applying the selection criteria, the Group was asked to assess a tract's economic development potential as an initial threshold, i.e., whether an area contained sufficient elements and resources necessary to build towards economic empowerment. The resulting Zone boundaries met all federal criteria, had significant organizational and institutional assets, substantial redevelopment potential and neatly embraced the central areas served by the three CBOs and CDCs which had most effectively inserted themselves in what had been up to then a relatively closed process -- the Warren/Connor Development Coalition (east area), Southwest Detroit Coalition (west area) and Cass Corridor Neighborhood Development Coalition (Woodward Corridor). The resulting Zone -- was then reviewed and, in the words of one interviewee, "blessed by" Detroit's Mayor.

The Charlotte Enterprise Community provides another illustrative example of a community-led method of site selection. The definition of EC area boundaries was handled by a committee of citizens with the use of a Geographic Information System (GIS) software package that afforded the committee the opportunity to put together various combinations of census tracts that met the EC selection criteria. This committee, called the Technical Committee, consisted of three representatives of the three cluster areas and had the responsibility of designating the EC area.

The final choices were made "after much discussion, deliberation and evaluation of numerous combinations of census tract...The designated area not only meets all federal criteria, but also follows the committee's self-imposed guidelines" (Enterprise Community Technical Committee Report 1994). These self-imposed criteria were that selection should: (1) include the greatest number of people possible, (2) give and take should occur as equally as possible in each of the three planning areas, (3) demographic/socioeconomic characteristics of the census tracts should be considered to the type of project selected and (4) the ability of areas to provide local commitment (leverage) should be considered.

In Phoenix, the process of selecting target areas and defining the boundaries of the EZ/EC was primarily community-driven. City staff initiated the process by mapping the city census tracts that met the criteria for inclusion. City Planning Department professionals then prepared maps and thematic ideas for possible site selection. Preliminary narrowing of the target areas was made by the EZ Steering Committee (a 39-member citizens board), and discussions/debates about the selected areas and boundaries were conducted at five public meetings held in the target areas (involving 50-120 citizens at each location). Final area boundaries were refined by the EZ Steering Committee, ratified and approved by the City Council.

#### *Methodology for Selection*

Generally, the initiators of site selection began by identifying all the census tracts that met the threshold qualifications stipulated in the EZ/EC legislation. Specifically, these include:

- Populations less than 200,000 or greater than either 50,000 or 10 percent of the population of the most populous city in the area;
- Pervasive poverty, unemployment and general distress;
- A total land area of 20 square miles or less;
- A poverty rate of at least 20 percent in each census tract, 25 percent in 90 percent of the tracts nominated, and 35 percent in 50 percent of the nominated tracts;
- A continuous boundary or not more than three noncontiguous parcels;
- A location entirely within the jurisdiction of the local government(s) making the nomination and within not more than two contiguous states; and
- No portion of a central business district in any census tract unless every such tract has a poverty rate of at least 35 percent, for an EZ, or 30 percent for an EC.

In most cities among our sample, this stage of the selection process generated a potential area far in excess of the population caps required by the enabling legislation. Typically, a working group -- as described above -- would get together, draft a set of possible boundary areas with maps of census tracts and have a distillation or winnowing-down process to arrive at a formulation that met the population requirement in the EZ legislation. The proposed area for designation would then be ratified by a process with some semblance of community participation.

Another consideration added consistently across the sites was a concern over the potential for change to be successful - a consideration of both need, as described above, and opportunity. In most sites in the study sample, this concern was translated into a test of potential target areas for the presence of some asset base, or proximity to an asset base, to build upon. Such assets included key institutions, such as hospitals and health care-related organizations, key employers, established and strong community-based organizations, such as community development corporations, and locational advantages, such as proximity to transportation routes like major highways, airports, or waterways.

Another consistent factor was contiguity. Generally, a core area or areas emerged as being a "given" and then tracts on the periphery were whittled down to hit the population cap.

The experience of the Dallas Enterprise Community is instructive on these points. The City's principal objective in the site selection process was to devise a methodology for utilizing data on a variety of neighborhood need and employment opportunity indicators as required by HUD. Site identification began by limiting potential census tracts to those that meet federal poverty criteria. There were about 100 square miles of eligible neighborhoods available for consideration as the EZ/EC site. Options that met the EZ/EC initiatives' guidelines were developed by weighing 12 specific indicators or variables measuring the need and opportunity factors. Potential sites were developed from a composite ranking technique of need and opportunity and by scatter plotting analysis. Strategic considerations guiding site selection included

maximizing a function of several factors: business and employment areas affected; integration with existing economic development initiatives; land use; and the population affected. Socioeconomic distress weighed heavily in selection but the area needed to exhibit growth potential for selection. Communities experiencing incipient decline were perceived to be receptive to the EZ/EC Initiative and, consequently, could be "turned around." The sites were required to meet both the need and opportunity criteria and have the highest composite score. The poorest areas were not considered to be viable options for EZ/EC designation because it was viewed that more funding would be needed to achieve the desired changes than was available under the Initiative. Three site options that met the EZ/EC Initiatives' guidelines were developed and ultimately submitted to the City Council for final selection.

The process for selecting boundaries for the Louisville Enterprise Community was similar. All census tracts with 25 percent or higher rates of poverty were potentially eligible for inclusion in the EZ. In Louisville, there were 66,210 persons living in such census tracts and the maximum number of people that could be included in the EZ zone was 50,000. The week before the decision was to be made, a facilitator gave members of the Community Board (a core group in the planning process) maps that illustrated five different configurations to arrive at the required numbers. Each map highlighted the tracts that most clearly fit the federal standards including: the poverty rate, the potential for industrial or enterprise development, and strategic community assets. These highlighted tracts formed the core that contained 33,103 residents. Beyond the suggested core the Community Board could



choose a combination of six other census tracts. To give the Community Board some options to consider the staff made up different maps emphasizing selected demographic factors: percentage of population not in the labor force, percentage of persons in poverty, the crime rate, population loss between 1980 and 1990, and vacant land.

After 1 ½ hours of team-level deliberations, the members met as a full Board and reached a quick consensus on the majority of the geographic area they wanted to include in the Zone. The ensuing discussion revolved around the addition of the last two or three census tracts. In many ways, the HUD guidelines and requirements dictated the selection of the core census tracts and debate revolved around the additional tracts to include.

In Boston, the process for selecting the areas for inclusion in the zone can be described as an iterative process. The first draft of the map came out of the Friday coalition meetings held at SNAP. This group began by creating a map with all the census tracts within Boston, which totaled a population of 75,000. There was a need to reduce this total to 57,400, the maximum allowed, while maintaining the required contiguous areas. When the map was presented to the Steering Committee, a political bargaining process ensued among community groups and within the Steering Committee itself. Much of the focus in the map was on lower poverty census tracts, and there was a focus on areas that generated jobs. Thus, there was a strategic consideration to include areas which could generate employment and provided access to jobs. Thus the port of Boston, the Marine Industrial Park and Downtown were include in the zone area. Also, more of low-income commercial areas

were included in the map, while purely low-income residential areas more likely to be dropped. In addition, there was an aim at achieving racial and ethnic diversity.

Some neighborhoods mobilized to press for their inclusion on the zone. Grove Hall and Mattapan were initially left out of the map. Community meetings and pressure from the Grove Hall community led to the inclusion of half of Grove Hall. Mattapan was not included, except for the census tract that includes Boston State Hospital, primarily because it lacked the poverty levels necessary to meet the federal requirements. One interviewee stated that Grove Hall was the heartbeat of the minority community; this sentiment manifested itself through community pressure to include Grove Hall.

In general, two ideas emerge out of the process of picking the zone. First, the city did not pick or impose the zone on the community, but rather it emerged out of the community through a series of tradeoffs. Second, consensus was reached rather quickly among the Steering Committee on the zone boundaries. The participants and Boston Works estimate the time to reach consensus at roughly four weeks

Not all the selection processes used by the cities were so immediately successful or so harmonious. Political pressures were felt in the selection process over the omission of certain areas, oftentimes becoming particularly stressful where race or ethnic differences became involved. In San Francisco, for example, five neighborhoods were initially selected for the Enterprise Community proposal. They were the Tenderloin, the Mission, South of Market (SoMa), South Bayshore (Bayview/Hunters Point or BVHP) and Visitacion Valley.

Chinatown was considered, but the city had recently received a lot of funding earmarked for Chinatown programs, and the inclusion of Chinatown would entail bumping one other neighborhood felt to have been under-served in the past. Chinatown leaders were incensed and pressured the mayor with demands to be included as a proposed EZ/EC community. Presumably as a result of these and related efforts, Chinatown ended up being included as one of the Enterprise Community nominees after all. Although it seemed unlikely that San Francisco would receive EC designation for both sets of communities, it was believed that going through the strategic planning process would enhance the eligibility of the two extra communities for other federal and state funding initiatives. Chinatown and the Tenderloin were promised that if they were not selected as Enterprise Communities, they would continue to be included in the process, they would receive priority for other programs, and that they would benefit from city-wide programs instituted through the EC process.

In other cases, some churning and repetition was necessitated by such political pressures prior to a community-based selection being concluded. In Atlanta, for example, the boundary selection decision was originally made by the "EZ Group," with officials from the planning bureau, The Atlanta Project, and the Atlanta Economic Development Corporation playing the most important roles. This group was then able to get the mayor and the City Council to endorse this selection, only to have the selection later rescinded, due largely to opposition from neighborhood leaders and newly elected City Council members who felt their areas had been neglected, and responsibility for zone designation was then given to an expanded Community Empowerment Board. In the end, it was the CEB who determined the

designation of the selected zone area. However, as several participants pointed out in interviews, once the community realized that every neighborhood could not possibly be selected, the best area for the zone became fairly obvious, particularly when the CEB members agreed that the zone selected should be one contiguous area.

*Timing: Did the Selected Area Affect Strategies?*

Our assessment of the sample study cities asked whether boundaries for the designated areas were picked before or after strategies and activities were developed. Were strategies and activities tailored to the zones selected?

As a general matter, the majority of the sites in our sample had boundaries selected while work on strategies and program activities was well underway and being developed simultaneously -- Baltimore, Charlotte, Dallas (though site boundaries were settled on very early in the process), Minneapolis, San Francisco and Tacoma. Two sites appear to have selected boundaries after strategies and program activities were developed: New York City and Louisville. According to our observations and analysis, seven of the 18 sample EZ/EC cities selected their boundaries before determining their respective strategies and program activities: Atlanta, Boston, Chicago, Cleveland, Detroit, Oakland and Philadelphia.

As reported for Detroit, because selection of the Zone preceded the establishment of goal and development of individual plans, the unique assets and identified needs of the proposed Zone were major influences on the selection of strategies and programs/activities.

Table 3

## Measures of Distress in Empowerment Zones/Enterprise Communities and Surrounding Areas: Summary

EZ/EC	% Below Poverty			% Not in Labor Force			% High School or Higher Education			% Hangouts (age 16-19)			% Female Headed Households w/ Children			% Professional/ Managerial Workers		
	MSA/P MSA	Eligible Tracts	EZ/EC	MSA/P MSA	Eligible Tracts	EZ/EC	MSA/P MSA	Eligible Tracts	EZ/EC	MSA/P MSA	Eligible Tracts	EZ/EC	MSA/P MSA	Eligible Tracts	EZ/EC	MSA/P MSA	Eligible Tracts	EZ/EC
Atlanta	10.0	33.9	54.7	27.0	40.5	51.3	79.5	56.8	43.1	3.0	4.0	3.2	7.3	18.9	24.6	65.7	44.8	36.5
Baltimore	10.1	35.5	41.8	31.5	43.8	48.4	74.7	51.7	45.7	3.1	5.6	9.6	7.5	19.9	22.5	64.5	48.8	44.2
Boston	8.6	28.9	35.8	31.4	40.6	45.2	80.1	60.6	57.0	3.1	3.8	3.5	5.9	15.1	22.7	66.0	53.1	52.9
Charlotte	9.6	30.3	36.0	29.3	38.2	39.7	72.5	54.8	50.8	3.0	3.2	4.5	6.2	16.0	21.2	55.6	37.9	30.9
Chicago	12.4	36.5	49.1	32.3	42.4	50.0	75.7	54.4	44.0	3.7	6.2	7.0	7.2	19.7	25.6	64.0	47.7	39.0
Cleveland	11.8	36.9	46.8	36.9	47.1	56.8	75.7	54.3	47.1	3.1	6.2	5.9	7.1	18.3	19.1	61.5	45.1	43.3
Dallas	12.0	33.4	43.1	26.3	35.1	37.3	79.0	53.1	45.7	3.4	5.3	6.3	6.6	12.1	13.3	65.3	41.2	34.7
Detroit	13.1	37.7	47.9	35.7	47.6	56.5	75.7	57.6	49.0	4.4	7.9	8.4	8.6	21.4	17.9	59.4	45.1	45.8
East St. Louis	10.8	35.2	44.0	33.5	43.2	50.0	76.0	59.2	55.4	3.6	6.2	6.6	7.0	17.7	22.9	61.6	51.4	45.8
Los Angeles	15.1	29.9	40.2	32.8	37.5	48.3	70.0	44.9	38.4	3.6	5.1	5.1	6.8	12.1	18.3	59.9	38.5	31.9
Louisville	12.7	35.9	49.7	34.5	44.2	51.6	73.5	55.7	46.1	3.8	6.6	6.1	7.5	16.3	23.3	57.1	41.9	33.0
Minneapolis	8.1	34.4	46.6	25.7	37.0	45.6	87.2	73.0	66.3	2.3	3.8	3.9	5.9	12.7	18.5	65.0	55.8	50.5
New York	17.5	35.4	42.6	37.5	45.3	49.1	70.3	52.6	47.2	3.4	4.7	3.6	8.9	19.5	20.5	65.5	51.2	47.6
Oakland	9.3	28.1	37.5	31.2	42.8	50.6	83.4	64.6	53.7	2.5	4.3	5.8	6.7	14.9	22.1	67.4	54.1	41.5
Philadelphia	10.4	34.8	50.1	35.0	46.6	55.6	75.9	54.3	42.8	3.0	5.6	7.4	6.4	17.6	22.7	64.3	50.5	44.0
Phoenix	12.3	32.4	45.2	33.5	38.8	45.6	81.5	57.5	40.5	3.9	5.6	5.1	6.0	10.3	14.1	62.6	41.8	30.0
San Francisco	9.0	25.5	33.8	31.2	38.2	39.7	82.4	62.9	59.4	2.3	4.3	5.6	4.2	8.0	19.6	69.1	50.2	44.5
Tacoma	11.4	31.8	46.5	33.5	41.9	54.2	83.2	71.7	61.7	3.0	4.7	5.4	7.2	13.0	16.3	55.8	45.5	42.6
MEAN	11.3	33.1	44.0	32.2	41.7	48.6	77.6	57.8	49.7	3.2	5.2	5.7	6.8	15.8	20.3	62.8	46.9	41.0
MEDIAN	11.1	34.2	44.6	32.6	42.2	49.6	76.0	56.3	47.2	3.1	5.2	5.7	6.9	16.2	20.9	64.2	46.6	43.0

## NOTE:

% Below Poverty: Percent of persons below the federal poverty level;

% Not in Labor Force: Percent of persons 16 years of age and over who were not in the labor force;

% High School or Higher Education: Percent of persons 25 years of age and over with high school or higher education;

% Hangouts (age 16-19): Percent of persons 16 to 19 years of age not employed and not in school;

% Female Headed Households w/ Children: Percent of households with female householder and with own children under 18 years of age;

% Professional/Managerial Works: Percent of employed persons 16 years of age and over with professional and managerial specialty occupations.

DATA SOURCE: Nelson A. Rockefeller Institute of Government, Urban Study Group, Analysis of 1990 Census (STF3A).

*Targeting Areas of Need*

In addition to examining the process of boundary selection, this round of the assessment sought to answer how the areas picked fare against those eligible; whether the targeted areas are the most troubled. A close examination of the areas in the study sample designated as either an Empowerment Zone or Enterprise Community indicates that they are among the most troubled urban areas in the nation.

Six factors were selected from the 1990 Census that are associated with socio-economic distress. These factors include:

- (1) the percentage of the population below the federal poverty level;
- (2) the percentage of the population sixteen years of age or older who are not in the labor force;
- (3) the percentage of the population 25 years of age or older who have a high school or higher education;
- (4) the percentage of sixteen through nineteen year olds who are neither in school nor working -- the percentage of "hangout";
- (5) the percentage of households that are headed by women with children; and
- (6) the percentage of professional or managerial workers in the workforce.

We then ran this data for the eighteen cities in our study sample comparing the results for the designated EZ or EC area with both the Metropolitan Statistical Area (MSA) or Primary Metropolitan Statistical Area

(PMSA) as a whole and with all the tracts eligible for designation -- those with a poverty rate equal to or greater than 20 percent.

As a group, the designated EZ or EC areas are significantly more distressed than their surrounding areas, as measured by the factors outlined above (see Table 3, Measures of Distress in Empowerment Zones/Enterprise Communities and Surrounding Communities: Summary). The mean and median rates of poverty, for example, are roughly three times higher in the eligible tracts than for the MSA/PMSA as a whole, and roughly four times higher for the designated EZ/EC areas. The mean and median rates of working-age persons not in the labor force are roughly one-third higher among all the eligible tracts than in the MSA/PMSA as a whole, and nearly one-half higher among the designated EZ/EC areas. The mean and median proportion of 16-19 year olds neither in school nor working is roughly 62 percent higher among all eligible tracts than for the MSA/PMSA as a whole, and roughly 80 percent higher in designated EZ/EC areas. The mean and median percentage of female headed households with children is about 132 percent greater in eligible tracts than in the MSA/PMSA on the whole, and approximately 197 percent higher in designated EZ/EC areas.

Meanwhile, as also seen in the summary table, the rate of educational attainment and the prevalence of "prestige" or "white collar" workers in designated EZ/EC areas is considerably lower than among all EZ/EC eligible areas and MSAs/PMSAs overall. The mean and median rates of educational attainment in the designated EZ/EC areas are substantially below both the MSA/PMSA area on the whole and among the eligible tracts, as measured by proportion of

those 25 years of age or older with high school or higher education. The mean and median proportion of professional and managerial workers is between 25 and 27 percent lower in all eligible tracts than in the MSA/PMSA overall, and roughly 32 to 34 percent lower among designated EZ/EC areas.

For 11 of the 18 cities in our sample, the designated EZ or EC area clearly fared worse on each of the six factors than both the MSA/PMSA and the tracts eligible for designation -- meaning they had higher proportions of poverty, female-headed households with children and 16 through 19 year olds neither in school or employed, and lower proportions of the population in the labor force, with a high school or higher education, and professional or managerial workers in the workforce. These cities include: Baltimore, Charlotte, Chicago, Dallas, East St. Louis, Los Angeles, Minneapolis, Oakland, Philadelphia, San Francisco, and Tacoma.

For six of the 18 cities in our sample, the designated EZ or EC area was measured as more troubled than the MSA/PMSA and more troubled than all the tracts eligible for designation by all but one of the factors: the percentage of 16 through 19 year olds neither in school nor employed. These cities include: Atlanta, Boston, Cleveland, Louisville, New York City and Phoenix.

The City of Detroit stands out as something of an exception in this analysis. Detroit's designated empowerment zone area was significantly troubled as measured by all the factors examined, and clearly more troubled than the MSA/PMSA on all six of these factors. However, compared to all eligible tracts in Detroit, the designated empowerment zone area has a lower

proportion of female headed households with children -- 17.9 percent in the EZ compared to 21.4 percent among all the tracts eligible for designation -- and a higher proportion of professional and managerial workers in the workforce -- 45.8 percent compared to 45.1 percent.

The proportion of poverty in the EZ/ECs ranges from a low of 33.8 percent in the San Francisco EC (which is itself 3.75 times as high as the poverty rate for the MSA/PMSA) to a high of 54 percent in the Atlanta EZ (5.4 times the poverty rate for the MSA/PMSA). Boston, Charlotte and Oakland join San Francisco as the only sites among the 18 with poverty rates below 40 percent. Philadelphia joins Atlanta as the only other EZ/EC with greater than 50 percent of its population living below the federal poverty level. Chicago, Cleveland, Detroit, Louisville, Minneapolis and Phoenix all had rates of poverty in their respective EZ/ECs of between 45 and 49 percent.

At least 45 percent of the working-age population was not in the labor force in all of the EZs or ECs in the study sample, with the exceptions of Charlotte, Dallas, and San Francisco (39.7, 37.3 and 39.7 percent, respectively). At 56.7 percent, Cleveland nudged Detroit for the distinction of having the largest share of its EZ/EC working-age population not in the labor force. Others joining them at over 50 percent include Atlanta, Chicago, East St. Louis, Louisville, Oakland, Philadelphia and Tacoma.

The proportion of EZ/EC populations with a high school or higher education ranged from a low of 38 percent in Los Angeles (compared to 70 percent for the MSA/PMSA) to a high of over 66 percent in Minneapolis (compared to 87.2 percent for the



MSA/PMSA). Boston, Charlotte, East St. Louis, Oakland, San Francisco and Tacoma joined Minneapolis with over 50 percent of their populations having a high school or higher education. The other EZ/EC cities in the study sample were bunched together with between 40 and 49 percent.

The extent of female-headed households with children also ranged considerably among the EZ/EC sites in the sample, from a low of 13.3 percent in Dallas (compared to 6.6 percent for the MSA/PMSA and 12.1 percent for all eligible tracts) to a high of 25.6 percent in Chicago (compared to 7.2 percent for the MSA/PMSA and 19.7 percent for all eligible tracts). Apart from Phoenix' 14.1 percent (compared to 6.0 for the MSA/PMSA and 10.3 percent for all eligible tracts), the proportions of female headed households with children in all the other study sample cities were tightly grouped in the high teens through low-twenties.

The proportion of professional and managerial workers in the workforce ranged from a low of 30 percent in Phoenix

(compared to 62.6 percent for the MSA/PMSA and 41.8 percent among all eligible tracts) and Charlotte (55.6 percent for the MSA/PMSA and 37.9 percent for all eligible tracts) to a high of 52.9 percent in Boston (compared to 66 percent for the MSA/PMSA and 53.1 percent among all eligible tracts).

#### C. Patterns in Strategic and Program Activities

In an effort to assess program content, field associates in each of the EZ/EC sites were asked to provide a detailed description of the strategies and program activities embraced by the strategic plans filed in application to HUD for EZ/EC designation. Because the majority (15) of the 18 sites in this sample applied for Empowerment Zone designation and developed strategic plans predicated on the receipt of \$100 million in federal funds, changes in formal strategies and program activities were certainly expected among those sites receiving alternative designation (see Table 4).

Table 4

Original Strategic Plan Application v. Designation		
<i>City</i>	<i>Strategic Plan Application</i>	<i>Designation</i>
Atlanta	EZ	EZ
Baltimore	EZ	EZ
Boston	EZ	EEC
Charlotte	EC	EC
Chicago	EZ	EZ
Cleveland	EZ	SEZ
Dallas	EZ	EC
Detroit	EZ	EZ
East St. Louis	EZ	EC
Los Angeles	EZ	SEZ
Louisville	EZ	EC
Minneapolis	EC	EC
New York City	EZ	EZ
Oakland	EZ	EEC
Phoenix	EZ	EC
Philadelphia/Camden	EZ	EZ
San Francisco	EC	EC
Tacoma	EZ	EC

Other changes in strategies or program activities might be expected to occur during the planning process or during initial implementation. Consequently, field associates were also asked to specify any changes which may have occurred following the designation process.

