



Interim Assessment of the Empowerment Zones and Enterprise Communities (EZ/EC) Program: A Progress Report

Appendices

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**Interim Assessment of the
Empowerment Zones and
Enterprise Communities
(EZ/EC) Program:
A Progress Report
Appendices**

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FOREWORD

The Department of Housing and Urban Development (HUD) recently completed an "Interim Assessment of the Empowerment Zones (EZs) and Enterprise Communities (ECs) Program." Congress established this program in the Omnibus Budget Reconciliation Act of 1993. Six urban EZs and 65 urban ECs were designated in December 1994 for a 10-year period. This study reports on progress in all six EZs and 12 of the ECs through approximately the first five years of the program.

Initiated in 1996, the study was not designed to answer definitively the question: "Are EZs and ECs effective in revitalizing distressed urban areas?" Nonetheless, the report measures job growth in the EZs over the period between 1995 and 2000. It also reports information from a two-stage survey of businesses operating in the six EZs, including information on their use of tax incentives. Finally, the report presents information developed by the 18 on-site research teams and annual progress reporting by the grantees on the strategies pursued in the EZs and ECs, on citizen involvement, and on programmatic accomplishments, such as the number of businesses assisted and the number of houses developed.

The report does not reach definitive conclusions as to whether the, EZ/EC program has been effective in reaching its goals, in part because the assessment covers only the first five years of a 10-year program, and in part because the interim findings are mixed in their implications. However, the information presented in this report should be useful to policy makers as they consider the community revitalization policies that will shape the future of America's cities.



Lawrence L. Thompson
General Deputy Assistant Secretary

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Appendix A

Reliability of Employment Estimates from the Dun & Bradstreet Data

APPENDIX A

Reliability of Employment Estimates from the Dun & Bradstreet Data

As explained in Chapter Two, the data source for our analysis of employment growth in the EZ areas, comparison areas, and contiguous areas is the Dun & Bradstreet (D&B) data system. The D&B files are the only available nationwide source of year-to-year establishment-level employment information. This appendix discusses the reliability of the D&B data, with respect to the coverage of establishments in the designated analytic areas (EZ areas, comparison areas, and contiguous areas) and the accuracy of the reported employment information on these establishments.

A.1 Data Adjustments

Prior to our analysis of employment trends during 1990, 1995, and 2000, we undertook a series of data adjustments to the D&B data, as described below.

Establishments with Reported Employment Missing or Zero

Included in the D&B data files were establishments whose number of employees was either missing in the establishment record or was recorded as zero. In our analysis file of establishments in the 615 Census tracts included in the 18 analytic areas, the percentage of establishments with missing or zero-reported employment was 10 percent in 1990, 8 percent in 1995, and 3 percent in 2000.

Conversations with D&B technical staff indicated that zero values were sometimes used by interviewers when they were unable to obtain any information on employment from the survey respondent. The D&B staff also felt that a zero might have been recorded when the establishment was a sole proprietorship.

Based on this information, we considered alternative approaches to imputing the missing or zero values. To inform our choice of imputation method, we made use of data from our Wave 2 establishment survey. Among the establishments with missing or zero-reported employment in the D&B data for 2000 were 24 firms interviewed in the Wave 2 survey. Based on the survey responses, 14 of these had at least 10 employees: 4 with 250 or more, 3 in the range of 50 to 249, and 7 in the range of 10 to 49.¹ The average size was 511; the median value was 21. Clearly, it was inappropriate to assume that such establishments were small.

¹ The largest establishments in this group were two "general and surgical hospitals" (based on their four-digit SIC code), one with 8,000 employees and the other with 3,000 employees.

We adopted the following imputation approach:

- Establishments known to exist in all three years (1990, 1995, and 2000) with missing or zero-reported employment in one year: Assuming an establishment-specific constant annual growth rate computed on the basis of the two available years, we either interpolated the value (for 1995) or extrapolated the value (for 1990 or 2000).
- Establishments known to exist in two of the three years, with available employment information for only one year: For the missing year, the employment value was imputed under the assumption that the establishment's annual growth rate for the period in question equaled that of all other establishments in the same analytic area for the same period.
- Establishments known to exist in only one year, with no employment information available for any year: We assumed that the firm was equal in its number of employees to the average size of establishments in that analytic area and year.