Strategies and program activities were tailored by the communities to address local needs and assets. In order to permit a comparative analysis of patterns across sites, a taxonomy of program strategies was developed for this assessment in consultation with HUD. Using this taxonomy, the strategies embodied in the strategic plans for the 18 EZ/ECs in our study sample have been grouped according to the following categories: economic development, job training, job placement,

family self-sufficiency, youth, education, housing, health, transportation, other infrastructure, public safety, drug abuse prevention, cultural/recreational, community development and administration. (Table 5 provides a summary of strategies and program activities for the study sample cities.) A review of the strategies being used by the sites reveals that almost all of the sites are using a "one stop shopping" model as part of their economic development strategy, either in the form of a community development bank, neighborhood resource center or one stop capital shop. Furthermore, all of the sites are incorporating job training into their particular strategies. However, an examination of initial strategic plans through this taxonomy reveals a number of interesting differences as well as



**Table 5  
Strategies and Program Activities**

<b>Empowerment Zones</b>			
	<b>Atlanta</b>	<b>Baltimore</b>	<b>Chicago<sup>a</sup></b>
<b>Economic Development</b>	Establish 3 credit unions, offer credit counseling; establish one-stop capital shop; expand revolving loan funds & bond pool; relax lending criteria and make loans user friendly; renovate 8 small retail areas; develop vacant buildings/land.	Establish a community development bank; provide financial and technical assistance with a one-stop capital shop, business information center, & a small business development sub-center; develop industrial areas within the zone.	Clean 25 acres of contaminated sites and create 10 living wage jobs per acre over 10 years - identify six brownfield sites for environmental remediations over a two year span.
<b>Job Training</b>	Train 400 to 500 Zone residents; establish a transportation company to get residents to jobs/training; provide access to skills building, daycare, and transportation services.	Create a business skills advisory board; hire/train an advisor; establish a training fund for zone firms to pay for the training of employees; create an Entrepreneurial Training Institute.	
<b>Job Placement</b>	Expand training scholarships for 30 technical and adult-education programs; expand computerized access to job listings.	Establish job training fund with a stipend of \$400/wk. for 6 weeks; establish school-to-work program with business community; info. will be available about job opportunities within the Village Centers.	
<b>Family Self-sufficiency</b>	Target female heads of household for employment strategies; develop a one-stop human services shopping model; establish 4 Community Multi-Service Centers; expand child care.	Provide stipends for child care.	
<b>Youth</b>	Establish 9 Youth Community Development Corps; create training & mentorship programs; create program to hire zone residents with emphasis on youth; expand teen pregnancy programs.	Create a Jobs Corps Center to provide training for troubled youths.	
<b>Education</b>	Provide scholarships for zone students to attend schools; establish a demonstration program for new approach to education; expand after school/youth to work program; expand education/training to ex-offenders and welfare recipients.	Create a Zero-Based Drop-Out Prevention Project to reconnect youth who have dropped out; create Empowerment Teaching Academy to assist teachers; establish a child care Resource Center to increase day care and pre-school services.	
<b>Housing</b>	Redevelop vacant, underutilized property; form neighborhood-based housing resource center; provide 30 operating grants to civic associations; rehab. 200 units of single-family/elderly housing; establish 30 facilities & one stop shop for housing serv.	Create community-based housing consortium for technical assistance/services; create mortgage pool of \$20 mil. to help finance home purchases in zone; transfer mgmt. of rental housing from absentee landlords to community-based mgmt.	
<b>Health</b>	Enhance the Emergency Planning and Hazard Response Program; establish city farm projects and gardens; expand food nutrition/education programs.	Village Health Advocates will be recruited and trained to help residents access care available in their community and offer preventive health education; Village Centers will coordinate the delivery of health care services; remove lead-based paint.	
<b>Transportation</b>	Establish a transportation company to get residents to jobs.	Establish new transit routes serving the zone neighborhoods.	
<b>Other Infrastructure</b>	The city's water department will retrofit homes in the EZ with low-flow toilets to conserve water; minimize hazardous materials in residential areas.	Planned improvements in industrial areas include upgrading streets, improving traffic and storm water management; redevelop real property which has been environmentally contaminated or is environmentally undesirable.	
<b>Public Safety</b>	Conduct public safety survey; institute police sensitivity training program; establish citizens public safety leadership academy for community policing; distribute burglar bars & smoke detectors.	Establish Criminal Justice Coordinating Council & Neighborhood Mediation Courts; expand community policing; create task force to close open air drug markets; deploy mobile police stations.	Increase community policing and conflict resolution training for residents.
<b>Drug Abuse Prevention</b>	Establish neighborhood-based treatment centers; establish 2 substance abuse programs aimed at youth; establish 4 transitional programs for individuals after treatment; create a comprehensive drug prevention and intervention program.	Coordinate existing drug abuse services and treatment programs through Village Centers with prevention programs aimed at young children.	
<b>Cultural / Recreational</b>		Revitalize Museum Row; create a cultural center with an African American Reference Center/Library and Sports Hall of Fame.	Establish an African heritage art and recreation area to promote tourism.
<b>Community Development</b>	Fund community-based partnerships.	Create open spaces, playgrounds, and parks; each Village Center will complete a physical master plan; create a Neighborhood Revitalization Development Program.	
<b>Administration</b>	Create a corporation to implement the EZ strategic plan; develop budget for EZ Corp. & start-up expenses; develop administrative structure for 2 years of operation.	Create 6 Village Centers to coordinate various programmatic activities.	

	<b>Detroit</b>	<b>New York City</b>	<b>Philadelphia/Camden</b>
<b>Economic Development</b>	Establish a community development bank, one-stop capital shop, etc. to provide technical assistance and services; strengthen the business and technology base of the zone with a Business Modernization Program, Model Urban Industrial Area, etc.	Create a privately capitalized and operated community development bank; develop a small business assistance program and a one-stop capital shop; establish a community first procurement and hiring policy.	Establish community banking program; provide technical assistance & entrepreneurial training to zone businesses/residents; revitalize light manufacturing & commercial strip; create small business loan pool.
<b>Job Training</b>	Link residents to jobs by providing pre-training and training programs through JOBNet, industry-specific/disabilities/ entrepreneurial training, and multicultural training.	Consolidate job services into a single location; focus job training on residents returning from prison; focus job training on health care & construction jobs; expand adult education programs.	Offer training in telecommunications, construction & entrepreneurship; establish retail entrepreneurial training program & training program for young adults.
<b>Job Placement</b>		Provide incentives for residents to enter careers in criminal justice through internships; provide paid internships for youths with matching business contribution; create school-to-work program.	Create a school-to-work program.
<b>Family Self-sufficiency</b>	Expand programs promoting the empowerment & stabilization of families through programs for Special Needs, Early Childhood & Parenting, Youth & Young Adult, Community-based Health, etc.	Convert AFDC/Home Relief funds into wage & training subsidies for private sector/nonprofit employers who hire public assistance recipients residing in the EZ; improve access to child care.	Increase the quantity and quality of day care; create a bilingual family services center within the EZ.
<b>Youth</b>	Increase the availability of quality recreation facilities and programs in the Zone through programs of Recreational Enhancement Project, Youth Initiative, and Roving Recreation / Art Access.	Create school-to-work & internship program for students to work for community organizations for financial support or academic credit; expand programs at Neighborhood Education Centers.	Expand youth services to 100% penetration of all youth with special emphasis on at-risk youth.
<b>Education</b>	Improve the quality of learning and integrate technology into educational and training with programs including Life Management Education, Entrepreneurship 2000, and The Detroit Compact.	Create at least 3 new smaller high schools; develop model Independent School District to experiment with new programs; link public schools with colleges through the use of the Internet, video conferencing; provide for teacher training and development.	Offer year around school-to-work and back-to-school programs; create a one-stop-shop for human development service; increase the high school graduation rate; provide universal head-start.
<b>Housing</b>	Preserve and develop affordable housing through Community-based Delivery System; renovate public housing; create a continuum of housing for the homeless.	Construct 1,550 units of housing; preserve and rehab. existing housing stock; request HUD waivers to enable developing joint projects; establish a 1st-time home ownership fund for low-income households; increase pool of mortgage loans.	Establish a revolving Housing Trust Fund; train housing counselors; assist needy home owners complete repairs; create a closing fee loan pool for first time home buyers; rehab. deteriorated housing and develop new units; rehab. 50 units for shelters.
<b>Health</b>	Initiate a coordinated health and human services delivery system supportive of the development and preservation of healthy families through community self-sufficiency centers.	Create an EZ Health Consortium to plan and develop health care projects; expand community health centers providing primary and preventive care, including a birth center; create an immunization registry coordinated with the Health Dept.	Increase health care services using existing community and out-patient health centers; provide prenatal home visiting services to pregnant women and those with HIV; lead-based paint removal.
<b>Transportation</b>	Improve the accessibility of public transportation through Woodward Avenue Busway, Timed Transportation and Child Care Centers, and Community-based Mobility Strategy.	Initiate capital projects to improve subway stations, streets, interchange routes, bus shelters, etc.; convert polluting vehicles to alternative fuels.	
<b>Other Infrastructure</b>	Beautify Detroit's landscape through creative use of vacant land and redevelopment of environmentally contaminated land.	Enhance to communities' access to and literacy of advanced information and telecommunications technology.	Rehab. the Marshall Street retail corridor; create 5 new community gardens, 10 wall murals, and public trash containers; develop a 5 year plan for the maintenance of public spaces, removal of toxic waste.
<b>Public Safety</b>	Establish a comprehensive community policing plan, integrate multi-agency initiatives, decentralize public safety services, and promote anti-violence programs.	Remove housing base of drug dealers and reintegrate ex-offenders returning from prison; strengthen community policing; create a community-based public safety council to coordinate initiatives throughout the zone; increase technology available to police.	Expand community policing programs, with 4 mini-mobile stations; establish an abandoned car program and an environmental safety program.
<b>Drug Abuse Prevention</b>		Expand violence and drug prevention programs in public schools and community centers.	Establish a residential drug treatment program; provide drug therapy and prevention services for infants and children under 5 years old.
<b>Cultural / Recreational</b>	Increase the availability of quality recreation facilities and programs in the zone.	Support the creation of the Harlem International Trade Center; create learning centers specializing in commuter literacy which are sensitive to ethnic backgrounds; create space for artists and art organizations.	Complete the Iberian Pavilion as a cultural and commercial display center; support a mini-Art Museum and a multi-media center with an emphasis on the African American experience; established a Caribbean food and
<b>Community Development</b>		Expand the number of Beacon Schools and offer educational, recreational, vocational, and family-based services to the whole community in them; create network of neighborhood-based family investment centers to administer services.	
<b>Administration</b>	Establish the EZ Development Corporation and the EZ Coordinating Council.		

<b>Enterprise Communities</b>				
	<b>Charlotte<sup>r</sup></b>	<b>Dallas<sup>g</sup></b>	<b>East St. Louis<sup>h</sup></b>	<b>Louisville<sup>i</sup></b>
<b>Economic Development</b>	Create an Empowerment Center for each of the 3 EC neighborhoods; offer business assistance; acquire, rehab., and operate a shopping center that has fallen into decline.	Establish Community Development Corporations, Business Assistance Centers, Business Facade Improvement Program & one-stop capital shop; utilize existing tax incentives.	Implement a small business development center; expand entertainment employment opportunities (e.g., riverboat gambling, golf course, visitors center, museum).	Establish a community development bank and an Enterprise Development Center; promote loan funds; create light industrial parks; create a tax-free bond pool for land development.
<b>Job Training</b>	Offer a construction training program with on the job training; offer 3 levels of job training based on experience & entrepreneurial training.	Inform EC residents of opportunities through Smart Job Training.	Implement training in the construction trades for 40-60 youths.	Establish a Workforce Development Partnership Skills Center with job training and child care.
<b>Job Placement</b>	Pursue apprenticeship and job opportunities with local employers.	Establish job fairs.		
<b>Family Self-sufficiency</b>				Establish a one-stop social service stop.
<b>Youth</b>				
<b>Education</b>				Establish an education and workforce institute under the Chamber of Commerce; invest in drop out prevention.
<b>Housing</b>	Create a housing rehabilitation co-op among existing home owners.	Increase the number of qualified home buyers through credit counseling, home buyer training & the availability of financing; improve the stock of housing through rehab. & construction.	Rehab. owner occupied structures city wide; provide funding for 10 existing shelters.	Renovate or rebuild public housing to reduce density; support mixed residential development and affordable housing.
<b>Health</b>				
<b>Transportation</b>		Expand construction on the Dallas Area Rapid Transit light rail system and the railtrain transit to the Dallas/Fort Worth Airport; street infrastructure improvements.	Improve downtown parking and highway accessibility; extension of the Metro-Link light rail system - add 4 stations.	Establish a transit program to take inner-city residents to jobs in industrial parks.
<b>Other Infrastructure</b>			Fund capital improvements for deteriorating infrastructure.	Clean up brown fields that are obstacles to revitalization; recycle vacant or abandoned property.
<b>Public Safety</b>		Expand community policing program; assign 4 mobile storefronts to high crime areas; establish a Crime Prevention Through Environmental Design program.	Increase community policing to include an additional 12 city blocks; implement safe havens program.	Expand community-oriented policing initiative.
<b>Drug Abuse Prevention</b>				
<b>Cultural / Recreational</b>			Establish an arts commission to improve the development of cultural programs for residents; create a cultural development district.	
<b>Community Development</b>	Create neighborhood co-ops in areas such as food service and catering, landscaping and home decorating.		Develop vacant or under-used land.	Park DuValle Neighborhood Placed (one-stop center) for managing information systems.
<b>Administration</b>	Hire an executive director & administrative assistants for 3 Empowerment Centers.	EZ/EC Coordinator and staff	Hire a full-time grants management staff.	

	<b>Minneapolis<sup>j</sup></b>	<b>Phoenix<sup>k</sup></b>	<b>San Francisco<sup>l</sup></b>	<b>Tacoma<sup>m</sup></b>
<b>Economic Development</b>	Create 2 business loan/incubator programs and provide technical assistance and capital.	Develop coordinating office for business assistance; create EZ Business Incubator Program to provide technical & financial assistance; expand micro-enterprise program services; retention & expansion of small businesses.	Promote tourism and economic development in the four neighborhoods through business attraction and marketing efforts; preserve existing employment; provide private business assistance; revitalize the Visitation Merchants Association.	Create a one-stop capital shop to provide access to equity/venture capital and credit products, research and development financing and services, and sector specific business assistance.
<b>Job Training</b>	Create 2 job training and self-sufficiency programs targeted towards public housing residents; create youth training and apprenticeship programs targeted towards junior high school age youth.	Develop one-stop training and recruitment centers; develop employment outreach training programs to improve linkages with employment centers.	Expand and promote job readiness and job training projects.	Training and Employment Initiative / one-stop career center which target EC residents for training.
<b>Job Placement</b>	Solicit partnerships with private businesses to offer graduates entry-level jobs.		Hire local residents to do construction projects, etc.; link neighborhood residents to job opportunities.	
<b>Family Self-sufficiency</b>		Increase social services and health resources by expanding education, life skills, recreation services, and substance abuse services.	Provide extended hour child care; child care training program; multi-language parenting classes; increase available child care slots.	
<b>Youth</b>	Develop youth center in Phillips neighborhood & offer educational, recreational/ employment training; provide conflict mediation training services; develop alternative high school for Southeast Asian youth.	Develop youth employment and training programs.	Develop programs for youth to rehabilitate neighborhood parks, housing, etc.; expand youth after school and weekend programs.	
<b>Education</b>		Establish schools as family resource centers; strengthen education programs through restructuring, dropout recovery, and business partnerships.	Develop coordinated school retention demonstration project, after-school programs, English as a Second Language programs	
<b>Housing</b>	Develop a housing property management program to maintain an manage rental property, especially absentee landlord property.	Preserve & rehab. existing housing stock through loans/reconstruction; increase home ownership and quality rental opportunities as well as specialty needs housing.	Promote and support home ownership, affordable rentals, and multi-family housing; develop new senior housing.	
<b>Health</b>			Establish a community health center.	
<b>Transportation</b>		Improve transit facilities and services.		
<b>Other Infrastructure</b>		Street upgrading improvements and environmental land development.		Utilize transportation & information infrastructure to connect zone residents & businesses with opportunities outside the zone.
<b>Public Safety</b>		Crime prevention and law enforcement enhancement through Block Watch, community-based policing, and gang prevention activities; control lead paint hazards.	Establish neighborhood controlled safety programs, anti-graffiti program; expand crime prevention programs.	
<b>Drug Abuse Prevention</b>	Develop transitional housing and counseling services to chemically-dependent men through Project Threshold.	Expand crisis and substance abuse programs.		
<b>Cultural / Recreational</b>		Establish partnerships with community college and school districts to maximize off-peak usage of existing facilities; establish a fund for park and recreational facilities upgrading.		
<b>Community Development</b>		Strengthen community cohesion & reverse neighborhood deterioration through volunteerism and a law enforcement training center; environmental enhancement amenities.	Establish a community information center.	
<b>Administration</b>				

<b>Enhanced Enterprise Communities</b>		
	<b>Boston<sup>d</sup></b>	<b>Oakland<sup>e</sup></b>
<b>Economic Development</b>	Create jobs for EEC residents through development anchor projects; fuel business creation and expansion by increasing access to capital; provide assistance/organizing for neighborhood business districts/individual owners.	Establish a one-stop capital shop and a one-stop permit shop; develop a Comprehensive Business Retention program; provide technical assistance and start-up grants to Community Development Corp.; create new jobs by fostering anchor projects.
<b>Job Training</b>	Expand employment training and adult education programs; promote employer involvement in training/adult education program development.	Provide entrepreneurship and business management training; use housing rehab. and construction as employment training opportunities.
<b>Job Placement</b>	60% jobs target - The CAB seeks to ensure that the majority of new jobs created with EDI dollars are targeted towards zone residents - development proposals must comply with 60% jobs target.	Promote the hiring of contractors residing in the zone.
<b>Family Self-sufficiency</b>	Expand day care services for working parents.	
<b>Youth</b>		
<b>Education</b>	Expanded alternative education programs for out-of-school youth; enlarge adult literacy programs.	Transform schools into community centers; develop school-based case management, counseling, and after-school programs; establish peer mentoring and parent control programs.
<b>Housing</b>	Stabilize and revitalize residential areas in Boston's EEC; Rehabilitate abandoned housing; develop housing on city-owned vacant lots.	Offer a Home buyer Assistance Program; prevent homelessness through the continuing development of a comprehensive service system; rehab. existing housing stock; convert vacant absentee-owned properties to owner occupied housing.
<b>Health</b>	Sponsor a family centered neighborhood clinic to provide holistic child and family support.	Develop school-based health care services; remediate lead-based paint and other environmental health hazards.
<b>Transportation</b>	Improve transportation for increased access to jobs and services; improve streetscapes.	Develop several anchor projects in the transportation field which focus on providing employment opportunities to zone residents
<b>Other Infrastructure</b>	Pursue a range of initiatives to better link EEC residents with those evolving technologies.	Build information links among social service and health providers; deliver telecommunications to zone residents through various Information Centers; improve bus shelters and public transportation to and from retail areas.
<b>Public Safety</b>		Expand community policing and police cadet programs; implement programs which address domestic violence, school safety, and gang activity.
<b>Drug Abuse Prevention</b>		Develop a comprehensive system of community drug prevention/intervention.
<b>Cultural / Recreational</b>		Provide a variety of cultural programs that represent the diversity of cultural expression in the EC.
<b>Community Development</b>		Establish community building teams for data collection and outreach.
<b>Administration</b>	Community Advisory Board (CAB); Boston Empowerment Center Board (BEC).	EZ Coordinating Council

<b>Supplemental Empowerment Zones</b>		
	<b>Cleveland<sup>b</sup></b>	<b>Los Angeles<sup>c</sup></b>
<b>Economic Development</b>	Formation of a permanent community development bank; work with 4 CDCs to develop a strategy to improve the neighborhoods, create jobs, and provide financing for zone businesses; link businesses with capital and technical assistance.	Establish the LA Community Bank for loans and technical assistance; create a one-stop capital shop and 3 business assistance centers; establish Business Tax Relief and Utility Discount programs.
<b>Job Training</b>	Utilize a Labor Force Development Center and a job match program in the 3 neighborhoods; train residents through community service employment opportunities.	Invest in YouthBuild where participants learn on-site construction skills; eleven non-profit organizations have been funded to provide entrepreneurial training.
<b>Job Placement</b>		
<b>Family Self-sufficiency</b>		
<b>Youth</b>		Develop the Youth Opportunities Unlimited (YOU) Program Community Youth Center, Youth Fair Chance Demonstration Project, Community Service Center Program, and Youth Advocacy Program.
<b>Education</b>		The EZ staff and HUD are working with the LA Unified School District to determine the technology needs of the local schools in the EZ and to increase their capacity, including equipment and training.
<b>Housing</b>	Construct new housing and restore existing stock.	Provide grants and financing for new housing construction and rehab. of existing housing stock; augment existing services for the homeless.
<b>Health</b>		
<b>Transportation</b>		
<b>Other Infrastructure</b>		Acquire and clean-up a ten acre site within the SEZ.
<b>Public Safety</b>		Ounce of Prevention Program - several non-profit organizations located or providing services to the residents of the Zone have applied for funding for the youth anti-violence program.
<b>Drug Abuse Prevention</b>		
<b>Cultural / Recreational</b>		
<b>Community Development</b>		Establish the LA Neighborhood Initiative to economically stimulate 8 transit development neighborhoods through community planned transportation and housing improvement.
<b>Administration</b>	4 neighborhood CDC's; 3 neighborhood LFDC's	Hire a CEO and staff to operate the LA Community Development Bank.

<sup>i</sup> Louisville applied for Empowerment Zone designation and developed its strategic plan accordingly. However, Louisville was designated as an Enterprise Community. In light of this, Louisville has chosen to fund the following programs: The Community Development Bank, The Workforce Development Partnership Skills Center and The Park DuValle Neighborhood Place (One Stop Center).

<sup>j</sup> While Minneapolis applied for and received Enterprise Community designation, it reports one change in the strategic plan: the substitution of one census tract for another in order to comply with HUD criteria.

<sup>k</sup> Phoenix applied for Empowerment Zone designation and designed its strategic plan accordingly. However, Phoenix was designated as an Enterprise Community. In light of this, Phoenix has decided to retain the majority of the strategies, but reduce the scope of the activities. The following programs have been eliminated: the plan to develop a coordinating office for business assistance, the transit facilities and services, the Block Watch and Stop the Violence programs, community based policing, gang prevention activities, the police officer placement program, the increase in support for social service and health resources, improvements in park and recreation facilities, and the drop-out program.

<sup>l</sup> San Francisco applied for and received Enterprise Community designation. However, only four of the six neighborhoods applying for designation were accepted: The Mission, Visitacion Valley, Bayview/Hunters Point and South of Market. The other two, Chinatown and Tenderloin, are still included in the initiative in that they are represented in the governance structure.

<sup>m</sup> Tacoma applied for Empowerment Zone designation and designed its strategic plan accordingly. However, Tacoma was designated as an Enterprise Community. In light of this, Tacoma adjusted its strategic plan. The strategic plan as reviewed in the Round I Assessment provides summary of the original strategies, but not much in terms of programmatic detail. The strategies and activities presented in this table for Tacoma are for the adjusted strategic plan.

---

### **Empowerment Zones**

<sup>a</sup> In its strategic plan, Chicago included a "tool box" of possible approaches rather than a set of selected strategies and program activities. The Chicago EZ is proceeding to fill in its activities through an RFP process and consequently, the categorization of activities drawn here for Chicago should be regarded as preliminary.

### **Supplemental Empowerment Zones**

<sup>b</sup> While Cleveland initially applied for Empowerment Zone designation, it was designated as a Supplemental Empowerment Zone. Cleveland revised its original strategic plan and focused on economic development, labor force development and community building. The revised strategic plan was reviewed in the Round I Assessment and is outlined here.

<sup>c</sup> While Los Angeles initially applied for Empowerment Zone designation, it was designated as a Supplemental Empowerment Zone. Los Angeles revised the original strategic plan and focused on economic development, labor force development and community building. The revised strategic plan was reviewed in the Round I Assessment and is outlined here. However, please note that the main strategy for Los Angeles is the LACDB. Los Angeles is relying upon other strategies, but these are funded through other sources.

### **Enhanced Enterprise Communities**

<sup>d</sup> Boston initially applied for Empowerment Zone designation. However, since it was designated as an Enhanced Enterprise Community, Boston needed to revise its strategic plan in order to comply with the award. Changes to the plan involved carrying over some of the initial strategies and adding new projects. The strategies still included in the plan pertain to economic development, job training and job placement, day care services and technological infrastructure. The new activities include a guaranteed loan program, commercial and residential development and several marketing strategies.

<sup>e</sup> Oakland initially applied for Empowerment Zone designation. However, it was designated as an Enhanced Enterprise Community and the strategic plan was modified to focus more specifically on economic development. Oakland will still implement the Community Building Teams, but on a smaller scale. The multi-dimensional approach to cultural, social, environment, and economic development has been replaced with a sustainable development approach. Programs to support families and family preservation were eliminated.