This strategy was adopted as the one least likely to bias the calculation of employment growth rates. Simply treating the missing or zero values as zeros, or deleting such observations entirely from the analysis, would have caused an undercount in total employment. Because the incidence of zero and missing values was higher in the earlier years, the growth rates for 1990-1995 and for 1995-2000 would arguably have been overstated by excluding such establishments altogether from the analysis.

We considered but rejected an alternative approach under which, for the second and third scenarios described above, the imputed value would reflect the average establishment size or growth rate for the corresponding analytic area, time period, *and industry group*. For some areas and years, the number of establishments in any particular industry group was very small. If we had based the imputations on such scant data, we would have risked introducing spurious year-to-year changes in employment.

Establishments Absent from D&B Data But Present in Telephone Directories

The D&B data systems are known to have some incomplete and inconsistent coverage of ongoing establishments and to have some lag in the pick-up of new establishments. This may make it appear that an establishment has newly arrived into an area from one year to another, when the establishment in fact had existed throughout that period at the same location. Similarly, an establishment may appear to have departed from an area, when it in fact had never moved.

Among the 18 analytic areas identified for this study, the data files received from D&B identified large numbers of establishments that had entered into (or exited from) their analytic area between 1990 and 1995. We used local business telephone directories to establish whether such establishments were indeed located in their area in 1990 (for those purported to have arrived between 1990 and 1995) or in 1995 (for those purported to have left between 1990 and 1995). If we found through these "look-ups" that such an establishment was listed in the local business telephone directory, by the same name and at the same address as shown in the D&B data, we created a record for that establishment in the analysis file, imputing its number of employees in the manner indicated above.

Of the 21,575 establishments indicated as arrivals in the 1995 D&B data (i.e., present in 1995 but not in 1990), 4,515 (or 21 percent) were found in the look-ups in fact to have been there in 1990. Similarly, of the 14,063 establishments indicated as departing from the 1995 data (i.e., present in 1990 data, but not in 1995), 719 (or 5 percent) were found in the look-ups to have been there in 1995. Thus, more than 5,200 establishment records were newly created in the data file to correct for this apparent incompleteness in coverage.

Ideally, before proceeding to the analysis of employment trends, one would want to make a consistent set of adjustments in all years. This was infeasible, to some degree, because of the lack of data. Data for 1985 would have been necessary to identify (and add into the 1990 file) those establishments absent from the 1990 data only because they had been mistakenly dropped after 1985. Similarly, and more obviously infeasible, data for 2005 would have been necessary to identify (and add into the 2000 file) those establishments newly arriving in the D&B files in 2005 but in fact already located in the area in 2000.

We were also constrained by the study's schedule and resources from undertaking look-ups in some of the situations where it seemed warranted. First, we were unable to do the look-ups for establishments present in the D&B file for 1995, but absent in 2000. (Lookups on a small sample of such establishments found 10 of 106, or 9 percent, to exist in the telephone directory. This corresponds to the 5 percent rate among those departing from the D&B data between 1990 and 1995.) Second, we were unable to undertake the look-ups for establishments absent in the D&B file for 1995, but present in 2000. (Look-ups on a small sample of these found 20 of 100, or 20 percent, to exist in the telephone directory. This corresponds to the 21 percent rate among those arriving in the D&B data between 1990 and 1995.)

We examined the sensitivity of our findings to the adjustments made in 1990 and 1995 and, with several exceptions noted in Chapter Two, found the basic patterns and conclusions unaffected by our having added establishments in 1990 and 1995 based on the look-ups. One can explain this lack of sensitivity by the fact that the look-ups led to the addition of establishments in all analytical areas—EZ areas, comparison areas, and contiguous areas—thus having very little effect on the differential growth rates.

Establishments With Multiple Records for the Same Year

For each of the three years (1990, 1995, and 2000), the D&B data files contained multiple records for some establishments. Although such records had different identifying (Duns) numbers and different reported information on employment, they contained the same business name (first 5 characters), same address (first 10 characters), same telephone number (10 digits), and same SIC code (4 digits). Such a close match suggested strongly that the multiple records pertained to the very same establishment. The incidence of such duplicates was 7 percent in 1990, 7 percent in 1995, and 2 percent in 2000. (D&B technical staff confirmed the presence of such multiple records, at an incidence in the 2000 data also estimated by D&B at 2 percent.)

When such duplicates were encountered, we retained the record with the higher reported level of employment.

Establishments Incorrectly Geocoded

Each of the establishment records in the D&B files was assigned its corresponding Census tract number, based on the business address. This geocoding process allowed us to aggregate establishments according to the 18 analytic areas (the EZ area, comparison area, and contiguous area in each of the six locations), which together included a total of 615 Census tracts.²

D&B's geocoding process sometimes led to incorrect Census tract assignments. Either the business address may have been mis-entered in the data, or the geocoding software may itself have contained errors. To the extent that these instances had no systematic pattern by year or area, or had not affected large individual establishments, such mis-assignments would not alter the findings.

To test for specific problematic instances of miscoding, we checked and confirmed the addresses and geocoding of very large establishments (those with more than 3,000 employees) that appeared in the D&B files as having newly arrived into or departed from an analytic area in 1995 or 2000. (To do likewise for 1990 would have required the D&B files for 1985, which we had not obtained for this study.) We used business telephone directories to confirm the business address and then used available geocoding software to validate the assigned Census tract.

² We confirmed that all 615 of the Census tracts associated with the analytic areas were indeed represented in the analysis files, to ensure that the source files provided by D&B had not inadvertently excluded some localities.

We did identify one large establishment that was incorrectly assigned into an analytic area. This record was removed from the data prior to analysis.

A.2 Comparison with County Business Patterns Data

As a further check on the accuracy of the employment counts provided by the D&B data, we compared the D&B-reported employment in Baltimore County for 1990 and 1995 with the employment counts provided by the County Business Patterns (CBP) data. The U.S. Census Bureau collects the CBP data. In doing this comparison, we eliminated from the D&B data the employment associated with SIC codes not included in CBP data.³ It was not possible to do this comparison for 2000, as the CBP data for 2000 are not yet available. Nor was it possible to do the comparison specifically for the EZ area in Baltimore (or in any of the other five cities), as the CBP data are not released at the Census tract level.

The comparison showed the D&B data to provide an employment count that was only slightly below that of the CBP data for the corresponding year. The employment count reported by D&B was 2.2 percent lower than CBP in 1990 (303,414 for D&B versus 310,214 for CBP) and 4.4 percent lower than CBP in 1995 (282,299 for D&B versus 294,808 for CBP). The two data sets were also very similar in the measured percentage change in employment from 1990 to 1995. This percentage change was measured at -7.0 percent in the D&B data and -5.0 percent in the CBP data.

These small differences presumably reflected the net effect of several factors noted in Chapter Two. The D&B data tend to undercount employment, relative to CBP, for the following reasons:

- D&B does not include in its universe of establishments those that have no listed telephone number.
- D&B does not draw establishments from some sources used by CBP, including the Business Register, the Economic Census, and Federal tax records.
- D&B asks establishments to report employment on a full-time equivalent basis, while CBP counts full-time and part-time employees equally.
- The D&B employment data analyzed here do not include establishments whose street addresses could not be geocoded to a Census tract within the indicated city and thus were eliminated from the analysis files (affecting an estimated 2 percent of establishments in 2000)

³ These SIC codes (included in the D&B data but not in the CBP data) were for agricultural production (01 and 02) and public administration (91 through 98).

- The D&B analysis files for 1990 and 1995 did not include firms that, at their own request, had been removed from D&B's commercially available listings for both of these years.

Offsetting these factors somewhat is the fact that, unlike CBP, the D&B system includes sole proprietorships and counts unpaid family members as employees.

In general, the comparison with the CBP data for this one jurisdiction indicates that the D&B data provide a reliable indicator of employment changes in designated urban areas.

Appendix B

Selection of Comparison and Contiguous Areas

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Selection of Comparison and Contiguous Areas

The comparison-site design adopted for analyzing employment growth in EZ areas required the selection of a set of Census tracts within each city that might represent the employment trend that one would have observed in the EZ area if it had not received its EZ designation. This set of tracts was called the comparison area. Separately, as described later, a contiguous area was also selected as a secondary comparison area and to assess the potential effects of the EZ program on employment in the immediately adjoining vicinities.

A comparison-site design such as this is a conventional approach—although admittedly a crude one—for measuring the effects of community-wide local initiatives. The available community-level information is limited, with the decennial Census providing demographic information by Census tract. (Information by postal zip code, although available, is not as useful for identifying a reasonable match with the EZ areas, which are defined according to their included Census tracts.) The D&B data for the pre-EZ period provide information on baseline employment patterns.

For each of the six Empowerment Zones under study, a comparison area and a contiguous area were selected based on information from the 1990 Census and from the 1995 D&B data. The selection of these areas was made in consultation with the local research affiliates. The process is described below.