### **Enterprise Communities**

<sup>f</sup> While Charlotte applied for and received Enterprise Community designation, a number of changes in the strategic plan are being made: the empowerment center will house administrative offices only and training activities will be contracted out; there will be a broader range of job training programs offered; some boards will add a health component to their activities (e.g., address drug addiction in job training programs); and the budget was adjusted to accommodate the specific award.

<sup>g</sup> Dallas applied for Empowerment Zone designation and developed its strategic plan accordingly, but received Enterprise Community designation. At this time, no reported changes have been made to the strategic plan.

<sup>h</sup> East St. Louis applied for Empowerment Zone designation and developed its strategic plan accordingly. However, East St. Louis was designated as an Enterprise Community. While no changes have been made in the strategic plan, the \$3 million is intended to leverage other funds and East St. Louis will narrow the scope of the programs that will be funded and implemented.



these similarities in the programs and activities being undertaken by the cities.

## EMPOWERMENT ZONES

### *Economic and Job Development*

The cities receiving Empowerment Zone (EZ) designation from HUD (Atlanta, Baltimore, Chicago, Detroit, New York City, and Philadelphia/Camden) share a number of common approaches among their strategic plans. With each city scheduled to receive \$100 million in federal SSBC funds, five of the six cities have devised a wide range of initiatives addressing the 15 program areas in our taxonomy and patterns of activities have emerged among the group. [In its strategic plan, Chicago included a "tool box" of possible approaches rather than a set of selected strategies and program activities. The Chicago EZ is proceeding to fill in its activities through an RFP process and consequently, the categorization of activities drawn here for Chicago should be regarded as preliminary.]

The focus of planned activities in the Empowerment Zones largely center around economic and job development. Five of the six cities are planning to establish an entity -- along the lines of a community development bank -- to provide financial and technical assistance to entrepreneurs and businesses in the zone (Atlanta, Baltimore, Detroit, New York City, and Philadelphia/Camden), especially with an emphasis on small business development and job growth. Baltimore's "One Stop Capital Shop" will be located within the city's business and financial district in space donated by NationsBank and will be governed by an 11 member Board of Directors.

In addition to establishing a community development bank, the strategic plans for Atlanta and Philadelphia/Camden call for the revitalization of a commercial retail strip as well as the development of industrial areas and vacant/under-used parcels of land. According to Atlanta's strategic plan, entitled *Creating an Urban Village*, "eight small retail/business areas have been targeted within the zone for renovation as village centers. Existing businesses and shops will be strengthened and new businesses will be launched, and each will serve as a center of neighborhood activity and pride...for the community and each of the individuals residing there."

Job training is also an important feature of the cities' Empowerment Zone strategic plans. Five of the six cities plan to provide job training through a mix of new and existing programs. Some cities targeted certain groups for training such as female heads of households (Atlanta), young adults (Philadelphia/Camden), as well as zone residents with disabilities (Detroit) or returning from prison (New York City). In addition, some cities targeted certain industry-specific areas for job training such as in construction (New York City and Philadelphia/Camden), entrepreneurship (Baltimore, Detroit, and Philadelphia), telecommunications (Philadelphia/Camden), and health care (Baltimore and New York City). To facilitate job training, Atlanta also plans to provide daycare and transportation services for zone residents receiving job training. Baltimore plans to create a Business Skills Advisory Board, comprised of executives and owners of zone businesses, to critique training programs and indicate personnel needs for zone businesses. In addition, an Entrepreneurial Training Institute will also be created in Baltimore, and a

customized training fund will be made available to zone firms to pay for customized training of employees.

Along with job training for zone residents, four of the six Empowerment Zone cities plan job placement activities. Initiatives center around creating internships and school-to-work programs for zone residents (Baltimore, New York City, and Philadelphia/Camden), especially with a matching contribution from the business community. Baltimore proposes establishing an on-the-job training fund with a stipend of \$400 per week for six weeks. Two of the six EZ cities, Atlanta and Baltimore, plan to expand computerized access to job listings for more effective job searches.

Education programs for zone residents tend to follow a few basic strategies: providing drop-out prevention, establishing a model demonstration program, expanding pre-school and daycare services, and increasing technology in the classroom.

The six cities receiving Empowerment Zone designation have also addressed a variety of human service needs as part of their strategic plans submitted to HUD. These include family self-sufficiency, youth, education, health, public safety, and drug abuse prevention. Noting the earlier caveat about Chicago, five of the six EZ cities outlined strategies in these program areas (Atlanta, Baltimore, Detroit, New York City, and Philadelphia/Camden). Initiatives for family self-sufficiency largely build on existing human service programs located in the zone, which focus on moving individuals and families off public assistance so that they can remain gainfully employed. New York would like to convert AFDC and Home Relief funds into wage and training subsidies for

private sector and nonprofit employers who hire public assistance recipients residing in the zone. In addition, four of the six cities plan to expand child care as a means to promote family empowerment and stabilization (Atlanta, Baltimore, New York City, and Philadelphia/Camden).

Five of the six EZ cities have developed strategies which address the growing needs of youth in the zones (Atlanta, Baltimore, Detroit, New York City, and Philadelphia/Camden). Initiatives directed at youth largely focus on providing job training programs, such as Baltimore's plan to create a Jobs Corps Center for troubled youths and Atlanta's plan to establish nine Youth Community Development Corporations and a training program. Detroit's youth strategy involves increasing the availability of recreational programs and facilities.

Five of the six EZ cities have outlined strategies and programs which address the growing health concerns of zone residents (Atlanta, Baltimore, Detroit, New York City, and Philadelphia/Camden). The main health initiative in the strategic plans is the establishment of a community-based health center to coordinate the delivery of health care services, such as New York's plan to create an Empowerment Zone Health Consortium to plan and develop health care projects. In addition, Baltimore and Philadelphia/Camden noted that the removal of lead-based paint in zone residences and businesses is also a health-related priority.

Public safety has been identified as a major concern of the Empowerment Zone cities. To combat increasing crime in the zones, all six of the cities plan to expand community policing programs. Baltimore plans to establish a Criminal Justice

Coordinating Council to develop greater cooperation and information sharing among agencies and between agencies and the community. In addition, Baltimore and Philadelphia have planned programs which deploy mobile police stations according to where they are most needed.

Along with public safety, drug abuse and drug abuse prevention are also growing concerns of zone residents and have been identified as a root cause of other social problems. Four of the six EZ cities have identified programs to combat the drug abuse epidemic (Atlanta, Baltimore, New York City, and Philadelphia). The programs largely center around establishing neighborhood-based treatment centers as well as targeting prevention activities toward children.

#### *Infrastructure and Community Development*

Another group of related HUD program categories which are addressed in the EZ cities' strategic plans are: housing, transportation, cultural/recreational, community development and other infrastructure. Five of the six EZ cities have submitted plans for housing programs (Atlanta, Baltimore, Detroit, New York City, and Philadelphia/Camden). Plans for each city typically involve the new construction of additional housing (in various forms) as well as the rehabilitation of the existing housing stock, especially public housing. Another housing strategy is geared towards increasing home ownership in the Empowerment Zones. New York and Baltimore plan to accomplish this goal through an increased funding pool dedicated to mortgage loans, while Philadelphia/Camden plans to create a pool for closing fees. In addition, housing programs are directed towards establishing a continuum of housing for the homeless

(Detroit) and transferring management of rental property from absentee landlords to zone residents (Baltimore).

Four of the six EZ cities have proposed strengthening transportation programs to get zone residents to jobs (Atlanta, Baltimore, Detroit, and New York City). Transportation initiatives generally entail increasing the accessibility of public transportation and expanding routes, such as the Maryland Transit Authority agreement to establish new routes serving East and West Baltimore. In addition to expanding transportation routes, New York City plans to initiate capital projects (i.e. improve subway stations, streets, and bus shelters) to upgrade the transportation infrastructure.

Five of the six EZ cities have proposed programs regarded as cultural/ recreational (Baltimore, Chicago, Detroit, New York City, and Philadelphia/Camden). Cultural/ recreational initiatives largely involve establishing an ethnic art museum or cultural display center to promote tourism, such as those proposed by Baltimore, Chicago, New York City, and Philadelphia/Camden which all focus on the African-American heritage.

Two of the six EZ cities have submitted plans for additional community development. Baltimore has proposed creating a Neighborhood Revitalization Development program to develop open spaces, playgrounds and parks, while New York City plans to expand the number of Beacon Schools to offer additional educational, recreational, vocational, and family-based services to the whole community.

Five of the six cities plan other infrastructure improvements (Atlanta, Baltimore, Detroit, New York City, and

Philadelphia/Camden) which entail improving the landscape, public spaces, and the like, as well as removing toxic materials from the environment (Atlanta and Philadelphia).

Programs for the administration of the EZ funds largely involve creating a corporation/village center to implement the strategic plan and coordinate programmatic activities, such as Atlanta and Detroit establishing EZ Development Corporations, as well as Baltimore's plan to create six village centers.

#### SUPPLEMENTAL EMPOWERMENT ZONES

The two SEZs are represented in this sample: Cleveland and Los Angeles. Both cities had hoped to receive Empowerment Zone designation. When they were awarded SEZ designation instead, they needed to revisit their strategic plans to focus on economic and labor force development in accord with the narrower band of activities that can be funded through EDI and Section 108 loan guarantee funds (Cleveland was also awarded \$2.95 million in SSBG funds). The creation of centralized resource centers is at the core of the strategies presented by both cities.

In terms of economic development, the Cleveland plan creates four community development corporations (one for each designated neighborhood; three are residential, one is non-residential) to provide financial and technical assistance to businesses and organizations to improve the neighborhoods and create jobs. In terms of labor force development, Cleveland's plan creates three labor force development centers (one in each residential neighborhood) to provide job training, job placement, community service experience and supportive

services to neighborhood residents. These strategies are coupled with efforts to create new and restored housing developments and provide low cost capital/incentive services.

The Los Angeles SEZ plan is centered around the Los Angeles Community Development Bank (LACDB), a non-commercial bank created to provide financing and technical assistance to community-based businesses and developers in order to create jobs for local residents. Specifically, the LACDB -- capitalized at well over \$400 million through EDI and Section 108 and over \$200 million in additional commitments from commercial banks -- will make micro loans, business loans and commercial real estate loans, as well as provide commercial loan guarantees, venture capital, and business and technical support. Economic development grants will also be made available.

The structure of the bank was intentionally designed to ensure that it represented the interests of the zone. Operated day-to-day by professional management, the LACDB reports on a quarterly basis to the SEZ Oversight Committee (SEZOC), a 12 member committee comprised of zone residents and zone stakeholders. The SEZOC is responsible for providing feedback to the LACDB and making recommendations for the use of any surplus revenue. The bank is governed by a Board of Directors, a 15 member panel with directors appointed by the mayor with City Council confirmation or selected by the CDB's initial incorporators. One director is appointed by the County Board of Supervisors (who must be a zone resident and will serve as the chair of the SEZ Oversight Committee). The LACDB will work with the existing community-based economic development groups in order to

identify qualified projects and businesses needing financial assistance.

In addition to the bank, the Los Angeles plan relies upon other projects within the target area which are underway or planned, and adopts the following strategies: job training, youth development, education, housing (rehabilitation and new), public safety/anti-violence, community development and investment in the infrastructure.

#### ENHANCED ENTERPRISE COMMUNITIES

In this sample, there are two EEC's: Boston and Oakland. Both cities had hoped to receive Empowerment Zone designation and designed their strategic plans accordingly. A comparison of these initial plans reveals that they were similar in terms of economic development strategies and goals, but somewhat different in terms of other revitalization strategies, specific program content and focus, and the mechanisms for service delivery.

In terms of economic development strategies, the Boston and Oakland strategic plans were similar in that the program components emphasized the need to support entrepreneurship and create new jobs for zone residents. Both plans included "one-stop shopping centers" for economic development resources and fostering linkages between the businesses and residents within the community. Furthermore, both plans sought to support and build upon existing programs and businesses operating successfully in their respective communities.

However, there were differences in how each city planned to use other strategies to accomplish their goals. While both plans intended to bring needed health care services

to the community, Oakland employed a school-based clinic model and Boston relied upon a neighborhood clinic which would target families. The Oakland plan emphasized the need for home ownership within the zone and housing rehabilitation, while the Boston plan emphasized bringing comprehensive services to those living in public and subsidized housing. The Boston plan included the goal of "bridging the technology gap between high-income and low-income communities" by making technological resources available to community members through a number of programs. The Oakland plan included several programs dedicated to increasing public safety, preventing gang activity and eliminating domestic violence.

In return for their hopes and efforts, Boston and Oakland were designated as Enhanced Enterprise Communities, rather than as Empowerment Zones. Therefore, both cities were faced with the challenge of modifying their original strategic plans in order to accommodate the difference in funding level (down to \$2.95 million in SSBG), as well as program eligibility and funding constraints for EDI monies. In doing so, Boston has chosen to focus on economic development strategies, job training and job placement, day care and technology. Specifically, Boston's revised approach -- developed largely by the Community Advisory Board, a body including 39 voting members appointed by the mayor primarily from among the original volunteers on the EZ steering committees and 22 ex-officio members of local government -- includes a number of the original strategies, such as: creating and retaining jobs through the development of anchor projects; increasing access to capital through micro lending, private commercial lending and the Massachusetts Land Bank lending program; conferring with area

employers and expanding employment training and adult education programs; expanding alternative education programs for out-of-school youth (i.e., programs with strong school-to-work components); and linking zone residents to new technologies via the city's schools, community centers and buildings.

In addition to these original strategies, the revised plan includes new activities, such as: additional anchor projects (e.g., the completion of Grove Hall Mall); the completion of 5-7 real estate projects; the rehabilitation of abandoned housing and the development of city-owned vacant lots; and the creation of a comprehensive database for the activities and resources within and around the EEC. Furthermore, the city intends to use a strategic marketing plan which will utilize the media to promote activities within the zone and a campaign which characterizes the zone as a "Place for Opportunity." While the city also intends to concentrate its efforts on creating a safe public environment and addressing the concerns of youth, women and minorities, the activities to do so have yet to be programmed in detail.

Oakland has chosen to focus its revised approach around "sustainable economic development." At this time, the programmatic changes pursued EEC Policy Board -- established to guide implementation and which includes members from the City Manager's Office, the City Council and the community-based organizations/residents involved in the initial strategic plan -- have yet to be completed. However, a number of supportive services for families have been eliminated from the plan and the "Community Building Teams" were reduced in size and scale.

## ENTERPRISE COMMUNITIES

Five of the eight Enterprise Communities represented in this sample submitted strategic plans and competed for Empowerment Zone designation: Dallas, East St. Louis, Louisville, Phoenix, and Tacoma. Charlotte, Minneapolis and San Francisco applied for and received designation as Enterprise Communities. As a result, there are some discernible differences in the strategies and activities stated in the initial strategic plans among this sample of Enterprise Communities.

By comparison, the cities competing for Empowerment Zone designation adopted a wider range of revitalization strategies. This would make sense in that the Empowerment Zones would have substantially more and more flexible money to spend and would have the ability to pursue comprehensive redevelopment strategies. These cities were more likely to propose human service strategies, such as those focused on family self sufficiency, the prevention of substance abuse and cultural/recreational activities. These cities were also more likely to target their efforts toward major infrastructure investment and public safety.

However, in spite of such obvious differences, the Enterprise Communities represented in this sample intended to pursue a number of similar strategies. All of the sites have focused their economic development strategies on making financial and technical assistance available to businesses. Several of the sites have mentioned the undertaking of specific anchor projects. For example, a Charlotte neighborhood seeks to revitalize a shopping center which has fallen into decline. East St. Louis intends to capitalize on the development of several entertainment

facilities (i.e., a casino riverboat and a golf course). Louisville plans to create light industrial parks. Furthermore, all of the sites included job training as a vital component in the overall strategic plan. Four of the sites integrated the improvement of transportation into their strategic plan (Dallas, East St. Louis, Louisville and Phoenix).

Obviously, the sites competing for Empowerment Zone designation had to adjust their strategic plans in some way due to the difference between the amount of federal funding anticipated and received. This was done by narrowing the scope of proposed activities and/or eliminating entire programs or strategies. In East St. Louis, the city decided to narrow the scope of the programs and activities and use the EC money to leverage other funds. In Louisville, the executive committee decided to focus on three strategies: economic development, job training and community development through technology. In Phoenix, the city decided to retain the majority of strategies, but reduce the scope of the programs and activities. Some programs were eliminated in the areas of economic development, public safety, cultural/recreational and family self-sufficiency. In Tacoma, the Tacoma Empowerment Consortium decided to limit its focus to strategies fostering economic development and human capital. In Dallas, they are currently revising their plan, but they do not report any changes at this time.

By way of contrast: two of the three sites competing for designation as an Enterprise Community reported minor changes in strategy. However, these changes were not substantive and, for the most part, were administrative in nature.

It appears to be clear that the process of engagement in strategic planning among the EZ/EC cities studied was a positive process separate from the issue of actual monies received for the designation. The process of reviewing community assets, determining goals and priorities and invigorating partnerships was productive in itself. Some communities appear well on their way to gaining more resources from beyond the EZ/EC designation than from the SSBG or EDI awards themselves, in certain cases from preference given for other federal programs.

To permit a broader comparison of strategies and program activities among and across cities in the study sample, a more general taxonomy was developed. This second taxonomy -- offering a categorization of several different types of revitalization strategies -- was devised to gauge an overall sense of emphasis in the strategies pursued by the EZ/SEZ/EEC/EC sites in the study.

Based on their observations of the city's strategic plan and any modifications to that plan that may have occurred, each field associate was asked to characterize the overall revitalization strategy of their respective EZ/SEZ/EEC/EC and classify the revitalization strategy being pursued in each EZ/EC zone in their jurisdiction. The field associates were asked to discuss in detail their reasons for the classification of their city's revitalization strategies by this taxonomy and, where appropriate, to distinguish in their response the different types of strategies that are being pursued in different EZ/EC zones in their city. The taxonomy differentiated these strategies as:

- Economic Development. Emphasis on business incentives, access to capital, and assistance in site selection. Focus

primarily on helping businesses and firms.

- **Major Areal Redevelopment.**  
Emphasis on land acquisition, relocation, demolition and clearance of a specific site (e.g., an abandoned factory) or area.
- **Neighborhood Revitalization.**  
Emphasis on development of viable neighborhoods through focus on housing assistance, code enforcement, public services and facilities, and a variety of related improvements in target neighborhoods.
- **Human Capital Development.**  
Emphasis on education and training, social services, support services (day care, transportation, etc.) for residents of EZ/EC areas. Focus primarily on helping people.
- **Holistic.** Integration and coordination of activities in the areas of economic, physical, environmental, community, and human development.
- **Eclectic.** Allocating EZ/EC funds to deal with a wide range of needs and demands with less pronounced relationship or efforts to coordinate among various programs and activities.
- **Development strategy still evolving.** Strategic plan does not yet have sufficient detail to identify strategy at this time.

Table 6 illustrates such a categorization of the overall emphases in strategy pursued by the 18 EZ/SEZ/EEC/ECs

in the study sample. Field associates categorized the preponderance of EZ/EC sites as emphasizing a "holistic" approach to revitalization, attempting to integrate and coordinate activities in the areas of economic, physical, environmental, community and human development. Nine of the study sample cities were designated as holistic, including three Empowerment Zone cities (Baltimore, Chicago and Detroit) and six Enterprise Communities (Dallas, East St. Louis, Louisville, Phoenix, San Francisco and Tacoma). It is important to note that each of these ECs, with the exception of San Francisco, sought designation as an empowerment zone and submitted strategic plans accordingly, which explains the comprehensiveness of their approaches.

"Economic Development" and "Human Capital Development" revitalization strategies tied for the next-most frequently noted categories. Cities included in the Economic Development camp include both Supplemental Empowerment Zones (Los Angeles and Cleveland) and both Enhanced Enterprise Communities (Boston and Oakland) included in the study sample. The nature of the EDI and Section 108 loan guarantee funds provided to these communities has had a notable impact on the type of program activities and strategies that can be pursued, with the range more narrowly constrained to more-traditional forms of economic development investments. The fifth city counted as emphasizing an Economic Development approach is the Tacoma Enterprise Community, which also is categorized as emphasizing Human Capital Development. According to the field associate, Tacoma submitted a "Holistic" plan predicated on designation as an empowerment zone and revised its plan to Economic Development and Human Capital



Development following designation. Other cities counted as emphasizing Human Capital Development include the Atlanta Empowerment Zone, also categorized as the only city emphasizing Neighborhood Revitalization, the Boston EEC -- on the basis of its initial, pre-designation plan -- and three Enterprise Communities in Charlotte, San Francisco and Tacoma. According to the field associates, both San Francisco and Tacoma revised their emphasis toward Human Capital Development post-designation.

Finally, two Empowerment Zones (New York City and Philadelphia/Camden), the Oakland Enhanced Enterprise Community and the Minneapolis Enterprise Community were characterized by the field associates as pursuing eclectic strategies toward revitalization. The Oakland EEC received this characterization on the basis of its pre-designation strategic plan, which was later revised to an emphasis on Economic Development.

According to the field associates, none of the cities sought to emphasize "Major Areal Development" strategies toward revitalization. Perhaps more surprisingly, none of the field associates characterized the strategy in their respective EZ/SEZ/EEC/EC as "Still Evolving."

Judging from the group of study cities as a whole, comprehensiveness appears to be the order of the day. Fully 13 of the 18 cities sought broad-based approaches, with nine achieving sufficient coordination and cohesiveness to convince the field associate to characterize their efforts as holistic rather than eclectic. Again, not surprisingly, the empowerment zone cities are grouped among those emphasizing comprehensiveness in approach to revitalization. Atlanta being

something of an exception with its emphasis on Neighborhood Revitalization and Human Capital Development, all of the Empowerment Zone cities stressed the comprehensive approach, either in an integrated and coordinated fashion in the opinion of the field associate (counted as Holistic) or not (counted as Eclectic).

#### D. EZ/EC Governance Structures

The development of the formal governance structures in the EZ/EC cities under review has been an involved and painstaking process; a process not without some conflict. The planning stage saw the generation of considerable, and in some cases unprecedented community-level participation. The structure necessary to manage implementation of the Initiative in each EZ/EC, however, needed to strike the right balance between bottom-up decision-making, fiduciary responsibility for the effective and accountable use of funds and degree of integration with the existing structure of a representative democracy.

The type of governance structures established by cities in our study sample varies widely along several dimensions. These include the type of governing entity (e.g., a quasi-public corporation, nonprofit organization, or coordinating committee), composition and selection of members who serve on the governing entity, its relationship with the city government, its relationship with neighborhoods included in the designated zone area(s), and the powers and authority vested in the governing entity.

Appendix I provides a brief description of the governance structure adopted by each of the 18 study communities. Table 7 places the governing structure

Table 6

*Overall EZ/EC Revitalization Strategy Characterization*

CITY/AREA	Economic Development	Major Areal Redevelopment	Neighborhood Revitalization	Human Capital Development	Holistic	Eclectic	Strategy Still Evolving
Atlanta			X	X			
Baltimore					X		
Boston	X <sup>2</sup>			X <sup>1</sup>			
Charlotte				X			
Chicago					X		
Cleveland	X						
Dallas					X		
Detroit					X		
East St. Louis					X		
Los Angeles	X						
Louisville					X		
Minneapolis						X	
New York City						X	
Oakland	X <sup>2</sup>					X <sup>1</sup>	
Philadelphia/Camden						X	
Phoenix					X		
San Francisco				X <sup>2</sup>	X <sup>1</sup>		
Tacoma	X <sup>2</sup>			X <sup>2</sup>	X <sup>1</sup>		
<b>TOTAL</b>	<b>5</b>	<b>0</b>	<b>1</b>	<b>5</b>	<b>9</b>	<b>4</b>	<b>0</b>

<sup>1</sup> Pre-designation  
<sup>2</sup> Post-designation

**Table 7. Classification of Local Governance Structures in Empowerment Zone and Enterprise Community Cities.**

<i>Degree of Integration with City Government</i>	<i>Level of Decisionmaking</i>	
	<i>Single-Tier Structure: Zone-Wide Only</i>	<i>Two-Tiered Structure: Zone-Wide and Individual Zones</i>
<p><i>EZ/EC Entities with a High to Moderate Degree of Integration with City Government</i></p> <p><i>(e.g., city has veto power over board decisions; city approves funding decisions; city negotiates and/or executes contracts)</i></p>	<p><i>Boston</i> <i>Chicago</i> <i>Dallas</i> <i>Detroit</i> <i>East St. Louis</i> <i>Louisville</i> <i>Oakland</i> <i>Phoenix</i></p>	<p><i>Charlotte</i> <i>Cleveland</i> <i>Minneapolis</i></p>
<p><i>EZ/EC Entities with a Moderate to Low Degree of Integration with City Government</i></p>	<p><i>Atlanta</i> <i>Los Angeles</i> <i>Tacoma</i></p>	<p><i>Baltimore</i> <i>New York City</i> <i>Philadelphia-Camden</i> <i>San Francisco</i></p>

Key: ***Bold Italic*** text are Empowerment Zone cities, ****Bold**** text are Supplemental Empowerment Zone cities, *Italic* text are Enhanced Enterprise Communities.

employed by the study communities on a continuum according to: (1) its degree of integration into the city government and (2) whether the governance structure operates on the basis of a single tier (zone wide) or two tiers (one zonewide and one for individual communities within the designated area).

We classified EZ/EC governing entities as having a relatively low to moderate level of integration if they operate predominantly outside the formal structure of city government. That is, the EZ/EC governing entity is the primary decision maker for policy and fiscal matters, not the mayor and/or the City Council. Key powers and responsibilities vested in such EZ/EC governing entities include the ability to make amendments to the strategic plan, to approve the benchmarks, to approve funding decisions for EZ/EC-funded programs and activities, and to negotiate and/or approve contracts with vendors to provide various services and products to the EZ/EC designated area. Conversely, if City Council approval was required for amending the strategic plan or for setting the funding levels for individual programs and activities, we classified the EZ/EC governing entity as having a relatively moderate to high level of integration.

Table 7 illustrates that seven of the eighteen study communities have adopted governance structures that place a relatively greater level of responsibility for the implementation of the EZ/EC Initiative outside the formal structure of city government, typically vesting that responsibility in a quasi-public or nonprofit corporation. Of the seven communities that have adopted such a governance structure, two are Enterprise Communities (San Francisco and Tacoma); four are Empowerment Zone cities (Atlanta, Baltimore,

New York City, and Philadelphia/Camden); and one is a Supplemental Empowerment Zone (Los Angeles).

An important caveat: in all of the EZ/EC cities reviewed, a balance was struck reflecting some level of partnership between the community and local government. Where control appears to rest with bodies outside of the government, those entities typically contain representatives of the government. Where control appears to rest with the pre-existing governmental structure, new governing or advisory bodies which include community members have responsibility for and power over the initiation of action and the approval of benchmarks, and, consequently, the flow of contracts and resources.

A second key dimension concerns the extent of decentralization in EZ/EC decision making. As noted in our earlier discussion on the strategic planning process, many cities opted to designate more than one zone area. In a number of these cities the multiple zone areas consist of several distinct neighborhoods, each with their own set of problems and plans for addressing them. Some cities continued this decentralized approach to urban revitalization by designing a two-tiered governance structure. The first tier would be concerned with zonewide issues while the second tier, with some degree of neighborhood autonomy in carrying out EZ/EC-funded activities, would be allowed to design their own initiatives, prioritize projects, allocate funding to individual programs and activities, develop benchmarks, and select contractors. Table 7 indicates that seven cities designed some type of two-tiered governance structure; three of these were Empowerment Zone cities (Baltimore, New York City, and Philadelphia/Camden); three were Enterprise Communities (Charlotte,

Minneapolis, and San Francisco); and one was a Supplemental Empowerment Zone (Cleveland).

*Relatively Independent, Single-Tier Structures*

Atlanta, Los Angeles, and Tacoma adopted EZ/EC governance structures that function zonewide and operate largely outside the formal realm of city government. The nature of these structures varies widely across the three cities, due largely to the fact that each city is implementing a very different type of initiative. Atlanta is an Empowerment Zone city with \$100 million in EZ SSBG funds and federal tax credits. Los Angeles is a Supplemental Empowerment Zone that chose to use its Economic Development Initiative grant and Section 108 loan guarantees to capitalize a community development bank. Finally, Tacoma is an Enterprise Community with \$3 million in EZ SSBG funds.

Atlanta. Atlanta's governance structure is fairly similar to what was identified in its strategic plan. A quasi-public nonprofit corporation, the Atlanta Empowerment Zone Corporation (AEZC), was established in February 1995 and is governed by a board of directors of 17 members. The mayor of Atlanta serves as chair and has 11 appointments to the board, including himself. According to the corporation's bylaws, these appointments must include two city representatives (presently two members of the city council), one state representative (director of the office of budget and planning), one county representative (county manager), two private sector representatives (president of NationsBank, vice president of Coca Cola), two nonprofit representatives (president of The United Way, program director of The Atlanta Project), and two superagency representatives (executive director of the

Atlanta Housing Authority, superintendent of the Atlanta Public Schools). The other six appointments to the executive board are made by the Community Empowerment Advisory Board (CEAB), a 36-member board consisting of one representative from each of the 30 neighborhoods included in the city's designated zone area and six representatives from the linkage communities, neighborhoods with poverty rates of 35 percent or higher that are not included in the designated zone area. According to the bylaws, one of the six citizen appointments to the executive board is to serve as vice-chair of the AEZC.

The AEZC operates largely outside the formal structure of Atlanta city government. The City Council has contracted with the AEZC to serve as the city's agent for implementing the EZ Initiative. The AEZC operates as both the policy making body and the fiscal agent for Atlanta's EZ Initiative. The AEZC has the authority to make revisions to the strategic plan, to approve the benchmarks, to set funding levels for individual programs and projects, and to award all contracts to vendors for the execution of EZ projects and activities. While there is no formal control or oversight of the AEZC exercised by the Atlanta city government, it is important to note that the mayor serves as chairman of the executive board, appoints a majority of the board members, and two members of the City Council also serve on the board.

Governance issues have been hotly contested in Atlanta since just prior to submission of the city's application for designation as an empowerment zone community. Then the issue focused on the size and composition of the board that would govern the EZ Initiative in Atlanta, the process for selecting members to serve on that

board, the leadership of the board, and what role the citizen's Community Empowerment Board (CEB) would play during the implementation phase. In the heat of negotiations both the mayor and the citizen leaders of the CEB threatened to walk away from the process, though in the end the two sides were able to reach agreement and the basic characteristics of the AEZC and the Community Empowerment Advisory Board were described in the strategic plan. These battles between the citizen leaders and the mayor resumed during the initial meeting of the AEZC board in February 1995 when the six citizen board members objected to the corporation's proposed by-laws, arguing that the by-laws gave the mayor too much power regarding the appointment and removal of board members. Though the board eventually adopted a set of by-laws the citizen members found acceptable, other issues such as the selection of an executive director for the corporation, the adoption of benchmarks, and the approval of specific EZ-funded projects and activities have all led to significant conflict between the citizen board members and the mayor. This in turn has slowed down the implementation of Atlanta's strategic plan.

Of particular note is the role of the CEAB. Is it an advisory body or a decision making body? Citizen members believe the CEAB should act on every measure before the executive board for consideration. On several occasions citizen board members of the AEZC have requested that items before the board for decision be tabled because they had not received the appropriate documentation and information in time for the CEAB members to study, discuss, and reach a decision. Some of the other board members and many outside observers feel the CEAB should play an advisory role only and limit its consideration to broad issues of policy direction and

oversight, not procedural and operational matters such as the organization's staffing plan and contracts to vendors to carry out benchmark activities. They argue that such a practice results in the EZ Initiative being governed by two boards which significantly slows down the pace of project execution and may even lead to some potential partners walking away from the Initiative. Thus far, the mayor has chosen to defer to the requests of the citizen board members for information and deliberation time as opposed to pushing the board forward to act on matters the CEAB has not had time to review.

Los Angeles. When informed that Los Angeles would not be designated as an Empowerment Zone, city officials led by the mayor's office decided to use the \$125 million Economic Development Initiative (EDI) grant and the \$315 million in Section 108 loan guarantees that accompanied the city's designation as a SEZ to establish a non-commercial lending institution. This institution, the Los Angeles Community Development Bank (LACDB), was created to promote job creation and economic growth in the city's designated zone neighborhoods. Several private lending institutions, which will be co-lenders with the LACDB, have agreed to commit \$210 million for a total start-up lending pool of \$640 million. As noted earlier, EDI funds are more restrictive in use than EZ SSBG funds, and are confined primarily to support economic development activities. The LACDB will use its funds to make direct loans, to subsidize interest rates, to pay for land or improvements to buildings, and to make equity investments.

Once a decision was reached to use the EDI grant funds to capitalize a community financial institution, a strategy the Clinton administration had encouraged many

communities to follow, the mayor's office and HUD worked out the details of the governing structure for the community bank. HUD officials were particularly concerned that the community development bank be independent of the city government as HUD did not want the city to make political decisions about how the money would be used. There were disagreements between the city and HUD on this issue of independence. The resolution calls for an independent corporation, although the mayor and the City Council are involved in the selection of the board of directors. The LACDB is governed by a board of directors of 15 members; six directors are appointed by the mayor and confirmed by the city council; one director (who must be a zone resident and who serves as chairman of the Supplemental Empowerment Zone Oversight Committee) is appointed by the member of the County Board of Supervisors whose district includes the designated zone area; four directors are appointed by the community development bank's initial incorporators; and four directors are appointed by a group consisting of the presidents of the University of Southern California, California State University at Los Angeles, and California State University at Northridge.

In addition, the LACDB is required to make quarterly reports on its activities to the Supplemental Empowerment Zone Oversight Committee. This 12-member committee will have responsibility for updating the strategic plan, ensuring maximum community input in establishing and monitoring progress toward achievement of the benchmarks, making recommendations for the use of surplus and miscellaneous CDB revenue, reviewing waiver requests, providing community feedback to the bank, and reviewing and making recommendations on EZ-related activities. The 12 members of the committee are

appointed as follows: six members appointed by the City Council members representing the designated area; four members appointed by the mayor; and two members appointed by the County Board of Supervisors representing the designated area. In addition, at least half of the members of the SEZOC must be residents of the zone area and all 12 members must be stakeholders (i.e., live, work, own property or do business in or provide services to residents in the zone). Also, each city council member whose district includes a part of the zone will establish a task force to coordinate zone-related activities.

Finally, the city intends to forge an even closer working relationship between the community development bank and residents and businesses in the zone by working with existing community-based economic development groups to help identify projects and businesses that met the LACDB criteria for financial assistance. These groups will be a direct link between the bank and the community and will serve as either lending agents for the CDB or as underwriters of loan packages through a contractual relationship with the CDB.

Tacoma. Tacoma is one of two Enterprise Communities in the study group that adopted a governing structure that operates largely outside the city government (San Francisco is the other). The Tacoma Empowerment Consortium (TEC) is a nonprofit organization with a 25-member board of directors that was formed specifically to take the EC process outside the traditional city bureaucracy. The board is comprised of representatives of public agencies, nonprofit community-based organizations, civic organizations, private businesses, and a resident of the zone area. The governing structure for the Tacoma EC Initiative was

created under the leadership of the deputy city manager, the president of the Urban League, and the private consultant hired by the city to guide the strategic planning process in its early stages. Its design reflected agreement by a wide range of players that existing organizations lacked credibility to take the lead on this new venture and that it would be best to invent something new that engendered more trust.

In addition, the community, public, and private partners that had been active in the preparation of Tacoma's strategic plan wanted to keep their efforts going without waiting for federal designation in December. The group decided to form the nonprofit TEC immediately following submission of their strategic plan. The same actors who comprised the initial committees and lead task forces during the strategic planning process became the governing board members and the partners retained the consultants as contract staff to assist the TEC in pursuit of funding opportunities to help carry out the plan. Thus far, while most participants have been pleased with the governing structure in place, there is some concern that the "virtual corporation" form they have assumed by contracting for staff services may not be adequate or appropriate to provide the institutional capacity needed to implement the strategic plan, particularly the components dealing with enterprise capital and human capital development. At this writing, TEC board members are grappling with how to organize to be the most effective implementer possible.

*Relatively Independent, Two-Tier Structures*

Three of the four cities in this cell of the governance matrix are Empowerment Zone communities -- Baltimore, New York City, and

Philadelphia/Camden. The other is the San Francisco Enterprise Community. They differ from the other cities that have created governing structures largely independent from their city governments in that they have added a second tier of governance that involves a significant decentralization of decision making responsibilities to neighborhood-level entities in the individual zones. These responsibilities include some neighborhood control over funding allocations to individual programs and activities, benchmarking, and contracting with vendors to provide various products and services.

**Baltimore.** Baltimore's Empowerment Zone is managed by a nonprofit, quasi-public corporation, the Empower Baltimore Management Corporation (EBMC) with a board of directors appointed by the Mayor of Baltimore and the Governor of Maryland. The EBMC board is currently composed of 30 members: nine community representatives (one from each of the six Village Centers, one from Fairfield, and two from the Advisory Council); two appointed by the Mayor; two appointed by the Governor; and 17 appointed by the mayor from the business community, community institutions, foundations, and financial institutions participating in the EZ Initiative. A majority of board members are zone residents, zone businesses, and community representatives. The board has changed slightly since its initial formation, due largely to the fact that only six Village Centers were created instead of the eight proposed in the strategic plan. This was largely the result of the decision by the Historic East Baltimore Community Action Coalition to create a single, large Village Center to serve their community. It is

important to note, however, that there is no Village Center for residents in the Fairfield



neighborhood, although they may seek services offered by the other centers.

The Advisory Council has been reconstituted since it completed its original function of advising the mayor on the content of the strategic plan. The Advisory Council now advises the EBMC board on policy matters relating to the EZ Initiative. According to the field associate, "those familiar with the relationship of the Advisory Council and the EBMC board say that there is tension between them. However, EBMC staff are deferential to the Advisory Council."

Baltimore's strategic plan is centered around the concept of six village centers located within the city's designated zone areas. Each Village Center is a separate, nonprofit, quasi-public corporation governed by its own board. The Village Centers are important components of EZ governance in matters such as social services and training and play a lesser role in economic development. The Village Centers are staffed by an executive director and a community resident employed as a neighborhood steward. The primary responsibilities of the steward include conducting outreach and building teams for neighborhood initiatives, ensuring consistent and reliable links between the Village Center and the community, and facilitating the community's deliberative process in directing Village Center activities.

The Village Centers assist the EBMC in developing plans and participate in the implementation of some action plans. Key functions of the Village Centers include the development of a land use survey and master neighborhood plan; serve as an "on ramp" for neighborhood information networks; serve as a center for VISTA and AmeriCorps activities; serve as a gathering place; connect residents

to leaders in the Village Center, the city, and the region; organize Neighborhood Welcome Stations; and provide office space for the neighborhood stewards.

The governance structure that emerged in Baltimore is more removed from the direct control of city government than the governing structure originally described in the strategic plan. First, the Empower Baltimore Management Corporation has been created to manage the EZ Initiative. Second, the Village Centers have been created to implement EZ initiatives in the neighborhoods and to provide a vehicle for community representation on the EBMC board. These nonprofit, quasi-public corporations have replaced the ad hoc committee structure that was created during the strategic planning process to advise the mayor and the Advisory Council.

New York City. As in many of the cities included in the study sample, the governance structure for New York City's Empowerment Zone was hotly contested. What is distinctive about the conflict over governance in New York City, however, is that the major contestants were the city and the state, whereas in most other cities the governance battles were largely fought between citizens and local elected officials. Elections in November 1993 and November 1994 resulted in a new mayor and governor, respectively, both of different party affiliation than their predecessor. Consequently, many aspects of the program in New York came under re-examination and delay. The Memorandum of Agreement was not signed until January 19, 1996, for example, because the new administration reportedly wanted to revisit spending priorities, financial reporting and monitoring mechanisms. The MOA was also delayed by negotiations over the scheduling of payments -- the agreement

reached was that SSBG funds would be released as the City and State provide their match, but delays continue -- and delayed further by legal technicalities concerning the removal of NYEZC board members (thought to be important to the balance of power). A resolution to this impasse was finally agreed upon after HUD threatened to withdraw federal funds and New York City's Empowerment Zone designation.

The local governance structure created to guide the implementation of the EZ Initiative in New York City includes a corporation created as a subsidiary of the state economic development agency which is responsible for approving all disbursements of EZ SSBG funds, and two local development corporations, one each in the Upper Manhattan zone and the South Bronx zone, which are responsible for implementing the strategic plan and distributing funds to various service providers.

The New York Empowerment Zone Corporation (NYEZC) was created as a business corporation subsidiary of the New York State Urban Development Corporation (doing business as the Empire State Development Corporation) to oversee and help implement the New York City EZ Initiative. It is directed by a board of seven members consisting of designees of the Mayor of New York City, the Empire State Development Corporation, the Congressional Representative from the 15th District, the Congressional Representative from the 16th District, the Upper Manhattan Local Development Corporation, the Bronx Borough President, and the Secretary of HUD (this last designee has no vote and serves *ex officio*). The chair of the board of directors rotates between the City appointee and the State appointee every

two years beginning with the City director as the chair.

All actions which come before the NYEZC will require a unanimous vote of the directors entitled to vote on the measure. As such, the quorum required for board meeting is all the members entitled to vote on agenda items at the meeting. Not all directors are entitled to vote on every issue. It was agreed that Upper Manhattan directors would not be permitted to vote on matters affecting only the Bronx and likewise, the Bronx directors will not be permitted to vote on matters pertaining solely to the Upper Manhattan zone area.

The second tier of the governance structure in New York involves the two local development corporations (LDCs) in each of the zone areas. These LDCs are responsible for administering and implementing the strategic plan. In Upper Manhattan, the Upper Manhattan Empowerment Zone Development Corporation was newly created to serve this function, as many actors in the area, particularly those in the Washington Heights/Inwood area, did not look favorably upon the Harlem Urban Development Corporation and the manner in which they carried out the strategic planning portion of the EZ Initiative. According to observers, the election of a new mayor and a new governor also influenced the selection of the executive director to head the new UMEZC. In the South Bronx, the Bronx Overall Economic Development Corporation, the economic consultant to the Borough President and the federally-designated agency for economic development in the county, has been designated as the LDC. Each of the two LDCs have their own board of directors and staff.

Each year the LDCs will submit to the NYEZC for approval a schedule of specific

initiatives for the following year. For each initiative, the LDCs must also include a benchmark and a budget estimate. The NYEZC board of directors will review the benchmark and funding documentation according to their consistency with the goals of the strategic plan and the considerations detailed in the Memorandum of Understanding. Once the annual schedule of initiatives has been finalized, the LDCs can proceed with implementing each initiative by selecting a vendor. The LDCs can choose vendors for specific projects through either a Request for Proposal (RFP) or sole source procurement process. Selected vendors must be consistent with the benchmark and funding documentation and pass a vendor check administered by the City of New York. Finally, the LDCs will negotiate contracts with vendors, with the assistance of the EZ Corporation, if requested, as well as monitor vendors' work performance.

Philadelphia/Camden. The authorizing legislation that established the Empowerment Zones and Enterprise Communities Initiative stipulated that one of the six urban zones must be a zone that encompasses at least two states. One of the avowed purposes was to provide an incentive for regional governance as a means for addressing urban problems. The Philadelphia/Camden Empowerment Zone which encompasses three non-contiguous clusters of census tracts is in fact four zones -- three neighborhoods in the two zone areas in the city of Philadelphia and one zone area in the City of Camden. In all four of these neighborhood areas there are historic, geographic, and racial/ethnic linked experiences as well as a variety of economic problems. These have conditioned the present day political environment through ethnic identity, past experiences with community

participation, sensitivities to the role of government in local affairs also drawn from previous experience, and in one neighborhood, language. And in this case, there are differing experiences with state enterprise zones, which have been authorized in both Pennsylvania and New Jersey, and have zones operating in portions of both the Philadelphia and Camden Empowerment Zone areas. Thus, it is within this context that the Philadelphia/Camden zone poses a particularly interesting case for the development of an EZ governing structure.

The decision to file a joint application for designation as the bi-state Empowerment Zone did not come easily. After several weeks of haggling, officials from the two cities reached agreement in April 1994 to submit a joint application. Negotiations between the two cities largely related to the distribution of funds, the relative number of residents of each city in the overall EZ, and the bi-state governing structure that would direct the Initiative. Camden Mayor Arnold Webster acknowledged that he was firm in insisting that Camden get enough residents in the zone to make a noticeable difference: "I stood my ground because I felt in order for us to have a realistic, reasonable program, I would not accept anything less than 10,000 people." But in the end, Philadelphia Mayor Edward Rendell said his decision was based on practical politics: "It is our political judgment that our chances of success...were better if we teamed up with Camden."

The governing structure adopted is a two-tiered structure that involves a Bi-State Governing Board with overall responsibility for the EZ Initiative and a second tier of individual EZ community governing boards in each of the zone areas.

The Bi-State Governing Board is comprised of representatives of each of the four EZ community areas, governmental representatives, and institutional and foundation representatives. The mayors of the two cities jointly appoint the chair of the board. The Bi-State board is to oversee the evolution of the broad, strategic principles of the strategic plan as well as develop Bi-State partnerships as needed to carry out EZ activities. In addition, the Bi-State board has responsibility for the oversight of the programmatic and financial aspects of the EZ Initiative. Despite these broad responsibilities, the Bi-State board has yet to meet.

The second tier of the governance structure is in various stages of development in the four EZ communities. In the three Philadelphia neighborhoods, each has created a Community Trust Board (CTB) as described in the strategic plan. The CTBs are an outgrowth of the initial Action Work Groups that formulated the programmatic content of the three Philadelphia EZ community plans. After designation as an Empowerment Zone, the Community Trust Boards became fully operational. Each CTB is comprised of about 20-25 members. The West Philadelphia CTB, for example, consists of 21 members, eight of whom are elected at-large from the community, five are chosen by the issues/work group task forces that participated in developing the neighborhood plan, and eight are appointed by the mayor. In the elections held for CTB members, about 1,300 votes were cast in the three EZ areas combined. The chair of each CTB is appointed by the mayor. In addition, in the event the composition of a CTB does not reflect the diversity of the community, the mayor is expected to add additional members to the

board to make the boards more closely reflect the composition of the neighborhood.

The Community Trust Boards have responsibility to oversee the integration of the programmatic content of the strategic plan with the assets and resources -- both public and private -- made available under the strategic plan. Of particular importance is the role the CTBs will play regarding the specification of the benchmarks and the issuance of Requests for Proposals for vendor services and products. The Mayor's Office has also established a Provider Selection Panel to provide the comptroller and counsel functions in the RFP process. The composition of this panel consists of about one-third technical personnel, one-third community residents, and one-third mayoral appointees. The responsibilities of the Provider Selection Panel are to focus on the processes of issuance and response to RFPs -- not the programmatic content associated with the benchmarks.

The formality of the Community Trust Boards along with the Provider Selection Panel have resulted in the expansion of opportunities to many newer, nonprofit organizations and community-based organizations, as opposed to the community groups and organizations that have traditionally dominated previous federal urban initiatives. The Philadelphia component of the strategic plan also contains a commitment to technical training and support for CTB members to be financed by the City and private foundations.

In the case of Camden, the governance issues have been much more difficult to resolve. The initial plan for Camden left open many questions of governance including the entity that would have responsibility for

administering the EZ funds, the nature of community input over the benchmarking process, the nature of the financial management and accounting systems that are to be applied, and broader issues of governance. According to the field associate, "the turmoil that has characterized the Camden portion of the EZ Initiative can largely be ascribed to the initial delay in answering these governance issues. While a worthwhile 'Block Captain' system was set up in the planning stage -- one that was to continue through to the implementation stage of the EZ programs -- there was no commitment to an RFP process nor an agreement with the State of New Jersey, serving as fiduciary for Camden's portion of the EZ funds, on criteria of contract selection." These and several other issues led to many months of controversy that only ended recently in early June with a joint announcement by HUD, the City of Camden, and the State of New Jersey, that an agreement had been reached for the immediate creation of a new, nonprofit entity called the Camden Empowerment Zone Corporation. The Empowerment Zone Corporation consists of 25 voting members and 11 non-voting ex officio members from government including the mayor, representatives from the Camden Board of Education, the State of New Jersey, Camden City Council and various city government departments. The 25 voting members include 12 block captains chosen from and by block captains in the Camden EZ census tracts, four members from religious organizations and nine from institutional employers (including medical centers and the educational/university community). All these members are nominated from the designated groups and formally appointed by the mayor with approval by the City Council. This corporation will have responsibility for

administering both State Enterprise Zone funds and federal EZ SSBG funds including the approval of benchmarks and the associated RFPs.