First, each EZ area was profiled with respect to the following parameters:

- Poverty rate: the percentage of the area's Census tracts with a poverty rate of less than 20 percent, 20 to 25 percent, 25 to 35 percent, and 35 percent or higher (1990 Census);¹
- Adult employment rate: the percentage of the adult population that is employed (1990 Census).
- Racial/ethnic composition: the percentage of the area's population that is white and non-Hispanic (1990 Census);
- Income: median household income in the area (1990 Census); and

¹ For an area to qualify for EZ designation, all of its Census tracts must have a poverty rate of 20 percent or higher, at least 90 percent must have a poverty rate of 25 percent or higher, and at least 50 percent must have a poverty rate that is 35 percent or higher.

- Producer-oriented employment: the percentage of the area's employment that is producer-related, versus consumer-related or public sector related (1995 D&B data).

For each EZ area, we then proceeded to identify alternative clusters of non-contiguous and contiguous Census tracts within the same city that would approximate the EZ area's profile. (By "contiguous" tracts, we mean those that are adjacent to one or more of the tracts in the EZ area.) The following Census tracts were then excluded from further consideration:

- those whose value for either the adult employment measure, the racial/ethnic measure, the income measure, or the producer-oriented employment measure fell above or below the range established by the Census tracts in the EZ area;
- those that were within the central business district or within a major retail center; and
- any tract that, in the judgment of the local research affiliate, presented special circumstances making it not suitable for analysis.²

After these exclusions, for each of the six localities we then arrayed the remaining non-contiguous and contiguous tracts according to their poverty rate (less than 20 percent, 20 to 25 percent, 25 to 35 percent, and 35 percent or higher). To achieve approximate equivalence in population size between an EZ area and its corresponding comparison and contiguous areas, we sought to include approximately the same number of Census tracts in each. (Census tracts are generally designated by the Census Bureau to include between 2,500 and 8,000 residents.) For some cities, the number of available Census tracts within the relevant poverty rate ranges was low enough that no further exclusions were made. In those cities where more than the target number of tracts were available, we made exclusions at random to arrive at a set of non-contiguous tracts and a set of contiguous tracts whose distribution by poverty rate approximated that of the EZ area. These proposed "analytic areas" were then presented to the local research affiliate for consideration. After a last round of replacing any tracts deemed to have exceptional characteristics making them ill-suited to the analysis, we arrived at our final designation of each comparison area and contiguous area.

The eighteen analytic areas thus defined (i.e., the EZ area, comparison area, and contiguous in each of six localities) included a total of 615 Census tracts. Of these tracts, 269 were in the

² For example, based on the recommendation of the local research affiliate for Philadelphia/ Camden, one Philadelphia tract was removed from the comparison area because of two concerns: its major establishment was a public water facility, and the number of residents (as reported in the 1990 Census) was only 85.

EZ areas, with 174 in the comparison areas and 172 in the contiguous areas. As shown in Exhibit B-1, for each EZ area the distribution of Census tracts by their poverty rate was generally very similar to the distribution in the associated comparison and contiguous areas. Overall, for instance, 94 percent of the Census tracts in the EZ areas had poverty rates of 25 percent or higher. Similarly, for both the comparison areas and the contiguous areas, at least 98 percent of tracts fell within this range of poverty rates. The only instances in which such correspondence was not close occurred as a result of the limited number of tracts available for selection (for example, as contiguous tracts).

With respect to both the comparison and contiguous areas, it is important to note that the selection of such areas is an inexact science. There is no single set of optimal choices. In light of this, several additional comments are warranted:

- Once the agreed-upon selection process had been implemented, it would not be appropriate to reconsider the selection of areas after the analysis was conducted.
- One can make the case that EZ areas were drawn with the explicit intent of including tracts with the greatest development potential. Under this view, any comparison area is likely to show a less favorable employment trend. However, one can equally make the case that the EZ areas tend to comprise the largest concentration of distressed districts within a city, which are unlikely to reflect any general rising tide of local economic improvement. Comparison areas, in contrast, are more likely to be dispersed among less distressed districts and are thus more likely to rise with the tide of their more stable adjoining communities.
- Because of the focus of the EZ initiative on the employment of zone residents, and because of the poverty rate criteria that EZ areas must meet, primary consideration was given to the tract-by-tract poverty data in selecting the comparison and contiguous areas. Secondary consideration was given to business indicators such as the industrial composition of employment or the pre-EZ rate of employment growth. If one instead gave primary consideration to tract-by-tract business indicators, the comparison and contiguous areas would almost certainly have included residents with notably higher incomes than EZ residents. In our judgment, it was more defensible to assume that, in the absence of the EZ program, an EZ area would have experienced employment growth similar to an area with a comparable income distribution of its residents (versus an area with a comparable industrial distribution of its employment).