San Francisco. As was the case in several other cities included in the study sample, San Francisco opted for a decentralized strategic planning process in which each of the six neighborhood areas included in the city's designated zone area prepared their own strategic plan. The governance structure that emerged in San Francisco was designed to facilitate the implementation of these neighborhood plans yet at the same time move to "institutionalize" the collaboration among city, community, and private sector interests that had emerged during the strategic planning process.

The governance structure in San Francisco has three major components: 1) a 25-member Enterprise Community Board, 2) an Enterprise Community Work Group, and 3) six Neighborhood Planning Bodies (NPBs). The Enterprise Community Board (ECB) makes the final policy and program funding decisions. Its job, according to the field associate, "is to help each neighborhood implement its benchmarks/strategic plans by matching available resources to specific proposals." The ECB's membership includes 18 elected neighborhood representatives (three from each neighborhood) and seven appointed members representing private funders, city departments, the mayor's office, and the Board of Supervisors. Representation of each neighborhood must include a merchant, a community-based organization representative, and a resident.

The NPBs representing each of the six neighborhoods in the designated zone area are charged with developing and refining

neighborhood strategic plans; establishing benchmarks and timetables for implementing projects; prioritizing proposed projects and making funding and implementation recommendations to the Enterprise Community Board; and developing a sustainable neighborhood organizing entity.

The procedures for selecting representatives to the NPBs varied by neighborhood. In one neighborhood the planning group mobilized their community to elect 21 representatives to the NPB. They advertised the election in the community through the local newspaper and flyers. Since the election, according to the field associate's report, the NPB has pretty much maintained a closed process in making all of the decisions internally without soliciting community input. In another neighborhood, residents also held an election to select NPB members. Eligibility for candidacy included a strong residency requirement with only neighborhood residents eligible to serve on the six-member board which comprises the three EC Board representatives and three alternates. Major decisions, however, are to be made by public vote with significant community input. NPB members leaflet the neighborhood and try to include residents and community organizations in the process when they hold a decision making meeting. In the other four neighborhoods, established organizations have taken on the role of NPB without challenge or opposition.

#### *Relatively Integrated, Single-Tier Structures*

Almost half of the study cities (8 of 18) have EZ/EC governing structures that fall in the relatively integrated, single-tier structure matrix. This group of cities includes two Empowerment Zone cities (Chicago and Detroit), both Enhanced Enterprise

Community cities in the sample (Boston and Oakland), and four Enterprise Community cities (Dallas, East St. Louis, Louisville, and Phoenix). For these cities governance of the EZ/EC Initiative is being treated more like that of other federal grants the city receives. Typically this entails the creation of an advisory committee to provide input during the planning phase and perhaps during program implementation, and in some cities the establishment of a coordinating committee to facilitate communication among the various city departments and agencies involved in carrying out the EZ/EC-funded activities. In these cities the primary policy making body for the EZ/EC Initiative is the City Council, and the office of the mayor or city manager generally plays the lead role in administering and managing the Initiative.

Chicago. The Empowerment Zone/Enterprise Community Coordinating Council is the principal governing entity for the Chicago EZ Initiative. The Coordinating Council consists of 39 members appointed by the mayor in March 1996 pursuant to a City Council ordinance. The Coordinating Council includes residents of the EZ designated area (residents are drawn from each cluster), three residents of the city-designated "enterprise communities," ten government representatives (one state, one county, and eight city officials), nine business representatives (six from the EZ and three at-large), and five at-large representatives. With the exception of the county and state representatives, all members of the Coordinating Council are appointed by the mayor.

Governance of the EZ Initiative was a major issue in the strategic planning process, and, like the program priority issue, it was postponed until the fate of Chicago's application was known. The issue was revived

following the city's designation as an Empowerment Zone city, with the city government moving to take effective control of the program and community leaders objecting to the city's advances and fighting for the model that had been included in the city's strategic plan. As the field associate noted, "it was a war of attrition that the city won."

The governance issue brought to a head the competing visions of what Empowerment Zones are about. The application itself spoke in different "voices." This is the "city" voice: "The approach to community planning within the EZ will be undertaken within the context of broader city planning efforts. Chicago has already undertaken a number of planning initiatives that have relevance for the EZ and its strategic initiatives." The strategic plan then outlined such mayoral programs as Model Industrial Corridors and the Strategic Neighborhood Action Plans. The other voice is the "community" voice. In many places the strategic plan rings with commitment to neighborhood democracy and community empowerment. For example: "We will create a true collaboration of neighborhoods, businesses and government...that reflects the rights and obligations of the community regarding local governance and self-determination." The first quotation reveals the city's view of the EZ Initiative as another program that will be useful in supplementing and extending initiatives already underway. The second quotation shows a quite different view of the EZ Initiative as an instrument to "reinvent the public participation process." The city's strategic plan opens with the charge that "it is time for a change, a change in spirit, a change in commitments between the government and the governed." The major Reinventing Government theme used in the application includes the idea of "a primary

role for the community in Empowerment Zone governance."

As noted earlier, community leaders had pressed the governance issue in the heat of the application preparation process. They insisted on the mayor's changing the composition of the original interim coordinating council by replacing half of the mayor's appointees with community-designated representatives. The mayor agreed and it was done. The re-constituted coordinating council then took the application process through to its conclusion. The issue remained as to what the permanent governance structure would look like if Chicago succeeded in winning designation as an Empowerment Zone community.

The strategic plan outlined a rather complex, multi-layered governance structure in each zone area including an annual convention, community assemblies, and cluster councils. The latter would elect representatives to an EZ Governance Council, "the ultimate decision making body." The proposed governing structure also called for at least 60 percent of the EZ Governance Council to be representatives of the three zone areas.

Soon after Chicago was selected as an Empowerment Zone city, the Mayor's office signaled that it wanted the permanent council to be appointed by the mayor and all program and budget decisions to go through the City Council. The community leadership, which had set up its own "Joint Governance Council" (never officially recognized by the city) structure during the application process, wrote the mayor that his proposal would be contrary to the spirit of the EZ legislation. The mayor obviously did not agree, and the issue was unresolved for more than a year.

While the City Council and mayor have final approval on allocation of funds, it is the EZ/EC Coordinating Council that holds the power to propose projects, initiate action and establish benchmarks.

Detroit. Governance of the Detroit Empowerment Zone Initiative shares many of the features and characteristics found in Atlanta -- each city chose to create a separate corporation to manage the EZ Initiative, and in each city governance issues generated a great deal of conflict between citizens and city government and between the mayor and the city council. The difference between the two cities is that in Atlanta the EZ corporation operates largely outside the city government, whereas in Detroit the city council, through its power to approve all contracts with implementing agencies, is the key EZ governing entity.

Detroit's EZ Initiative will be monitored and overseen by the Empowerment Zone Development Corporation, a newly created quasi-public corporation directed by a board of 50 members representing a variety of constituencies in and out of the zone. It is believed by many that any real power held by the EZDC will be exercised by the much smaller Executive Committee -- itself comprising a group of 25 members elected from the full board. As one member of the board noted, "at most, we are an advisory body -- I don't even get the minutes of the Executive Committee meetings." Appointments to the EZDC board have been yet another source of friction between the mayor and the city council.

The EZDC board's predecessor, the Empowerment Zone Coordinating Council, developed a vision of zone governance in which the Development Corporation would act

as an equal with the mayor and the City Council in setting the future direction of Detroit's EZ Initiative. Called the "tri-partite partnership," the concept did not make its way into the final version of the local ordinance and state enabling statute. Instead, City Council assumes the ultimate governance authority over the Zone program -- the power to approve contracts with implementing agencies. Another interviewee noted that the "City Council sent representatives to some of the earliest meetings. They sized-up the players, decided that we didn't stand a chance of winning EZ designation for Detroit and left us alone to do our thing. Once we got the designation, however, the Council was back with a vengeance and they were absolutely vicious and vindictive in their efforts to crunch the EZ Coordinating Council and especially the community members."

As a result of how the ordinance and statute are written, the EZDC board is essentially an advisory body with a single real prerogative -- the power to initiate changes in the strategic plan including project selection subject to the approval of the mayor and the city council. The mayor and city council have the power to not accept benchmarks from proposed implementing agencies and also have a second opportunity to block parts of the plan when contracts between the City and implementing agencies come up for approval. Having previously reviewed and approved a benchmark does not in any way limit the opportunity for the mayor or the City Council to change their minds at contract approval and exact changes from the EZDC board or veto specific programs.

Boston. The local governance structure in Boston consists of two levels, though both operate on a zonewide basis. These include the Community Advisory Board



(CAB) and the Boston Empowerment Center Board (BEC). The Advisory Board was appointed by Mayor Menino in September 1995 and is charged with determining policy and goals for Boston's Enhanced Enterprise Community Initiative. The Advisory Board is comprised of 39 voting members but also includes 22 elected and appointed officials who serve on the CAB in an ex officio capacity, without voting authority. The BEC, which approves all EEC lending, investment and grant decisions, is governed by a 19-member board, comprised of seven city representatives and two representatives from the business community appointed by the mayor and ten community representatives selected by the Advisory Board.

Though the Advisory Board was chosen by the Mayor, most CAB members were selected from members of the original EZ Steering Committee who volunteered to serve through a self-selection process. In addition, several members were added by the mayor for geographic and ethnic representation. Formation of the CAB reflected a consensus that the original Steering Committee was too large and unwieldy to oversee the EEC Initiative and, since it was formed before the EEC zone boundaries were established, it included representatives of neighborhoods outside the EEC.

There was also general recognition that the CAB was too large and unwieldy to carry out decisions, and that a smaller decision making structure was needed as well, which led to the creation of the Empowerment Center Board. The creation of the BEC was more contentious than the creation of the Advisory Board. Originally, the City wanted its own representatives and the banking representatives to constitute a majority. However, community residents balked at this

proposal, and stated that they wanted a majority of votes. There was a good deal of back and forth negotiating between the two sides, with the final resolution being that the residents have a majority of seats on the board (i.e., they have 10 out of 19 seats) while the City retains final veto on board funding decisions.

**Oakland.** Formal authority for implementing Oakland's Enhanced Enterprise Community Initiative rests with the City's nine-member City Council, seven of whom are elected by districts and two members, one of whom serves as mayor, who are elected at-large. To advise the council on EEC matters and to provide a forum for community input, a 21-member Policy Board was created. This board consists of nine members who are appointed by the City Council and 12 members that are selected from the designated zone areas (four members from each cluster). The responsibility of the Policy Board is to oversee and set policy for the Community Building Team Program (described below) and to provide recommendations to the City Council on EDI and Section 108 projects.

Major conflicts in Oakland arose over the process by which the Policy Board was created. Shortly after the City was designated as an Enhanced Enterprise Community, the City Council wanted to move quickly to approve and spend the EEC funds on a variety of showcase projects before a governance structure including community participants had been developed. Opposition from those who had participated in setting up the participatory process, used during the strategic planning phase of the initiative, in particular the Urban Strategies Council and the Oakland Community Partnership, resulted in a compromise over spending authority and the structure of the Policy Board. Of the \$22

million allocated to Oakland in EDI grant funds, \$11 million was allocated to flagship projects which the City Council and City Manager's office had favored and \$11 million was earmarked for smaller community and neighborhood level loans. Within the flagship category, agreement was also reached to divide the \$11 million among the three zone areas, with 40 percent earmarked for West Oakland, 20 percent for East Oakland, 30 percent for Fruitvale/San Antonio, and the remaining 10 percent undesignated as to area.

As in Chicago, Oakland's strategic plan called for a two-tiered governance model that decentralized important decision making responsibilities to the individual zones in the designated areas. And like Chicago, the governance model that was ultimately adopted in Oakland significantly diluted the extent of neighborhood control. Oakland's strategic plan called for the creation of an Empowerment Zone Coordinating Council that was to act as the governing board for all EZ activities, subject to the ultimate review of the Oakland city council. Members of the council were to have been the mayor, the city manager, a county Board of Supervisors designee, a City Council designee, and nine local Empowerment Zone Council representatives, three from each council in the three zone areas. The EZ Councils were to oversee the Community Building Programs in their area and to act as a forum and voice for community participation and accountability.

The original governance model, as envisioned in the Oakland strategic plan, would have included Community Building Teams comprised of disadvantaged zone residents. Through training, these residents would develop leadership skills while performing the needs assessment, program development, implementation and evaluation

of most of the efforts associated with the EZ Initiative. At any one time it was envisaged that 600 residents would participate in the program and that participants would receive a stipend of \$500 per month, plus the cost of school tuition, and a child care subsidy. Each CBT was to have been coordinated by a community organizer, and altogether 50 community organizers were to have been hired. The major function of the proposed EZ Councils was to assist in the direction of the Community Building Program and to participate in the evaluation of the EZ programs. The scale of the Community Building Program has been substantially reduced in the post-designation period, due largely to Oakland's designation as an Enhanced Enterprise Community as opposed to an Empowerment Zone community, but it remains a key component of the strategy.

Dallas. In Dallas the City Council is the primary governing entity for the city's Enterprise Community Initiative. A seven-member Citizens Advisory Group was created by the City Council, with residents appointed to the Advisory Group by the seven City Council members whose districts include all or a portion of the designated EC area. The appointees to the Citizens Advisory Group were drawn from those citizens who attended the town hall meetings held during the strategic planning process in order to achieve some continuity between the strategic planning process and the governance structure. According to the Dallas field associate, "the city did not want to continually burden community leaders with demands on their time when it was not absolutely necessary, so they limited the number of governance meetings (quarterly) as well as the number of participants. City officials felt that community leaders would then be more receptive to attending meetings and otherwise

dedicating their time. Additionally, city officials perceived that extending community participation beyond those appointed to the Citizens Advisory Group would create additional demands on the EC and result in managerial and organizational difficulties."

**East St. Louis.** In East St. Louis the local governance structure adopted is essentially the same structure that was identified in the City's strategic plan. It consists of a nonprofit organization, the CDBG Operations Corporation, a newly created nonprofit corporation that administers several other federal initiatives in the City including CDBG, the Home Investment Partnerships (HOME), and the Emergency Shelter Grant, and the EC Steering Committee. The CDBG Operations Corporation has day-to-day responsibility for administration of East St. Louis' Enterprise Community Initiative. Policy making responsibilities, such as approval of benchmarks and program funding, are carried out by the city council. The CDBG Operations Corporation is directed by a board of five persons -- the city manager, a city council member, and three residents. The EC Steering Committee was formed near the end of the strategic planning process to coordinate the preparation and submission of the city's strategic plan. It includes a representative of each of the largely volunteer task forces that were created as well as representatives from public agencies and nonprofit organizations.

**Louisville.** The creation of a governance structure for Louisville's Enterprise Community Initiative was not controversial. Day-to-day management responsibilities for the Initiative are directed by a special assistant to the mayor, the assistant director of Community Services, and the Louisville Development Authority, a city

agency. The City Council approves all funding decisions. The Executive Committee, a group of 12 persons drawn from the Community Board, was created to oversee the implementation of the EC Initiative. Members of the Executive Committee serve 2- or 3-year terms and new members must have been part of the original Community Board. The Community Board, which was formed during the strategic planning process, continues to meet several times a year and to hold "policy making authority" over the Louisville EC Initiative. The Community Board was the major vehicle through which community participation took place in the development of Louisville's strategic plan. City staff made the initial 100 person invitation list for the Community Board and this list was supplemented by people self-inviting themselves into the process and initial participants recommending additional participants. This resulted in another 30 persons becoming involved, including the present chair of the Executive Committee who had accidentally walked in on the initial meeting of the Community Board at a high school thinking it was another meeting and stayed.

**Phoenix.** The Phoenix governing structure is similar to those in Dallas and Louisville, with the City Council exercising policy making responsibilities regarding funding decisions, an advisory group, and an interdepartmental group overseeing day-to-day implementation of EC activities. The EC Steering Committee is composed of an ethnically diverse group of 20-25 business leaders and community residents of the designated EC area as well as representatives from various boards and commissions. A majority of the Steering Committee members were appointed from among those who participated in the strategic planning process.

Each committee member has been assigned to a specific working subcommittee that corresponds with a component of the strategic plan. In addition, a special Monitoring Subcommittee is being created to assess annual progress on the implementation of the strategic plan. A City Staff Oversight Team has been assembled to administer programs, coordinate activities, and work with other groups involved with the implementation of EC-funded activities.

### *Relatively Integrated, Two-Tier Structures*

Three of the eighteen study cities have EZ/EC governance structures that have a high to moderate level of integration and have two-tiers. These cities include Cleveland, a Supplemental Empowerment Zone city, and two Enterprise Communities -- Charlotte and Minneapolis. The governance structures in these cities are distinctive in that important tasks and responsibilities for implementing the EZ/EC Initiative have been vested in neighborhood organizations located in the designated zone areas. However, unlike neighborhood governing entities in Baltimore, New York City, Philadelphia and San Francisco, the city government has greater control over funding allocations, benchmarking, and contracting.

Cleveland. In Cleveland, the city's Department of Economic Development has responsibility for implementation of the Supplemental Empowerment Zone Initiative and the City Council makes all program selection and funding decisions. A Citizens Advisory Group consisting of 18 members (civic leaders, business owners, neighborhood residents) appointed by the mayor has been created to recommend to the City Council which programs and activities should be funded and at what levels. The advisory

group is also responsible for monitoring the implementation of the strategic plan.

The second tier of the governance structure in Cleveland involves four community development corporations, one in each of the four contiguous neighborhoods located in Cleveland's designated zone area. These four CDCs plan to work with public and private entities to identify, plan and implement an economic development strategy to improve the zone's neighborhoods and to create jobs. The strategy being utilized to access economic opportunities is the "business organizer" in each of the four CDCs in the zone. The business organizers will serve as entrepreneurial coaches, marketers, financial problem solvers, network facilitators, and business planners for existing and start-up businesses throughout the zone. The business organizers will promote the use of Section 108 loans by businesses in the zone. In addition, the CDCs also intend to develop new and restored housing in the zone, particularly housing for home owners. The CDCs would also help train zone residents through community service employment opportunities where zone residents would gain work experience while assisting CDCs with community projects.

Charlotte. The City of Charlotte has assigned management of the EC program to its Office of Neighborhood Development. This office has been involved in overseeing the program including negotiating a Memorandum of Agreement with the state of North Carolina, organizing many of the meetings of the neighborhood clusters and providing technical assistance to the neighborhood boards. To fully understand the EC Initiative in Charlotte, however, one needs to place it in the context of a larger initiative which has been underway since 1991 to help coordinate

and direct many types of community and economic development activities to a large swath of Charlotte's traditional urban core. The City-Within-A-City (CWAC) Initiative was launched by the city in 1991 to address the economic development and quality of life issues faced by residents in city neighborhoods with above average rates of unemployment and poverty. It was identified by the City Council as one of its top five priorities in 1991 and has remained so ever since. Charlotte's EC strategic plan is highly synergistic with the CWAC initiative and the strategic plan was developed with the understanding that the EC-initiated activities would "piggy-back" on CWAC initiatives. Charlotte's designated zone area consists of three non-contiguous clusters that encompass 32 neighborhoods and about one-third of the residents in the CWAC target areas.

As noted earlier, Charlotte's strategic planning process was very decentralized with each of the three zone neighborhood clusters developing their own strategic plan. Each area independently arrived at job training and business development as the key to addressing the problems in their areas. Participants in the planning process felt that the City-Within-A-City Initiative was beginning to address problems such as drug abuse, housing, dilapidation and inadequate infrastructure, but job creation and economic development were "the missing and seemingly elusive piece of the City-Within-A-City strategy." To address the need for economic development, a neighborhood-based Empowerment Center was proposed for each of the three neighborhood clusters.

According to the strategic plan, these three centers were "envisioned as full service centers that offer job training, job placement and help for business development and

expansion, as well as support services to area residents and businesses." The Empowerment Centers were to be managed by nonprofit organizations that will be "responsible for designing, organizing and implementing their individual training and business development programs." Each of these nonprofit organizations will have a board of directors composed of a majority of neighborhood residents. Board members would be selected from all the neighborhoods within the cluster as well as representatives of private and nonprofit organizations who can offer expertise in carrying out the mission of the Empowerment Centers. Steering Committees composed of local residents developed the initial proposals for board composition including the number of board members, the process of selecting board members, and the restrictions on each board seat. These proposals were then discussed at public meetings in each cluster and approved by those in attendance.

Each board is different in certain respects. The Northwest board, for example, has 13 members. Six board members represent each of six neighborhoods within the cluster and there are two youth representatives. The remaining five seats go to representatives of selected banking, education, business and community development organizations. The West Board also has 13 seats, with at least seven seats reserved for community members, but they do not have to be from specific neighborhoods in the cluster. The remaining seats are at-large seats used to attain expertise in areas such as community organizing, finance, and strategic planning. The Northeast board has 17 seats, with 11 reserved for residents and six for businesses and community-based organizations. All the business

representatives must be located within the cluster.

The city has split its EC funds evenly among the three Empowerment Centers and given each considerable autonomy in designing and carrying out their own plans. The primary responsibilities of the Empowerment Center boards include: hire and evaluate an executive director; set program priorities and targets based on program guidelines and goals; monitor program progress against measurable targets or benchmarks; evaluate program effectiveness; seek additional funding and partnership opportunities; and help develop and evaluate strategies to create new jobs and businesses in the area. The three board presidents meet on a monthly basis to share information and to coordinate activities. There have been discussions on the creation of an advisory board to assist with the coordination of activities among the three Empowerment Centers, although no decision on the creation of such a panel has been reached at this writing.

Minneapolis. Like Charlotte, the Minneapolis EC Initiative was closely intertwined with a previously existing city initiative. As the Minneapolis field associate reported, "the strategic planning process for the EC Initiative in Minneapolis was, from the onset, conceived as a potential source of funding for neighborhood projects that had been identified through an ongoing citywide development initiative called the Neighborhood Revitalization Program (NRP)." The NRP emerged out of concern that the public-private commercial investment that led to the revitalization of Minneapolis' central business district came at the expense of neighborhood development. In 1987, the mayor and City Council established a task

force of business, community, and civic groups, and private and nonprofit developers and charged them with identifying potential funding for neighborhood revitalization. Although funding for the NRP fell substantially short of the \$32 billion envisioned by the task force, due in part to the inability to obtain federal and state matching funds, the city pushed forward with the NRP relying primarily on a pool of \$400 million in tax increment financing that would be spent over a 20-year period.

The NRP was ready for implementation in 1991 and a key initial task was to negotiate a governance structure capable of fostering coordination and collaboration among various layers of government and between neighborhood organizations. The NRP involves five local government jurisdictions: libraries, schools, parks, Hennepin County (most social services), and the city of Minneapolis. The governance structure that was agreed upon consists of a city-staffed NRP office, a Policy Board, designated neighborhood organizations and a neighborhood steering committee. The Policy Board consists of elected officials from participating jurisdictions and the state legislature, neighborhood representatives, and members of major nonprofit civic organizations. A key component of the NRP initiative is its emphasis on neighborhood-based planning. A first step in that effort is the execution of a "participation agreement" between the NRP office and a designated neighborhood organization. The participation agreement outlines the responsibilities of the neighborhood organization and the methods by which it will solicit broad based community participation. Included in the agreement is the structure of an NRP neighborhood steering committee that would include a membership broader than the membership of the

neighborhood organization and a list of the means by which the organization would foster citizen participation. Upon completion of the participation agreement, the neighborhood organization was then required to develop and formulate a comprehensive neighborhood plan which was to be formally ratified at a general meeting of the area residents.

In early February 1994, city officials decided to use the existing NRP process as the foundation for its application for an Enterprise Community designation as opposed to creating another neighborhood-based planning system. The City Council approved this decision, stipulating that two-thirds of the EC funds be applied to projects developed through the NRP process with the remaining one-third of EC funds earmarked for projects determined by the mayor and the city council. According to the field associate, "the rationale for this decision was that these mayor-council designated projects would serve the entire zone, rather than neighborhood/census tract specific geographic areas and constituencies." After the designated area was selected by city officials, city staff approached the five neighborhood NRP boards located in the zone area to solicit their participation. However, as the field associate noted, "because not all neighborhoods had been engaged in the NRP process for the same length of time, variation in the sophistication of the organizations and their neighborhood action plans existed."

While the zone neighborhoods in Minneapolis were given considerable autonomy in developing their list of projects, the ultimate funding decisions on which projects would be supported with EC funds was made by the city. In several instances, there were disagreements as the neighborhood groups and the city officials had different ideas concerning which projects to support.

In addition, unlike other cities with a two-tiered governance structure, Minneapolis neighborhoods played no role in the development of the benchmarks.

As of this date, there is no separate governance structure for the Minneapolis EC Initiative. There is ongoing discussion as to whether it is appropriate to utilize the NRP Policy Board for this function. Advantages cited for this approach are similar to the advantages for the planning process. That is, the structure already exists and therefore would require little in the way of additional planning and resources. On the other hand, disadvantages cited include the possibility that the EC Initiative will be treated as a low priority given the relatively small amount of funds it represents as compared to the NRP.

#### E. Benchmarking

From its earliest stages, the EZ/EC Initiative sought to blend an emphasis on bottom-up community participation with what might be commonly regarded as a competing policy goal (at least in the short-term): an emphasis on ensuring results through performance-based contracting. The balance between these two important objectives is well illustrated by examining the level and type of participation by the EZ/EC communities in the Initiative's "benchmarking process," especially in light of how benchmarking has evolved over the course of the EZ/EC Initiative to date.

"Benchmarking" in the EZ/EC Initiative was intended to be a way of prioritizing planned activity, assigning responsibility and ensuring results by tying the evaluation of progress and release of funds to specific measures of performance selected not by Washington, but by the participating

EZ/EC communities themselves. It also has come to be the way the EZ/EC communities review and make any desired changes to their planned activities and communicate those changes to local participating entities and partners, including HUD.

Benchmarking traces back to the development of the strategic plans included in the community applications for designation as an EZ or EC. The application guide noted that strategic plans should set real goals and performance benchmarks for measuring progress and establish a framework for assessing how new experience and knowledge can be incorporated on an ongoing basis into a successful plan for revitalization. The guide suggested that interested applicants identify the specific tasks and timetables necessary to implement their plans; describe the partnerships involved; explain how the strategic plans will be regularly revised to reflect new information and circumstances; and identify the baselines, benchmarks and goals that should be used in evaluating performance in implementing the plan. Finally, the application guide indicated that the key selection criteria for designation would include an assessment of how well the proposed plan incorporates realistic performance indicators for measuring progress in implementation and making adjustments, corrections and building on what works.

The level and nature of community participation in this stage of "benchmarking" among the EZ/ECs in the sample study generally tracked community participation in the selection of strategies, programs, and activities reflected in the strategic plans. Field associates in 15 of the 18 study cities characterized the community as having a major or determinative influence over the selection of strategies and 13 of 18

characterized the community's influence as major or determinative over the selection of programs and activities (New York filed a split decision, with the Bronx illustrating major influence by the community).

A second round of "benchmarking" followed designation of the communities as an EZ/SEZ/EEC/EC. The competition between the twin policy goals noted above was somewhat more pronounced at this stage. Unlike the version included in the strategic plans, these new and more formalized benchmark reports were supposed to reflect activities over the first two years rather than the full ten-year period of designation. Judgements had to be made about project selection and prioritization. At the same time, specifics needed to be crystallized concerning such things as the identification of responsible parties/partnerships and the clarification of promised resources to be leveraged. (This difference was even more distinct in places like Chicago, which left the selection of specific projects from the general "tool box" included in the strategic plan to an RFP process at a subsequent stage).

Two additional factors contributed significantly to the cross-cutting pressures noted above. First, the EZ/EC communities were under time pressure to finish their benchmarking quickly so that they could be filed as a complete set in concert with the Memoranda of Agreement -- the formal contract for the EZ/EC Initiative -- they were entering into with HUD and local partners. Some EZ/EC sites in the study sample reported that they felt pressure to complete their benchmarks for public events related to the MOA process.

Second, half of the sites in the sample received designation as something other than



what they sought. Therefore, in addition to adjusting from a ten-year to two-year period and the need for greater specificity, half of the communities we reviewed were also trying to fundamentally adjust their plans to lower levels of funding and to funding from different, less flexible sources. The communities addressed that challenge by making adjustments to their strategies and planned activities through the benchmarking process rather than by backing up a step and filing a revised strategic plan.

While there are some notable exceptions, two general patterns emerge from the experiences of the EZ/EC communities in the study sample. First, on the whole, community participation in benchmarking was greater in the earlier than later parts of the process. Second and related, community participation was shown to be greater in the selection of strategies and activities to measure rather than in the selection of measures, methods of measurement or the filling-out of the benchmark reports and performance reviews filed with HUD. Typically these latter steps have been devolved to staff, given their technical nature, and they are subsequently presented to the EZ/EC governing or advisory bodies -- containing community representation -- for approval.

In the Phoenix EC, for example: while it is true that some suggestions for benchmarks surfaced during five community meetings, the actual creation of the EC benchmarks that appear in the strategic plan was a joint project of the EZ/EC Steering Committee and City personnel. Refinement of the benchmarks, once Phoenix received EC designation, has been an ongoing City staff function. The City has contracted with an outside agency -- the Morrison Institute for

Public Policy -- to develop a set of general benchmarks that can measure the "health" of any neighborhood and which will be used to complete the EC benchmarking requirement. City staff played the most significant role in the establishment of project benchmarks, while Arizona State officials were not directly concerned with the establishment of benchmarks, other than to provide information on data availability.

In Minneapolis, the process for developing specific benchmarks for programs and activities began in March of 1995 after HUD designation. The process was led by the staff of the Minneapolis Office of Grants and Special Projects. Benchmarks were developed in collaboration with staff from other relevant City departments (Neighborhood Services for youth programs; Employment and Training for job training programs; Minneapolis Community Development Agency for business incubators and business development) and from vendors. In most cases, benchmarks were suggested to vendors by City staff, particularly for those projects which had a business focus. In other cases, the vendors themselves (such as the Green Institute and the Urban League) were largely responsible for developing their benchmarks with comment and review from City staff. No community participation was solicited for development of the benchmarks.

The Boston EEC provides an interesting example of how benchmarking became interwoven with strategic planning functions, particularly for EZ/EC communities experiencing a change in designation status from what they sought. The Boston benchmarking process began in September, 1995 with the creation of the Community Advisory Board (CAB). The day-to-day responsibility for the CAB was handled by

City staff, primarily from the Public Facilities Department. In general, this benchmarking process occurred without direct community resident input; there was no parallel community process similar to what occurred with the initial strategic planning process. The CAB contained some newly appointed members but mostly included members from the original steering committee and task forces involved in developing the strategic plan. Once initiated, the benchmarking process got off to a slow start because the group was having difficulty adjusting to a funding type and level that was substantially different from what had been anticipated in the original plan. A half-day retreat at a local church was critical to defining the benchmarks and meeting HUD's required framework. However, the benchmarks decided upon by the Community Advisory Board did not go to the community for comment and review. In general, the benchmarking process, which was driven primarily by HUD requirements, became a substitute for creating a new full strategic plan based on the EEC designation.

The Baltimore EZ benchmarking process serves as a good illustration of the cross-pressures described above. Aside from community representation on the Board of the Empower Baltimore Management Corporation (EBMC) and the Advisory Council, the community had relatively little input into the benchmarking process for four reasons. First, the Village Centers (a primary vehicle for community participation in Baltimore) were still being organized as the benchmarks were developed. Second, the benchmarking process was treated as a "technical" matter of sorting through the application and developing specific implementation plans and indicators to measure progress. Staff of EBMC were thought to be more qualified to undertake

benchmarking. In consultation with EBMC Board Committees, the staff developed the benchmarks and reported back to the EBMC Board. Third, the benchmarks also reflect the decision of the Advisory Council to make economic development initiatives a priority. As the community was less involved in implementing economic development initiatives, they were less involved in the development of the benchmarks. Finally, the limited participation of the community reflects the EBMC Board's decision to expedite release of federal funds to implement EZ initiatives. The priority given to this accomplishment meant that it was important to develop the benchmarks as quickly as possible. The quickest way to accomplish this was to treat the process as a technical activity to be performed by Empower Baltimore Management Corporation staff.

These pressures were also clearly on display in the Atlanta EZ. Benchmarking in Atlanta began as an open and participatory process, involving about 150 people. Roughly 35-40 people participated in one of four subgroup workshops, each organized around one of the four themes of the strategic plan (economic development, community development, youth and families, and housing). In addition to citizens, participants included representatives from community-based organizations, the private sector, and state and local government. These 12-hour sessions were held every Saturday for several weeks at The Atlanta Project using computer-assisted facilitation (where participants can anonymously enter information into a computer, encouraging them to say what they want without fear of reprisal or intimidation from other participants).

The results of these sessions were then made available to technical experts in various

city and state agencies who were asked to "validate" the proposed benchmarks. This validation consisted of reviewing proposed budgetary amounts as well as benchmark targets, baseline conditions, and the types of data that would be needed to monitor and track program performance. After input from the technical experts, the benchmarks were submitted to the Community Empowerment Advisory Board for review, comment, and approval, and then sent from there to the Empowerment Zone Corporation board for review and approval. The "first pass" of the benchmarks was completed in June 1995. After some revisions, the EZ Board approved the benchmarks at its July meeting, and they were sent to the state for approval, and then to HUD.

The Louisville EC is also illustrative. The Louisville Empowerment Zone Strategic Plan identifies goals and then offers outcome measures for each section. However, the benchmarks themselves were written after the application was submitted. In early 1995, a meeting was held in Nashville and recipients were told that to get their grant money released they would have to provide benchmarks that met HUD's guidelines. This was not viewed as a priority by the Community Board or Executive Committee who saw this as a staff function. The benchmarking process was spearheaded by governmental staff. The benchmarks were enlarged and presented at a full community board meeting but this was not of great interest to the members. The members felt they were otherwise being kept informed about the status of the EC programs and that the real way the Community Board and Executive Committee should evaluate success is by seeing whether what was proposed in the Louisville Empowerment Zone Strategic Plan is pursued and implemented or not -- is the community bank set up? is the

workforce development center set up? is the neighborhood place center functioning?

Other EZ/EC sites, despite the various pressures, built the benchmarking process into something especially positive that fit their larger objectives. In Charlotte, the benchmarking process began in March 1995 with a visit from HUD representatives who met with City staff and community members to provide an overview of the benchmarking process. City staff then met with community representatives over the next three months to develop an initial set of benchmarks which were sent to HUD on July 17, 1995. This initial set of benchmarks, however, was developed before the three Empowerment Center Boards had been created. Once the boards were established they wanted to revisit the initial set of benchmarks and make revisions. They did this and submitted revised benchmarks to HUD on September 18, 1995. The major changes had to do with the start and end dates of benchmarks and their related tasks. Two major benchmarks were established: (1) "Determine board composition and elect neighborhood board members by 9/30/95" and (2) "Establish an operational plan for the Charlotte Enterprise Community by 11/30/95."

Once the revised benchmarks were submitted to HUD, the boards turned their attention to developing the second set of benchmarks. Whereas the first set of benchmarks addressed the creation of governing boards and an operational plan, the second set of benchmarks focus more on outcome oriented objectives such as lowering the unemployment rates in their communities. By December 1995 all three boards had developed draft second round benchmarks and submitted them to EC staff for their review and comment. (These drafts are still

being discussed and are not ready for distribution.) According to discussions with the heads of the three Empowerment Center Boards in Charlotte, the benchmarking process was largely determined by community residents, although the EC staff kept the boards focused on the task and reviewed and commented on the benchmarks developed by the three boards. One of the board presidents commented that he really liked the benchmarking process. "It was bottom-up rather than top down." The community residents in Charlotte were able to decide what they thought were important goals and signs of progress.

Detroit has tied benchmarking into a formal learning process linked to local evaluation. As described in the strategic plan, SPEC Associates, a local program evaluation firm, worked with the Coordinating Council and task force members to develop measurable baselines, benchmarks and goals against which implementation progress can be evaluated. Benchmarks were divided according to each of the three clusters of the strategic plan.

Once the benchmarks were developed, SPEC Associates staff worked with each Task Force to generate specific tasks that would be accomplished each year to reach each benchmark. These results were then combined into three cluster areas to identify the specific tasks and timetables that will be followed to implement Detroit's strategic plan. Through the continual collection of both benchmark and implementation data, information will be obtained for preparing required reports to the Office of Community Planning and Development at HUD. These reports will show progress made on the benchmarks and point to necessary revisions in Detroit's strategic plan. SPEC Associates

will present the evaluation results to the Empowerment Zone Development Corporation (EZDC) on a regular basis. The EZDC staff will then use these results in the preparation of required reports.

In the South Bronx portion of the New York City EZ, the Bronx Overall Economic Development Corporation (BOEDC) -- as requested by HUD -- sought to create a two-year project activities plan that identified specific expenditures, while taking into account their primary constraint of having at most only \$5 million per year in funding. BOEDC's objective in establishing benchmarks was to create a process for approving projects using RFP's that the community would design and feel ownership over. In order to achieve this, a fairly detailed process was set up for establishing their benchmarks, which included a relatively high level of community involvement.

In San Francisco, with some special effort, benchmarking has become a truly community-driven planning and accountability tool. After receiving Enterprise Community designation in January 1995, the Mayor's Office of Community Development and its consultants, Sedway & Associates (SKMG), started to organize the community governance structure for the program. They established a preliminary umbrella group, the Enterprise Community Council, later formally constituted as the 25-member San Francisco Enterprise Community Board (SFEC Board). They also started work on assisting neighborhoods to form official Neighborhood Planning Bodies, or NPBs.

San Francisco sought an extension beyond the stated June 30, 1995 deadline to complete the process of formally constituting the NPBs and giving them a more

authoritative and controlling role in making benchmarking decisions. To the local leadership, it was more important to demonstrate trust in the NPBs and respect for the principle of neighborhood control than it was to meet a formal deadline by cranking out benchmarks from within the bowels of the Mayor's Office of Community Development.

By July 1995, all of the Neighborhood Planning Bodies were in place. Some of the NPBs had succeeded by this time in formulating two year goals and benchmarks, but others required more time. The process of

selecting two-year priority outcomes and benchmarks varied by neighborhood. Most NPBs engaged in extensive community outreach and held facilitated public meetings to whittle down as many as forty strategies to the smaller set of ten or fewer fundable priority outcomes deemed necessary to prioritize and focus a two-year agenda for revitalization. In general, according to key informants, there was major community resident participation in the benchmarking and priority-setting process in most of the EC neighborhoods.

## V. INITIAL CONCLUSIONS from ROUND ONE

The Clinton Administration's Empowerment Zone/Enterprise Community Initiative has been described as the culmination of a 13-year debate over federal enterprise zones. Critics of the effort have said it owes more to previous models of governmental intervention than to the "pure EZ concept" of tax incentives and regulatory relief. On closer examination, however, the Clinton Administration's EZ/EC Initiative ought to be seen in a broader context. The EZ/EC initiative, as designed, appears to reflect a recognition that a different strategy was warranted in applying the enterprise zone concept to distressed communities and populations within those communities than the original, British approach to advancing economic development in depopulated, derelict industrial areas.

The design of the EZ/EC Initiative also appears to reflect the benefit of state/local experience with encouraging targeted economic growth in enterprise zones and otherwise. Enterprise zone activity has been extensive at the state level over the 1980s and 1990s: some 37 states have designated upwards of 2,000 enterprise zones across the country. Variation in approaches, site characteristics and context among state-level zones and zone programs is ample. This variation makes it harder for evaluations that have been conducted to determine whether differences in results were due to what was done by different states or to how they did it. The preponderance of evidence on state/local zones suggests that tax benefits and regulatory relief -- particularly tax credits which have a delayed effect -- are not by themselves enough to create successful zones. Generally, the more successful state zones include financial

help to businesses, physical infrastructure and targeted social services to strengthen human resources. Where such techniques are not directly a part of the zone initiative, site coordinators have reported their efforts include linkages to such other programs and services. Researchers have also focused on the influence of local organizations built up from the community; the state experience demonstrates that the presence of a strong local entity and the quality of the staffing are among the most important determinants of success.

The Initiative also reflects what is generally known from state and local efforts to encourage economic growth. While tax incentives have been shown to be important, businesses do not generally make locational or start-up decisions on the basis of taxes alone. The overall business climate -- safe streets, sound infrastructure, a solid labor pool -- has been shown to be pivotal. Unlike the original enterprise zone concept, the EZ/EC Initiative has encouraged the provision of financial assistance to business and job training for zone resident; improvements to physical infrastructure and public safety; and the development of strong community partnerships shown to be essential for long-term success. Also, unlike the original enterprise zone concept, the EZ/EC Initiative has sought to target its tax benefit provisions more specifically to the employment of zone residents.

The design of the Clinton Administration's EZ/EC Initiative appears to have been responsive to the lessons of the Model Cities program as well. The EZ/EC Initiative does not just encourage community input and participation in local planning: it requires community involvement. Furthermore, it prescribes specific types of

activities (including implementation as well as planning and design) and types of local actors (including community residents, CDCs, businesses, financial institutions, neighborhood associations, service providers and local government) that must be involved and committed.

The EZ/EC initiative, as designed, was intended to be more than a federal-city partnership with input from communities. It required the states to participate along with the other groups noted above. It required that states match resource commitments and join in the "reinvention"/reorganization of their own services and administrative interventions in these communities.

The EZ/EC initiative, as designed, was intended to do more than promise coordination of federal efforts. Instead of leaving that responsibility to simply one among a host of federal agencies (and a brand new one at that, as was HUD at the time of Model Cities), the EZ/EC Initiative includes the creation of the Community Empowerment Board, chaired by Vice President Gore and includes all the relevant federal agencies that are supposed to be providing resources and demonstrating regulatory and grantmaking flexibility as part of the EZ/EC Initiative.

Finally, the EZ/EC Initiative, as designed, places significant emphasis on accountability. Community input, partnerships and vision were all stressed in design and execution; the benchmarking forms/process was intended to tie those elements to specific commitments, and tie the strategy to individual steps with designated, responsible parties and deadlines.

The results of our research on program design and process issues at this relatively

early stage largely confirm the implementation of this intent.

Field associates were nearly unanimous in their assessment that the citizen participation that occurred during the development of their city's strategic plan was significantly and substantively at a higher level than that which had taken place under previous federal urban initiatives. Several comparisons were drawn to the Community Development Block Grant program and city experiences with the Consolidated Plan, with field associates noting that several respondents had expressed hope that the process that the EZ/EC Initiative had stimulated would carry over to these efforts as well. Field associates generally reported that outreach was more extensive and a wider group of community stakeholders were involved in the planning process (e.g., the business community, major nonprofit institutions such as colleges, universities, and hospitals, and a much wider group of government departments and agencies) than was typical under previous federal grant programs.

On the other hand, several field associates pointed out that the type of community participant was significantly different from what the rhetoric of the program called for. That is, in many cities the objective of true grass-roots empowerment of everyday citizens was far from realized in most cities in the study sample. Many field associates reported that actual residents were few and far between and that most citizen participants were savvy and well-seasoned representatives of community groups, neighborhood-based service providers, and civic associations. The exception to this trend, however, was Oakland, where the strategic planning effort there was built

around a resident interviewer project which trained residents to become data gatherers who conducted an internal assessment of community-determined needs and solutions to problems residents themselves cared about. Overall, about 800 interviews of area residents were conducted by a group of fellow residents who had been trained to collect "authentic" data on the needs and impressions of community residents.

The EZ/EC sites embraced a number of strategies in their initial strategic plans in order to address the four overall program goals: economic opportunity, sustainable community development, community-based partnerships and strategic visions for change. Of these four goals, two are specifically outcome focused: economic opportunity and sustainable community development. By pursuing economic development and job training strategies, all of the EZ/EC sites are attempting to establish mechanisms for achieving these outcomes.

A review of the strategic plans produced by the sample EZ/ECs in this study reveals that almost all are pursuing a "one-stop shopping" model as part of their economic development strategy. All are incorporating job training as an element in their approach, some concentrated on industry-specific areas such as construction, entrepreneurship and health care. All of the six EZ cities have strategies to establish an entity along the lines of a community development bank or "one-stop capital shop," to enhance family self-sufficiency through strengthened human services including a focus on youth and health care, to improve the quality and availability of housing, and to improve public safety by expanding community policing. All of the EC sites planned to focus their economic development

efforts on making financial and technical assistance available to businesses in their areas.

At this stage of the EZ/EC initiative, about 18 months following the announcement of the designated communities in late December 1994, all of the study cities have their governance structures in place. New York City and Camden, however, have only just recently reached agreement on an Empowerment Zone governance structure and it took the intervention of HUD in those communities to bring the parties to a settlement. In addition, Minneapolis is currently contemplating whether to continue operating the EC Initiative through the governance structure in place for its Neighborhood Revitalization Program or adopt a separate structure solely for its EC program.

As the above discussion illustrated, citizens in most communities were able to obtain a moderate to substantial role in the governance of their community's EZ/EC Initiative, either through direct participation on the governing board or through a separately established advisory board. The proportion of citizen members on EZ/EC governing bodies varied widely among the ten study cities that established separate governing boards, ranging from less than 10 percent in Los Angeles, New York City and Tacoma to a majority of seats in Boston (53 percent), Charlotte (65 percent), East St. Louis (60 percent), and San Francisco (72 percent). Although most field associates reported that the role of citizens in governing the EZ/EC Initiative was less than the role citizens had played during the development of the strategic planning process, the vast majority of field associates noted that the overall extent of citizen participation in the EZ/EC Initiative was significantly greater than that which has



occurred under CDBG and other federal urban programs.

It is important to emphasize, however, that the governance struggles to date have largely been fought over structure, process and organization. What remains to be seen is how these new governance structures succeed in navigating the perilous waters of local development politics. Are these EZ/EC governance structures flexible enough to permit the bargaining and compromise needed to get complex social programs up and running in a fragmented political system? Or, are they so fragile and incapable of resolving the inevitable conflicts likely to arise that the

scope of the Initiative recedes and energies become focused on spending money instead of revitalizing neighborhoods and the people who live in them? The answer to this question should come soon, as many cities are now in the process of converting their benchmarks into specific programs and activities through contracts and procurement. How the local EZ/EC governance structures respond to that challenge will provide important evidence on whether new economic opportunities are created and citizens are empowered.

## APPENDICES

Appendix I. Selected Characteristics of EZ/EC Governance Structures

Appendix II. Measures of Distress In Empowerment Zones/Enterprise Communities and Surrounding Areas

## Appendix I

Appendix I. Selected Characteristics of EZ/EC Governance Structures.