For each of the eighteen analytic areas, Exhibit B-2 shows the distribution of establishments in 1995 with respect to three major industry sectors: producer oriented, consumer oriented,

**Exhibit B-1
Distribution of Census Tracts by Poverty Rate in EZ Areas, Comparison Areas, and Contiguous Areas**

Poverty rate ^a	EZ Area		Comparison Area		Contiguous Area	
	Number of tracts	Percentage of tracts	Number of tracts	Percentage of tracts	Number of tracts	Percentage of tracts
Atlanta						
35.0 to 100.0 percent	23	100%	12	100%	2	22%
25.0 to 34.9 percent	0	0%	0	0%	7	78%
Total	23	100%	12	100%	9	100%
Baltimore						
35.0 to 100.0 percent	18	72%	8	62%	16	73%
25.0 to 34.9 percent	5	20%	4	31%	4	18%
20.0 to 24.9 percent	2	8%	1	8%	2	9%
Total	25	100%	13	100%	22	100%
Chicago						
35.0 to 100.0 percent	76	79%	30	83%	38	83%
25.0 to 34.9 percent	15	16%	6	17%	7	15%
20.0 to 24.9 percent	2	2%	0	0%	1	2%
Not determined	3	3%	0	0%	0	0%
Total	96	100%	36	100%	46	100%
Detroit						
35.0 to 100.0 percent	43	90%	40	91%	42	91%
25.0 to 34.9 percent	4	8%	4	9%	4	9%
20.0 to 24.9 percent	0	0%	0	0%	0	0%
Less than 20.0 percent	1	2%	0	0%	0	0%
Total	48	100%	44	100%	46	100%

a. Percentage of persons with income below the Federal poverty level in 1989, based on the 1990 Census.

**Exhibit B-1
Distribution of Census Tracts by Poverty Rate in EZ Areas, Comparison Areas, and Contiguous Areas (continued)**

Poverty rate ^a	<u>EZ Area</u>		<u>Comparison Area</u>		<u>Contiguous Area</u>	
	Number of tracts	Percentage of tracts	Number of tracts	Percentage of tracts	Number of tracts	Percentage of tracts
New York						
35.0 to 100.0 percent	46	78%	46	90%	32	91%
25.0 to 34.9 percent	4	7%	4	8%	2	6%
20.0 to 24.9 percent	1	2%	1	2%	1	3%
Less than 20.0 percent	4	7%	0	0%	0	0%
Not determined	4	7%	0	0%	0	0%
Total	59	100%	51	100%	35	100%
Philadelphia/Camden						
35.0 to 100.0 percent	17	94%	17	94%	13	93%
25.0 to 34.9 percent	1	6%	1	6%	1	7%
Total	18	100%	18	100%	14	100%
Total						
35.0 to 100.0 percent	223	83%	153	88%	143	83%
25.0 to 34.9 percent	29	11%	19	11%	25	15%
20.0 to 24.9 percent	5	2%	2	1%	4	2%
Less than 20.0 percent	5	2%	0	0%	0	0%
Not determined	7	3%	0	0%	0	0%
Total	269	100%	174	100%	172	100%

a. Percentage of persons with income below the Federal poverty level in 1989, based on the 1990 Census.

Exhibit B-2
Distribution of Establishments, by Major Industry Sector, 1995

	Atlanta	Baltimore	Chicago	Detroit	New York	Philadelphia/ Camden
Empowerment Zone						
Producer oriented	32%	29%	40%	36%	31%	28%
Consumer oriented	63%	67%	56%	58%	64%	64%
Public sector	5%	3%	4%	6%	5%	8%
Total	100%	100%	100%	100%	100%	100%
Comparison Area						
Producer oriented	33%	37%	26%	34%	21%	33%
Consumer oriented	59%	58%	69%	64%	74%	62%
Public sector	8%	5%	5%	3%	5%	4%
Total	100%	100%	100%	100%	100%	100%
Contiguous Area						
Producer oriented	34%	24%	34%	32%	25%	28%
Consumer oriented	62%	73%	61%	63%	70%	66%
Public sector	4%	3%	4%	5%	5%	6%
Total	100%	100%	100%	100%	100%	100%

and public sector.³ Across all areas, producer-oriented establishments comprised a 21 to 40 percent share, consumer-oriented establishments comprised a 56 to 74 percent share, and public sector establishments comprised a 3 to 8 percent share. The degree of correspondence between each EZ area and its associated comparison and contiguous areas was lowest for Chicago and highest for Atlanta, Detroit, and Philadelphia/Camden.