<i>City</i>	<i>Advisory Body</i>	<i>Decisionmaking Body</i>	<i>Other</i>
<b>Empowerment Zones</b>			
Atlanta	Community Empowerment Advisory Board	Atlanta Empowerment Zone Corporation	City Council has no formal decisionmaking or oversight role; those responsibilities have been granted via contract to AEZC.
Composition	36 members: 1 from each of 30 neighborhoods in EZ plus 6 representatives from linkage neighborhoods	17 members: mayor, 2 city council members, 2 public agency members, 2 business members, 2 nonprofit service members, 1 county member, 1 state members, 6 EZ residents. The mayor serves as chair of the AEZC; one of the 6 EZ residents serves as vice-chair.	1 contiguous zone encompassing 30 neighborhood areas  Form of government: strong mayor-council  City Council: 18 members; 12 elected by district and 6 elected at-large
Selection of members	Members are selected by Neighborhood Planning Units	CEAB appoints 6 EZ residents from its membership; mayor appoints other 11 members	Partisan elections; 4-year terms for mayor and council members
Baltimore	Advisory Council	Empower Baltimore Management Corporation	
Composition	50 members for Village Centers, community, businesses, and non-profit sector	30 members: 9 community representatives (one from each of six Village Centers, one from Fairfield, and 2 from the Advisory Council), 2 appointed by the mayor, 2 appointed by the governor, and 17 appointed by the mayor from the business community, community institutions, foundations, and financial institutions participating in the EZ initiative	3 non-contiguous EZ areas  Form of government: mayor-council  City Council: 19 members; 3 elected from each of six districts, president of council is elected at-large
Selection of members	25 members elected by Village Centers; 25 members appointed by Mayor.	9 members appointed by citizens, 2 members appointed by governor, and 19 appointed by mayor	
Responsibilities	Advises the EBMC board on policy matters pertaining to the EZ initiative	All program and budget decisions are made by the EBMC	
Zone Level Governance		Village Centers	
Composition		There are six Village Centers within Baltimore's EZ. Each has its own separate nonprofit corporation with its own governing board. Each Village Center Corp. has its own	

<i>City</i>	<i>Advisory Body</i>	<i>Decisionmaking Body</i>	<i>Other</i>
Composition (cont.)		executive director, staff, and Neighborhood Steward (a community resident who serves as paid staff to foster outreach and community input for EZ initiatives).	
Responsibilities		Village Centers assist the EBMC in developing plans and implementing some EZ activities. Key functions include development of land use survey and master plan, coordinate neighborhood outreach activities, and serve as a center for VISTA and AMERICORPS activities.	
Chicago	Empowerment Zone/Enterprise Community Coordinating Council		
Composition	39 members: 12 EZ residents, 3 citizens from city designated "enterprise communities," 10 government representatives (1 state, 1 county, 8 city), 9 business representatives (6 from within the EZ and 3 at-large) and 5 at-large members		3 non-contiguous EZ areas Form of government: mayor-council City Council: 50 members elected by wards
Selection of members	Members are appointed by the mayor		
Responsibilities	Advisory	All program and budget decisions are made by the City Council	
Detroit	Empowerment Zone Development Corporation		
Composition (cont.)	The board consists of 50 members whose composition is determined by formula: 60 percent must be community representatives of the zone area and 40 percent must be from the larger community. The composition is broken down as follows:  representatives from zone (30) include: 3 CDCs, 3 block clubs, 3 residents at large, 3 neighborhood agencies, 3 places of worship, 3 neighborhood business associations, 3 youth, 3 senior residents, and 3 handicapped/disabled		3 non-contiguous EZ areas Form of government: strong mayor-council City Council: 9 members elected at-large

<i>City</i>	<i>Advisory Body</i>	<i>Decisionmaking Body</i>	<i>Other</i>
	<p>residents.</p> <p>representatives from the larger community (20) include: 1 religious organization, 1 labor, 1 financial institution, 1 foundation, 1 state representative, 1 county representative, 2 city executive branch officials, 2 city legislative branch officials, 3 big business, 1 civic organization, 1 minority business organization, 1 regional/cultural organization, 1 civil rights organization, 1 regional agency, 1 educational organization, and 1 regional health organization.</p>		
Selection of members	<p>The selection process consisted of four steps:</p> <ol style="list-style-type: none"> <li>1. an open nomination process where individuals were nominated for the board;</li> <li>2. these individuals were categorized according to specific sectors;</li> <li>3. selection of board members was made by the EZ/EC Coordinating Council;</li> <li>4. the selections were then ratified by the mayor and the city council</li> </ol>		
Responsibilities	Can initiate changes to strategic plan subject to approval of mayor and city council	Mayor and City Council must approve any changes to the strategic plan; City Council has authority to approve contracts with implementing agencies	
New York		New York Empowerment Zone Corporation (business corp. subsidiary of the NY State Urban Development Corporation, aka, Empire State Development Corporation)	
Composition		7 members	<p>2 non-contiguous zones</p> <p>Form of government: strong mayor-council</p> <p>City Council: 51 members elected by districts</p>
Selection of members		1 member appointed by mayor, 1 appointed by Empire State Development Corp., 1 appointed by Congressman 15th District (Charles	

<i>City</i>	<i>Advisory Body</i>	<i>Decisionmaking Body</i>	<i>Other</i>
Selection of Members (cont.)		Rangel), 1 appointed by Congressman 16th District (Jose Serrano), 1 appointed by Upper Manhattan LDC, 1 appointed by the Bronx Borough President, and 1 ex officio appointment by the Secretary of HUD. The chair will rotate between the City appointee and the State appointee	
Responsibilities		Policymaking: approves list of activities, benchmarks, and budgets submitted to corporation for approval by the two zone LDCs.	All actions that come before board require a unanimous decision of those board members entitled to vote on the measure. Not all directors are entitled to vote on every issue. Upper Manhattan directors are not entitled to vote on matters affecting only the South Bronx and vice versa.
Zone Level Governance		Upper Manhattan Empowerment Zone Development Corporation and Bronx Overall Economic Development Corporation	
Composition		<p>Each LDC has its own board of directors, executive director, and staff.</p> <p>The Upper Manhattan EZ Development Corporation has a 25-member board of directors consisting of 11 at-large members elected from among individuals who are prominent and recognized leaders experienced in the business and philanthropic communities, 4 community board members elected from among individuals who are members of the Community Boards of Manhattan Community Districts 9, 10, 11, and 12, and 10 board members are elected from among individuals who live or work in the designated zone area.</p> <p>The South Bronx RFP Steering Committee is composed of 7 members including 4 representatives from the Community Action Committees, 1 representative from Community Board No. 3, 1 representative from the Bronx</p>	

<i>City</i>	<i>Advisory Body</i>	<i>Decisionmaking Body</i>	<i>Other</i>
Composition (cont.)		Overall Economic Development Corporation, and 1 representative from the Bronx Borough President's Office.	
Responsibilities		Prepare a set of specific initiatives to be submitted to the NYEZC for approval each year; implement approved initiatives (select vendors for specific projects and negotiate contracts with vendors), monitor vendors' work performance	
Philadelphia/Camden		Bi-State Governing Board	
Composition		Includes community representatives of each of the four EZ areas, government officials, and institutional and foundation representatives. A majority of the board seats are held by community representatives.	
Selection of members		The mayors of Philadelphia and Camden appoint all but the community representatives and the two mayors jointly appoint the chairman.	
Responsibilities		Oversee the evolution of the broad, strategic principles of the EZ plan as well as to develop Bi-State partnerships as needed. The board will also oversee the programmatic and financial aspects of the EZ initiative.	
Zone Level Governance-- Philadelphia		Community Trust Boards	
Composition		The CTBs are an outgrowth of the Action Groups that formulated the strategic plans in each of the 3 Philadelphia EZ neighborhood areas. Each board consists of about 20-25 members and composition and selection varies across the three areas.	
Selection		Varies by area but includes a combination of elected and appointed members. Composition of the West Philadelphia CTB consists of 21	



<i>City</i>	<i>Advisory Body</i>	<i>Decisionmaking Body</i>	<i>Other</i>
		<p>members, 8 of whom are elected at-large from the neighborhood area, 5 who are appointed by the task forces, and 8 who are appointed by the mayor. The mayor appoints the chair. In the event that the CTB membership does not reflect the diversity of the community the mayor may add members to make the boards more representative.</p>	
<p>Responsibilities</p>		<p>The primary responsibility of the CTBs is to oversee the integration of the programmatic content of the strategic plan with community assets (public and private) and new resources made available through the EZ initiative. The CTBs oversee the specification of the benchmarks for EZ-funded activities in their neighborhood and also oversee the issuance of RFPs for vendor services and products.</p>	<p>The mayor's office has established a Provider Selection Panel to provide the comptroller and counsel functions in the RFP process. This panel consists of one-third residents of the EZ areas, one-third technical personnel, and one-third mayoral appointees. In addition, the Philadelphia component of the strategic plan calls for technical assistance and training for members of the CTBs to be financed by the city and private foundations.</p>
<p>Zone Level Governance- Camden</p>		<p>Camden Empowerment Zone Commission</p>	
<p>Composition</p>		<p>The board consists of 25 voting members and 11 non-voting ex officio members from government. These ex-officio members include the mayor, representatives from the Camden Board of Education, the State of New Jersey, the Camden City Council, various city departments and agencies. The 25 voting members include 12 block captains, 4 members from religious organizations, and 9 from institutional employers including medical centers and the educational/university community.</p>	
<p>Selection of members  Selection of Members (cont.)</p>		<p>The 12 block captains are chosen from and by block captains in the Camden EZ designated area. The religious and institutional representatives are nominated from their designated groups and formally appointed by the mayor with approval by the city council.</p>	

<i>City</i>	<i>Advisory Body</i>	<i>Decisionmaking Body</i>	<i>Other</i>
Responsibilities		Management of state and federal funds and approval of all benchmarks and associated RFPs.	
<i>Supplemental Empowerment Zones</i>			
Cleveland	Citizen Advisory Group		
Composition	Consists of 18 "community partners" including: civic leaders, business owners and neighborhood residents.		1 contiguous zone with 4 distinct areas Form of government: mayor-council City Council: 21 members elected by wards
Selection of members	Appointed by the mayor		
Responsibilities	Recommends to the city council which programs to implement and how funding is spent. The group is also responsible for monitoring the implementation of the strategic plan.	The city council makes all funding decisions.	
Los Angeles	Supplemental Empowerment Zone Oversight Committee	Los Angeles Community Development Bank	
Composition	12 members	15 members	3 non-contiguous zones Form of government: weak mayor-council City Council: 15 members elected by district
Selection of members	6 members appointed by City Council members representing the EZ; 4 members appointed by the mayor; 2 members appointed by County Board of Supervisors representing the EZ. At least half of the members must be residents of the zone area and all 12 members must be zone stakeholders (e.g., live, work, own property, do business in, or provide services to residents in the zone)	6 members appointed by mayor and confirmed by City Council; 1 director (must be a zone resident and will serve as the initial chair of the SEZOC) appointed by the County Board of Supervisors; 4 directors appointed by the Community Development Bank's initial incorporators and 4 directors appointed by a group consisting of the presidents of 3 universities.	Each council member whose district is in the zone will establish a task force to coordinate Zone-related activities.
Selection of Members (cont.)			

<i>City</i>	<i>Advisory Body</i>	<i>Decisionmaking Body</i>	<i>Other</i>
Responsibilities	Update the strategic plan as appropriate; ensure maximum community input in establishing and monitoring benchmarks; make recommendations for use of surplus miscellaneous revenue from the CDB; review waiver requests and assist in grant seeking; provide community feedback to CDB; review and recommend actions on city and county actions related to EZ activities	Provide financial assistance to businesses seeking to invest in the SEZ	City and County will provide staff support for Zone activities.
<b><i>Enhanced Enterprise Communities</i></b>			
Boston	Community Advisory Board	Boston Empowerment Center Board	
Composition	61 members: 39 citizen members with voting authority; 22 elected and appointed officials who serve in an ex officio capacity without voting authority	19 members: 7 members from the city of Boston, 2 members of the business community, 10 community representatives	1 contiguous zone with 5 distinct areas Form of government: mayor-council City Council: 13 members; 9 elected by district and 4 elected at-large
Selection of members	Appointed by mayor	Mayor appoints 7 city representatives and 2 private sector representatives; CAB selects 10 community representatives	
Responsibilities	Determine policy and goals for Boston's Enhanced Enterprise Community	Approves all lending, investment and grant decisions. City has veto authority on all board funding decisions.	
Oakland	Policy Board		
Composition	21 members: 12 residents of designated area and 9 members selected by the City Council		3 non-contiguous zone areas Form of government: weak mayor-council City Council: 9 members; 7 elected by district and 2 elected at-large
Selection of members	9 are appointed by the City Council; 12 are selected from the designated zone areas (4 from each area)		
Responsibilities	Oversees and sets policy for the Community Building Team program and provides	City Council has formal authority for implementing Oakland's Enhanced Enterprise	

<i>City</i>	<i>Advisory Body</i>	<i>Decisionmaking Body</i>	<i>Other</i>
	recommendations to City Council on EDI/Sec. 108 projects	Community program	
<i>Enterprise Communities</i>			
Charlotte	Advisory Committee	Neighborhood Empowerment Centers (n=3)	
Composition:	Under discussion	<p>Three non-profit organizations will oversee the creation of Empowerment Centers in each neighborhood cluster. Each organization will be controlled by its own board.</p> <p>The Northwest Board has 13 members (8 citizen members including one member from each of six neighborhoods in the cluster and 2 youth representatives; 5 members drawn from the banking, education, business, and community development organizations).</p> <p>The West Board has 13 members (7 citizen members from the cluster area and 6 at-large members with expertise in community organizing, finance, and strategic planning).</p> <p>The Northeast Board has 17 members (11 seats are reserved for citizens and 6 seats are for businesses and community-based organizations).</p>	<p>3 non-contiguous areas</p> <p>Form of government: council-manager</p> <p>City Council: 11 members; 7 elected by district, 4 elected at-large</p>
Selection of members:		Steering committees of local residents developed the initial proposals for board composition including the number of board members, the process of selecting board members, and restrictions on each board seat. These proposals were then discussed at public meetings in each neighborhood cluster and approved by those in attendance.	
Responsibilities	Facilitate communication and coordination among the three Empowerment Centers	Responsible for designing, organizing and implementing their own EZ activities. Each center has chosen to focus on the	The City of Charlotte has assigned responsibility for management of the EC initiative to the Office of Neighborhoods. Two

<i>City</i>	<i>Advisory Body</i>	<i>Decisionmaking Body</i>	<i>Other</i>
Responsibilities (cont.)		development and operation of a full service center to offer job training, job placement, and assistance for business development and expansion.	full-time staff from that department work with the community boards to help them achieve their goals.
Dallas	EC Citizens Advisory Group		
Composition	7 members: includes representation from each of three strategic planning committees		3 non-contiguous areas Form of government: council-manager City Council: 15 members; 14 elected by district and 1 (mayor) elected at-large
Selection of members	Members are appointed by the City Councilmembers whose districts comprise the EC area		
Responsibilities	Meet quarterly and on an as-needed basis to advise on final program design and implementation of EC initiative		
East St. Louis	EC Steering Committee	CDBG Operations Corporation	
Composition	Includes representatives from each of 7 task forces as well as representatives from public agencies and nonprofit organizations	5 members: city manager, one city council member, and three residents	1 contiguous zone (entire city) Form of government: council-manager City Council: 4 members elected at-large
Selection of members	Open-door policy/self-selected	nominated by City Council	
Responsibilities	Oversees RFP process; monitors spending of public monies	Administers CDBG funding	
Louisville	Community Board	Executive Committee	
Composition	130 members -- 55-65 attend meetings regularly -- from neighborhood boards and association; community residents.	12 person executive committee drawn from Community Board members. The Executive Committee meets monthly.	3 non-contiguous areas encompassing parts or all of 10 neighborhoods Form of government: strong mayor-council City Council: 12 members nominated by wards and elected at-large
Selection of members	Invited by city staff; self-inviting	Members serve either 2- or 3-year term. New	

<i>City</i>	<i>Advisory Body</i>	<i>Decisionmaking Body</i>	<i>Other</i>
		members must have been part of the original Community Board	
<b>Responsibilities</b>	Determined designated zone; major involvement in strategy process. Community Board meets several times a year.	Oversee the implementation of the EC plan	
<b>Minneapolis</b>	<b>Designated Neighborhood Organizations</b>	<b>NRP Policy Board</b>	
<b>Composition</b>	Each neighborhood designates a specific organization to "contract" with the city to provide specific community participation services. These agreements require the participating organization to create a neighborhood steering committee that extends beyond the organization's membership.	No specific governance structure has been developed for EC projects. Discussion is underway concerning the integration of the EC initiative with the Neighborhood Revitalization Program Policy Board. The latter consists of elected officials from the library, school, and park systems, Hennepin County, the city of Minneapolis, and the state legislature; representatives of community based organizations and nonprofit service agencies; and community representatives.	3 non-contiguous zones encompassing 5 neighborhoods  Form of government: weak mayor-council  City Council: 13 members elected by wards
<b>Selection of members</b>	Each neighborhood designates its own organization and steering committee to coordinate planning and participation activities.		
<b>Responsibilities</b>	Each participating neighborhood organization is responsible for developing its own Neighborhood Action Plan. This plan must be ratified at a general meeting of neighborhood residents. Projects included in that plan can be submitted to the NRP Policy Board for funding consideration.	The City Council stipulated that 2/3 of EC funds be applied to projects developed through the NRP process; the remaining EC funds were earmarked for projects determined by the mayor and the city council. The rationale for the latter is that the mayor-council designated projects would serve the entire zone, rather than a specific neighborhood.	
<b>Phoenix</b>	<b>EC Steering Committee</b>		
<b>Composition</b>	25 members drawn from residents and businesses of area neighborhoods; representatives of various boards and commissions		1 contiguous zone area Form of government: council-manager City Council: 8 members elected by district
<b>Selection of members</b>	Members are appointed by the mayor and the city council. A majority of members must be		

<i>City</i>	<i>Advisory Body</i>	<i>Decisionmaking Body</i>	<i>Other</i>
	appointed from those who participated in EZ/EC Steering Committee and focus groups during preparation of the strategic plan.		
<b>Responsibilities</b>	A special monitoring committee will be appointed to oversee annual progress on implementation of the EC initiative.	City council will approve all funding decisions and contract awards.	A city staff oversight team will administer programs, coordinate activities and work with other implementing agencies.
<b>San Francisco</b>	<b>Neighborhood Planning Bodies</b>	<b>SF Enterprise Community Board</b>	
<b>Composition</b>	Six NPBs, one for each neighborhood. Size and composition vary by neighborhood. In some neighborhoods the NPBs are new entities, in others the functions of the NPBs have been assumed by existing organizations or task forces	25 members: 18 elected neighborhood representatives (3 from each of six neighborhoods) and 7 appointed members representing private funders, city departments, the mayor's office, and the Board of Supervisors.	3 non-contiguous areas Form of government: consolidated city and county government; mayor-council Board of Supervisors: 11 members elected at-large
<b>Selection of members</b>	Procedures vary by neighborhood. Two neighborhoods filled their board slots by neighborhood elections	Representatives of each neighborhood must include a merchant, a community-based organization representative, and a resident	
<b>Responsibilities</b>	Develop and refine neighborhood strategic plans, establish benchmarks and timetables for implementing projects, prioritize proposed projects, make funding and implementation recommendations to ECB, monitor and measure progress toward meeting benchmarks, and develop a "sustainable neighborhood organizing entity"	Makes final policy and program funding decisions. The mayor, the Board of Supervisors, and the State must all also approve funding proposals.	The Enterprise Community Working Group, functions as staff support to both the ECB and the NPBs. It makes recommendations to both entities based on reviews of project proposals, provides technical assistance for planning, identifies projects across neighborhoods, and identifies opportunities for leveraging other funds
<b>Tacoma</b>		<b>Tacoma Empowerment Consortium</b>	
<b>Composition</b>		A nonprofit organization with a 25-member board of directors comprised of representatives of public agencies, nonprofit community-based organizations, civic organizations, private businesses, and a community resident of the EC area.	3 non-contiguous zones comprising 4 areas: Form of government: council-manager City Council: 9 members; 5 elected by district and 4, including the mayor, elected at-large
<b>Selection of members</b> <b>Selection of members (cont.)</b>		The original group formed after the initial meeting with the city planning office who had invited community, business and public organizations to gather and talk about applying	

<i>City</i>	<i>Advisory Body</i>	<i>Decisionmaking Body</i>	<i>Other</i>
		for EC designation. When everyone decided to continue working on the project, even as the application was pending, the group incorporated and called themselves the Tacoma Enterprise Consortium. New members join by self-selection and are nominated by others on the board.	
<b>Responsibilities</b>		The TEC has sole responsibility for overseeing how the EC funds are spent.	TEC contracts with a private consulting firm for staff services



## Appendix II

**Measures of Distress in Empowerment Zone/Enterprise Communities and Surrounding Areas**

<b>Atlanta</b>	<b>MSA/PMSA</b>	<b>EZ/EC</b>	<b>ELIGIBLE TRACTS</b>
(Number of Tracts)	482	23	105
Below Poverty	279507.0	24561.0	121222.0
<b>Total</b>	<b>2784333.0</b>	<b>44929.0</b>	<b>357453.0</b>
% Below Poverty	10.0	54.7	33.9
Not In Labor Force	588563.0	18956.0	113227.0
<b>Total</b>	<b>2177063.0</b>	<b>36974.0</b>	<b>279887.0</b>
% Not In Labor Force	27.0	51.3	40.5
High School or Higher Education	1427252.0	11465.0	122329.0
<b>Total</b>	<b>1794768.0</b>	<b>26600.0</b>	<b>215291.0</b>
% High School or Higher Education	79.5	43.1	56.8
Not in School, Not Employed (Hangout)	4804.0	157.0	1135.0
<b>Total</b>	<b>160218.0</b>	<b>4922.0</b>	<b>28415.0</b>
% Hangout	3.0	3.2	4.0
Female Headed Household with Children	76707.0	4433.0	25074.0
<b>Total</b>	<b>1056929.0</b>	<b>18006.0</b>	<b>132774.0</b>
% Female Headed Household with Children	7.3	24.6	18.9
Professional or Managerial Workers	985520.0	5403.0	65594.0
<b>Total</b>	<b>1501092.0</b>	<b>14811.0</b>	<b>146500.0</b>
% Professional or Managerial Workers	65.7	36.5	44.8

<b>Baltimore</b>	<b>MSA/PMSA</b>	<b>EZ/EC</b>	<b>ELIGIBLE TRACTS</b>
(Number of Tracts)	588	25	107
Below Poverty	233498.0	29825.0	118981.0
<b>Total</b>	<b>2320359.0</b>	<b>71329.0</b>	<b>334884.0</b>
% Below Poverty	10.1	41.8	35.5
Not In Labor Force	587892.0	25612.0	113165.0
<b>Total</b>	<b>1864506.0</b>	<b>52864.0</b>	<b>258384.0</b>
% Not In Labor Force	31.5	48.4	43.8
High School or Higher Education	1168123.0	19620.0	106176.0
<b>Total</b>	<b>1563810.0</b>	<b>42937.0</b>	<b>205547.0</b>
% High School or Higher Education	74.7	45.7	51.7
Not in School, Not Employed (Hangout)	3784.0	381.0	1202.0
<b>Total</b>	<b>120237.0</b>	<b>3953.0</b>	<b>21475.0</b>
% Hangout	3.1	9.6	5.6
Female Headed Household with Children	66415.0	5716.0	24481.0
<b>Total</b>	<b>879968.0</b>	<b>25406.0</b>	<b>122942.0</b>
% Female Headed Household with Children	7.5	22.5	19.9
Professional or Managerial Workers	768481.0	10202.0	61412.0
<b>Total</b>	<b>1192182.0</b>	<b>23078.0</b>	<b>125873.0</b>
% Professional or Managerial Workers	64.5	44.2	48.8

NOTE:

% Below Poverty: Percent of persons below the federal poverty level;

% Not in Labor Force: Percent of persons 16 years of age and over who were not in the labor force;

% High School or Higher Education: Percent of persons 25 years of age and over with high school or higher education;

% Hangouts (age 16-19): Percent of persons 16 to 19 years of age not employed and not in school;

% Female Headed Households w/ Children: Percent of households with female householder and with own children under 18 years of age;

% Professional/Managerial Works: Percent of employed persons 16 years of age and over with professional and managerial specialty occupations.

DATA SOURCE: Nelson A. Rockefeller Institute of Government, Urban Study Group, Analysis of 1990 Census (STF3A).

Measures of Distress in Empowerment Zone/Enterprise Communities and Surrounding Areas

Boston	MSA/PMSA	EZ/EC	ELIGIBLE TRACTS
(Number of Tracts)	1106	28	171
Below Poverty	415230.0	20311.0	156025.0
Total	4840395.0	56765.0	539651.0
% Below Poverty	8.6	35.8	28.9
Not In Labor Force	1256977.0	18861.0	180126.0
Total	4002845.0	41703.0	443247.0
% Not In Labor Force	31.4	45.2	40.6
High School or Higher Education	2643005.0	18741.0	196109.0
Total	3298274.0	32884.0	323669.0
% High School or Higher Education	80.1	57.0	60.6
Not In School, Not Employed (Hangout)	8483.0	127.0	1634.0
Total	276647.0	3677.0	43546.0
% Hangout	3.1	3.5	3.8
Female Headed Household with Children	109430.0	4781.0	31828.0
Total	1857409.0	21028.0	210331.0
% Female Headed Household with Children	5.9	22.7	15.1
Professional or Managerial Workers	1682517.0	10103.0	121845.0
Total	2548077.0	19113.0	229608.0
% Professional or Managerial Workers	66.0	52.9	53.1

Charlotte	MSA/PMSA	EZ/EC	ELIGIBLE TRACTS
(Number of Tracts)	264	18	43
Below Poverty	109098.0	17328.0	33796.0
Total	1136552.0	48126.0	111449.0
% Below Poverty	9.6	36.0	30.3
Not In Labor Force	265510.0	14250.0	34900.0
Total	906219.0	35918.0	91438.0
% Not In Labor Force	29.3	39.7	38.2
High School or Higher Education	541603.0	14309.0	36810.0
Total	747542.0	28167.0	67231.0
% High School or Higher Education	72.5	50.8	54.8
Not in School, Not Employed (Hangout)	2065.0	161.0	352.0
Total	68807.0	3567.0	10930.0
% Hangout	3.0	4.5	3.2
Female Headed Household with Children	27474.0	3705.0	6606.0
Total	440458.0	17506.0	41360.0
% Female Headed Household with Children	6.2	21.2	16.0
Professional or Managerial Workers	341282.0	6056.0	19636.0
Total	613891.0	19586.0	51836.0
% Professional or Managerial Workers	55.6	30.9	37.9

NOTE:

% Below Poverty: Percent of persons below the federal poverty level;

% Not in Labor Force: Percent of persons 16 years of age and over who were not in the labor force;

% High School or Higher Education: Percent of persons 25 years of age and over with high school or higher education;

% Hangouts (age 16-19): Percent of persons 16 to 19 years of age not employed and not in school;

% Female Headed Households w/ Children: Percent of households with female householder and with own children under 18 years of age;

% Professional/Managerial Works: Percent of employed persons 16 years of age and over with professional and managerial specialty occupations.

DATA SOURCE: Nelson A. Rockefeller Institute of Government, Urban Study Group, Analysis of 1990 Census (STF3A).

**Measures of Distress in Empowerment Zone/Enterprise Communities and Surrounding Areas**

<b>Chicago</b>	<b>MSA/PMSA</b>	<b>EZ/EC</b>	<b>ELIGIBLE TRACTS</b>
(Number of Tracts)	1495	96	440
Below Poverty	740545.0	96980.0	455069.0
<b>Total</b>	<b>5976800.0</b>	<b>197524.0</b>	<b>1247080.0</b>
% Below Poverty	12.4	49.1	36.5
Not In Labor Force	1517796.0	66727.0	383599.0
<b>Total</b>	<b>4694066.0</b>	<b>133539.0</b>	<b>903860.0</b>
% Not In Labor Force	32.3	50.0	42.4
High School or Higher Education	2958404.0	45062.0	379761.0
<b>Total</b>	<b>3909037.0</b>	<b>102310.0</b>	<b>697945.0</b>
% High School or Higher Education	75.7	44.0	54.4
Not in School, Not Employed (Hangout)	12319.0	1038.0	5821.0
<b>Total</b>	<b>330951.0</b>	<b>14779.0</b>	<b>93173.0</b>
% Hangout	3.7	7.0	6.2
Female Headed Household with Children	159757.0	15962.0	80813.0
<b>Total</b>	<b>2217399.0</b>	<b>62257.0</b>	<b>411246.0</b>
% Female Headed Household with Children	7.2	25.6	19.7
Professional or Managerial Workers	1883466.0	19615.0	203245.0
<b>Total</b>	<b>2943430.0</b>	<b>50253.0</b>	<b>425678.0</b>
% Professional or Managerial Workers	64.0	39.0	47.7

<b>Cleveland</b>	<b>MSA/PMSA</b>	<b>EZ/EC</b>	<b>ELIGIBLE TRACTS</b>
(Number of Tracts)	624	32	176
Below Poverty	212730.0	23260.0	136309.0
<b>Total</b>	<b>1803057.0</b>	<b>49649.0</b>	<b>368956.0</b>
% Below Poverty	11.8	46.8	36.9
Not In Labor Force	526628.0	21388.0	129898.0
<b>Total</b>	<b>1428391.0</b>	<b>37690.0</b>	<b>276065.0</b>
% Not In Labor Force	36.9	56.7	47.1
High School or Higher Education	919497.0	14883.0	121730.0
<b>Total</b>	<b>1214524.0</b>	<b>31573.0</b>	<b>224080.0</b>
% High School or Higher Education	75.7	47.1	54.3
Not in School, Not Employed (Hangout)	2921.0	171.0	1427.0
<b>Total</b>	<b>95714.0</b>	<b>2886.0</b>	<b>23012.0</b>
% Hangout	3.1	5.9	6.2
Female Headed Household with Children	50900.0	3708.0	26441.0
<b>Total</b>	<b>712647.0</b>	<b>19449.0</b>	<b>144847.0</b>
% Female Headed Household with Children	7.1	19.1	18.3
Professional or Managerial Workers	516194.0	5254.0	54258.0
<b>Total</b>	<b>839049.0</b>	<b>12121.0</b>	<b>120316.0</b>
% Professional or Managerial Workers	61.5	43.3	45.1

**NOTE:**

- % Below Poverty: Percent of persons below the federal poverty level;
- % Not in Labor Force: Percent of persons 16 years of age and over who were not in the labor force;
- % High School or Higher Education: Percent of persons 25 years of age and over with high school or higher education;
- % Hangouts (age 16-19): Percent of persons 16 to 19 years of age not employed and not in school;
- % Female Headed Households w/ Children: Percent of households with female householder and with own children under 18 years of age;
- % Professional/Managerial Works: Percent of employed persons 16 years of age and over with professional and managerial specialty occupations.

DATA SOURCE: Nelson A. Rockefeller Institute of Government, Urban Study Group, Analysis of 1990 Census (STF3A).

Measures of Distress in Empowerment Zone/Enterprise Communities and Surrounding Areas

Dallas	MSA/PMSA	EZ/EC	ELIGIBLE TRACTS
(Number of Tracts)	548	31	119
Below Poverty	302619.0	40137.0	140808.0
Total	2512265.0	93061.0	421060.0
% Below Poverty	12.0	43.1	33.4
Not In Labor Force	507254.0	25627.0	111866.0
Total	1928706.0	68774.0	318841.0
% Not In Labor Force	26.3	37.3	35.1
High School or Higher Education	1251953.0	24947.0	129326.0
Total	1584908.0	54563.0	243515.0
% High School or Higher Education	79.0	45.7	53.1
Not in School, Not Employed (Hangout)	4793.0	351.0	1572.0
Total	141154.0	5546.0	29674.0
% Hangout	3.4	6.3	5.3
Female Headed Household with Children	62805.0	4311.0	17700.0
Total	956720.0	32377.0	146157.0
% Female Headed Household with Children	6.6	13.3	12.1
Professional or Managerial Workers	873583.0	12825.0	75065.0
Total	1336984.0	36967.0	182247.0
% Professional or Managerial Workers	65.3	34.7	41.2

Detroit	MSA/PMSA	EZ/EC	ELIGIBLE TRACTS
(Number of Tracts)	1148	48	304
Below Poverty	540337.0	47546.0	355563.0
Total	4123851.0	99280.0	942126.0
% Below Poverty	13.1	47.9	37.7
Not In Labor Force	1144313.0	43661.0	329739.0
Total	3209826.0	77266.0	692018.0
% Not In Labor Force	35.7	56.5	47.6
High School or Higher Education	2027114.0	31190.0	317469.0
Total	2677752.0	63609.0	550938.0
% High School or Higher Education	75.7	49.0	57.6
Not in School, Not Employed (Hangout)	10507.0	520.0	5195.0
Total	238401.0	6207.0	65542.0
% Hangout	4.4	8.4	7.9
Female Headed Household with Children	133479.0	7081.0	73906.0
Total	1548409.0	39531.0	345558.0
% Female Headed Household with Children	8.6	17.9	21.4
Professional or Managerial Workers	1116974.0	10907.0	126469.0
Total	1879287.0	23826.0	280140.0
% Professional or Managerial Workers	59.4	45.8	45.1

NOTE:

- % Below Poverty: Percent of persons below the federal poverty level;
- % Not in Labor Force: Percent of persons 16 years of age and over who were not in the labor force;
- % High School or Higher Education: Percent of persons 25 years of age and over with high school or higher education;
- % Hangouts (age 16-19): Percent of persons 16 to 19 years of age not employed and not in school;
- % Female Headed Households w/ Children: Percent of households with female householder and with own children under 18 years of age;
- % Professional/Managerial Works: Percent of employed persons 16 years of age and over with professional and managerial specialty occupations.

DATA SOURCE: Nelson A. Rockefeller Institute of Government, Urban Study Group, Analysis of 1990 Census (STF3A).

**Measures of Distress in Empowerment Zone/Enterprise Communities and Surrounding Areas**

<b>East St.Louis</b>	<b>MSA/PMSA</b>	<b>EZ/EC</b>	<b>ELIGIBLE TRACTS</b>
(Number of Tracts)	460	13	110
Below Poverty	257899.0	18279.0	129545.0
Total	2398206.0	41533.0	368397.0
% Below Poverty	10.8	44.0	35.2
Not In Labor Force	625830.0	14727.0	119196.0
Total	1869051.0	29454.0	276168.0
% Not In Labor Force	33.5	50.0	43.2
High School or Higher Education	1196742.0	12451.0	130574.0
Total	1574044.0	22473.0	220695.0
% High School or Higher Education	76.0	55.4	59.2
Not in School, Not Employed (Hangout)	4738.0	243.0	1511.0
Total	131680.0	3682.0	24491.0
% Hangout	3.6	6.6	6.2
Female Headed Household with Children	64604.0	3060.0	24834.0
Total	923639.0	13342.0	140526.0
% Female Headed Household with Children	7.0	22.9	17.7
Professional or Managerial Workers	710915.0	5039.0	67796.0
Total	1154922.0	10997.0	131841.0
% Professional or Managerial Workers	61.6	45.8	51.4

<b>Los Angeles</b>	<b>MSA/PMSA</b>	<b>EZ/EC</b>	<b>ELIGIBLE TRACTS</b>
(Number of Tracts)	1652	41	422
Below Poverty	1308255.0	81264.0	733801.0
Total	8682078.0	201957.0	2452704.0
% Below Poverty	15.1	40.2	29.9
Not In Labor Force	2221532.0	68842.0	667698.0
Total	6778922.0	142554.0	1780693.0
% Not In Labor Force	32.8	48.3	37.5
High School or Higher Education	3838409.0	40966.0	594853.0
Total	5481222.0	106686.0	1323496.0
% High School or Higher Education	70.0	38.4	44.9
Not in School, Not Employed (Hangout)	18491.0	770.0	9116.0
Total	513217.0	15022.0	178695.0
% Hangout	3.6	5.1	5.1
Female Headed Household with Children	204104.0	9605.0	84812.0
Total	2994343.0	52422.0	701877.0
% Female Headed Household with Children	6.8	18.3	12.1
Professional or Managerial Workers	2518020.0	19147.0	375021.0
Total	4203792.0	60101.0	975009.0
% Professional or Managerial Workers	59.9	31.9	38.5

**NOTE:**

% Below Poverty: Percent of persons below the federal poverty level;

% Not in Labor Force: Percent of persons 16 years of age and over who were not in the labor force;

% High School or Higher Education: Percent of persons 25 years of age and over with high school or higher education;

% Hangouts (age 16-19): Percent of persons 16 to 19 years of age not employed and not in school;

% Female Headed Households w/ Children: Percent of households with female householder and with own children under 18 years of age;

% Professional/Managerial Works: Percent of employed persons 16 years of age and over with professional and managerial specialty occupations.

DATA SOURCE: Nelson A. Rockefeller Institute of Government, Urban Study Group, Analysis of 1990 Census (STF3A).

Measures of Distress in Empowerment Zone/Enterprise Communities and Surrounding Areas

Louisville	MSA/PMSA	EZ/EC	ELIGIBLE TRACTS
(Number of Tracts)	250	18	57
Below Poverty	118664.0	23800.0	58401.0
Total	935289.0	47921.0	162743.0
% Below Poverty	12.7	49.7	35.9
Not In Labor Force	255275.0	17827.0	55775.0
Total	739197.0	34548.0	126229.0
% Not In Labor Force	34.5	51.6	44.2
High School or Higher Education	457526.0	13047.0	57190.0
Total	622316.0	28274.0	102755.0
% High School or Higher Education	73.5	46.1	55.7
Not in School, Not Employed (Hangout)	2071.0	193.0	694.0
Total	54334.0	3165.0	10531.0
% Hangout	3.8	6.1	6.6
Female Headed Household with Children	27382.0	4287.0	11058.0
Total	367421.0	18376.0	67890.0
% Female Headed Household with Children	7.5	23.3	16.3
Professional or Managerial Workers	259279.0	4538.0	25957.0
Total	453936.0	13749.0	61922.0
% Professional or Managerial Workers	57.1	33.0	41.9

Minneapolis	MSA/PMSA	EZ/EC	ELIGIBLE TRACTS
(Number of Tracts)	643	23	91
Below Poverty	194983.0	21991.0	76330.0
Total	2414850.0	47169.0	222095.0
% Below Poverty	8.1	46.6	34.4
Not In Labor Force	481510.0	15952.0	66345.0
Total	1876895.0	34964.0	179303.0
% Not In Labor Force	25.7	45.6	37.0
High School or Higher Education	1368564.0	18762.0	98403.0
Total	1570091.0	28308.0	134812.0
% High School or Higher Education	87.2	66.3	73.0
Not in School, Not Employed (Hangout)	2823.0	101.0	554.0
Total	123644.0	2583.0	14481.0
% Hangout	2.3	3.9	3.8
Female Headed Household with Children	54976.0	3491.0	12122.0
Total	935760.0	18836.0	95387.0
% Female Headed Household with Children	5.9	18.5	12.7
Professional or Managerial Workers	864562.0	8236.0	56419.0
Total	1329371.0	16318.0	101075.0
% Professional or Managerial Workers	65.0	50.5	55.8

NOTE:

- % Below Poverty: Percent of persons below the federal poverty level;
- % Not in Labor Force: Percent of persons 16 years of age and over who were not in the labor force;
- % High School or Higher Education: Percent of persons 25 years of age and over with high school or higher education;
- % Hangouts (age 16-19): Percent of persons 16 to 19 years of age not employed and not in school;
- % Female Headed Households w/ Children: Percent of households with female householder and with own children under 18 years of age;
- % Professional/Managerial Works: Percent of employed persons 16 years of age and over with professional and managerial specialty occupations.

DATA SOURCE: Nelson A. Rockefeller Institute of Government, Urban Study Group, Analysis of 1990 Census (STF3A).

**Measures of Distress in Empowerment Zone/Enterprise Communities and Surrounding Areas**

<b>New York</b>	<b>MSA/PMSA</b>	<b>EZ/EC</b>	<b>ELIGIBLE TRACTS</b>
(Number of Tracts)	2497	62	754
Below Poverty	1462735.0	84065.0	984247.0
<b>Total</b>	<b>8373169.0</b>	<b>197143.0</b>	<b>2777479.0</b>
% Below Poverty	17.5	42.6	35.4
Not In Labor Force	2548653.0	71655.0	932943.0
<b>Total</b>	<b>6792315.0</b>	<b>146049.0</b>	<b>2060081.0</b>
% Not In Labor Force	37.5	49.1	45.3
High School or Higher Education	4015622.0	55557.0	867217.0
<b>Total</b>	<b>5713416.0</b>	<b>117595.0</b>	<b>1647967.0</b>
% High School or Higher Education	70.3	47.2	52.6
Not in School, Not Employed (Hangout)	14919.0	408.0	8290.0
<b>Total</b>	<b>434941.0</b>	<b>11837.0</b>	<b>177718.0</b>
% Hangout	3.4	3.6	4.7
Female Headed Household with Children	288247.0	14668.0	186802.0
<b>Total</b>	<b>3248805.0</b>	<b>71652.0</b>	<b>956029.0</b>
% Female Headed Household with Children	8.9	20.5	19.5
Professional or Managerial Workers	2544893.0	29198.0	493008.0
<b>Total</b>	<b>3884751.0</b>	<b>61308.0</b>	<b>962787.0</b>
% Professional or Managerial Workers	65.5	47.6	51.2

<b>Oakland</b>	<b>MSA/PMSA</b>	<b>EZ/EC</b>	<b>ELIGIBLE TRACTS</b>
(Number of Tracts)	481	16	77
Below Poverty	189878.0	17088.0	79125.0
<b>Total</b>	<b>2035079.0</b>	<b>45543.0</b>	<b>281682.0</b>
% Below Poverty	9.3	37.5	28.1
Not In Labor Force	507649.0	15935.0	93932.0
<b>Total</b>	<b>1627912.0</b>	<b>31447.0</b>	<b>219288.0</b>
% Not In Labor Force	31.2	50.6	42.8
High School or Higher Education	1143343.0	13344.0	107785.0
<b>Total</b>	<b>1371020.0</b>	<b>24850.0</b>	<b>166731.0</b>
% High School or Higher Education	83.4	53.7	64.6
Not in School, Not Employed (Hangout)	2526.0	160.0	844.0
<b>Total</b>	<b>103049.0</b>	<b>2750.0</b>	<b>19747.0</b>
% Hangout	2.5	5.8	4.3
Female Headed Household with Children	52300.0	3254.0	15132.0
<b>Total</b>	<b>781166.0</b>	<b>14725.0</b>	<b>101846.0</b>
% Female Headed Household with Children	6.7	22.1	14.9
Professional or Managerial Workers	702763.0	5282.0	58810.0
<b>Total</b>	<b>1042347.0</b>	<b>12715.0</b>	<b>108623.0</b>
% Professional or Managerial Workers	67.4	41.5	54.1

**NOTE:**

% Below Poverty: Percent of persons below the federal poverty level;

% Not in Labor Force: Percent of persons 16 years of age and over who were not in the labor force;

% High School or Higher Education: Percent of persons 25 years of age and over with high school or higher education;

% Hangouts (age 16-19): Percent of persons 16 to 19 years of age not employed and not in school;

% Female Headed Households w/ Children: Percent of households with female householder and with own children under 18 years of age;

% Professional/Managerial Works: Percent of employed persons 16 years of age and over with professional and managerial specialty occupations.

DATA SOURCE: Nelson A. Rockefeller Institute of Government, Urban Study Group, Analysis of 1990 Census (STF3A).



Measures of Distress in Empowerment Zone/Enterprise Communities and Surrounding Areas

Philadelphia (Number of Tracts)	MSA/PMSA	EZ/EC	ELIGIBLE TRACTS
	1277	18	208
Below Poverty	499917.0	24725.0	275234.0
Total	4793407.0	49314.0	789966.0
% Below Poverty	10.4	50.1	34.8
Not In Labor Force	1345426.0	20885.0	284358.0
Total	3847599.0	37579.0	609724.0
% Not In Labor Force	35.0	55.6	46.6
High School or Higher Education	2439950.0	12578.0	256860.0
Total	3215363.0	29398.0	472852.0
% High School or Higher Education	75.9	42.8	54.3
Not in School, Not Employed (Hangout)	7852.0	242.0	3217.0
Total	265639.0	3261.0	57047.0
% Hangout	3.0	7.4	5.6
Female Headed Household with Children	115410.0	3767.0	49294.0
Total	1798335.0	16572.0	280207.0
% Female Headed Household with Children	6.4	22.7	17.6
Professional or Managerial Workers	1503741.0	5677.0	138872.0
Total	2336860.0	12902.0	274846.0
% Professional or Managerial Workers	64.3	44.0	50.5

Phoenix (Number of Tracts)	MSA/PMSA	EZ/EC	ELIGIBLE TRACTS
	466	20	89
Below Poverty	257359.0	30791.0	115770.0
Total	2087745.0	68180.0	357131.0
% Below Poverty	12.3	45.2	32.4
Not In Labor Force	543797.0	22076.0	104367.0
Total	1623198.0	48421.0	268723.0
% Not In Labor Force	33.5	45.6	38.8
High School or Higher Education	1095840.0	15218.0	116097.0
Total	1344654.0	37532.0	201986.0
% High School or Higher Education	81.5	40.5	57.5
Not in School, Not Employed (Hangout)	4536.0	227.0	1452.0
Total	116738.0	4419.0	26132.0
% Hangout	3.9	5.1	5.6
Female Headed Household with Children	48662.0	2918.0	12840.0
Total	808162.0	20741.0	124465.0
% Female Headed Household with Children	6.0	14.1	10.3
Professional or Managerial Workers	629698.0	6773.0	61132.0
Total	1005925.0	22548.0	146224.0
% Professional or Managerial Workers	62.6	30.0	41.8

NOTE:

% Below Poverty: Percent of persons below the federal poverty level;

% Not in Labor Force: Percent of persons 16 years of age and over who were not in the labor force;

% High School or Higher Education: Percent of persons 25 years of age and over with high school or higher education;

% Hangouts (age 16-19): Percent of persons 16 to 19 years of age not employed and not in school;

% Female Headed Households w/ Children: Percent of households with female householder and with own children under 18 years of age;

% Professional/Managerial Works: Percent of employed persons 16 years of age and over with professional and managerial specialty occupations.

DATA SOURCE: Nelson A. Rockefeller Institute of Government, Urban Study Group, Analysis of 1990 Census (STF3A).

**Measures of Distress in Empowerment Zone/Enterprise Communities and Surrounding Areas**

<b>San Francisco</b>	<b>MSA/PMSA</b>	<b>EZ/EC</b>	<b>ELIGIBLE TRACTS</b>
(Number of Tracts)	361	6	38
Below Poverty	141966.0	10067.0	43549.0
Total	1571548.0	29777.0	170674.0
% Below Poverty	9.0	33.8	25.5
Not In Labor Force	416137.0	8678.0	53807.0
Total	1334400.0	21849.0	140885.0
% Not In Labor Force	31.2	39.7	38.2
High School or Higher Education	951536.0	10261.0	74056.0
Total	1154361.0	17272.0	117827.0
% High School or Higher Education	82.4	59.4	62.9
Not in School, Not Employed (Hangout)	1518.0	109.0	361.0
Total	66749.0	1930.0	8338.0
% Hangout	2.3	5.6	4.3
Female Headed Household with Children	26916.0	1785.0	5547.0
Total	643565.0	9094.0	69008.0
% Female Headed Household with Children	4.2	19.6	8.0
Professional or Managerial Workers	598285.0	4995.0	39004.0
Total	865380.0	11227.0	77675.0
% Professional or Managerial Workers	69.1	44.5	50.2

<b>Tacoma</b>	<b>MSA/PMSA</b>	<b>EZ/EC</b>	<b>ELIGIBLE TRACTS</b>
(Number of Tracts)	114	8	22
Below Poverty	64176.0	8866.0	20479.0
Total	561897.0	19079.0	64359.0
% Below Poverty	11.4	46.5	31.8
Not In Labor Force	148103.0	7802.0	21280.0
Total	441895.0	14408.0	50745.0
% Not In Labor Force	33.5	54.2	41.9
High School or Higher Education	300763.0	7218.0	27397.0
Total	361293.0	11695.0	38215.0
% High School or Higher Education	83.2	61.7	71.7
Not in School, Not Employed (Hangout)	923.0	63.0	200.0
Total	30324.0	1168.0	4293.0
% Hangout	3.0	5.4	4.7
Female Headed Household with Children	15562.0	1189.0	3338.0
Total	214795.0	7289.0	25705.0
% Female Headed Household with Children	7.2	16.3	13.0
Professional or Managerial Workers	140586.0	2277.0	10773.0
Total	252045.0	5350.0	23673.0
% Professional or Managerial Workers	55.8	42.6	45.5

**NOTE:**

% Below Poverty: Percent of persons below the federal poverty level;

% Not in Labor Force: Percent of persons 16 years of age and over who were not in the labor force;

% High School or Higher Education: Percent of persons 25 years of age and over with high school or higher education;

% Hangouts (age 16-19): Percent of persons 16 to 19 years of age not employed and not in school;

% Female Headed Households w/ Children: Percent of households with female householder and with own children under 18 years of age;

% Professional/Managerial Works: Percent of employed persons 16 years of age and over with professional and managerial specialty occupations.

DATA SOURCE: Nelson A. Rockefeller Institute of Government, Urban Study Group, Analysis of 1990 Census (STF3A).