³ These three sectors were defined as follows:

- Producer oriented: agriculture, forestry, fishing; mining; construction; manufacturing; transportation (excluding postal service and travel agencies), communication, electric, gas, and sanitary; wholesale trade; reserve banks and depositories; real estate title offices, subdividers, and developers; holding and other investment offices; business services; motion picture production and distribution services; business, professional, and labor organizations; and engineering, accounting, research, management, and related services.
- Consumer oriented: travel agencies; retail trade; finance, insurance, and real estate (except where otherwise noted); and services (except where otherwise noted).
- Public sector: postal service, social services, and public administration.

Appendix C

Business Establishment Survey Sampling, Administration, and Analysis Methodology

APPENDIX C

Business Establishment Survey Sampling, Administration, and Analysis Methodology

C.1 Sample Selection and Establishment Weighting: Wave 1

The sampling frame for Wave 1 of the Business Establishment Survey was made up of all establishments identified as being in existence in the Empowerment Zones in August 1997 that were not in a set of industries we have called the “public/nonprofit” industries.” We began the process with a list of all business establishments that were listed in the Dun & Bradstreet DMI database in August 1997 as being located in one of the 269 census tracts that comprise the six Empowerment Zones.¹

We also attempted to remove government agencies and schools (including private schools) from the sampling frame, because these establishments are not eligible for the principal business incentives and are not targeted by the local or national EZ programs. We used SIC codes as proxies for public and non-profit status, removing from the sampling frame establishments that had an SIC code for which the great majority of establishments would be public or nonprofit entities.²

Also not included in the sampling frame were certain establishments for which data are not available in the DMI database. Specifically, the D&B DMI database does not include a small number (under one percent) of business establishments that have asked to be removed from the database because it is sold to firms that use the data for direct marketing purposes.

Because a large share of the employment within the EZs is concentrated in a small percentage of establishments, we stratified the Wave 1 sampling by size and site. Establishments in the larger size strata had greater probability of being selected for the sample; indeed, all establishments with at least 100 employees were selected with certainty in Wave 1.

Wave 1 interviews were conducted between October 21, 1997 and April 10, 1998. From our sample of 5,222 establishments, we successfully completed interviews with 1,822 respondents. An additional 1,443 establishment records were removed from the sample over

¹ For sampling purposes, it was necessary to identify the census tracts of over 750,000 establishments in the six study areas in each survey year. In the baseline or Wave 1 survey, address information was inadequate in the DMI files to determine the tract location of seven percent of the business establishments using the automated process. Manual procedures were infeasible given the large size of the databases.

² Specifically, we removed establishments with the following SIC codes: 43 (post offices); 82 (educational services), 83 (social services), 84 (museums), 8621-8699 (membership and religious organizations), and 91-97 (public administration).

the course of the survey, typically because the establishment had moved, gone out of business, or could not be located with either the D&B data or information from telephone directory assistance, or because it was later discovered that the sampling frame included more than one record for some establishments. The remaining 1,957 sample members either did not respond, refused to participate, or for one reason or another did not successfully complete the survey.³

Like any very large database, the D&B DMI database contains some duplicate records, i.e. establishments for which more than one record was included in the sampling frame. We established a set of procedures to limit the extent to which the existence of duplicate records might introduce a bias in estimates based on the survey data. First, we conducted a series of automated screens to identify cases that might be duplicates. The automated screens consistently identified both actual cases of multiple records for an individual establishment and spurious cases of duplication, in which multiple establishments shared a common location and other common descriptive information. As a result, we added screening questions to the interview that were asked in those cases identified as potentially representing duplicate records by the automated screens. This allowed for a solid identification of duplicate records.

Interviews were conducted by telephone, typically lasting 15 minutes. Before telephoning potential respondents, we mailed an advance letter with a description of the study and a map of the local Empowerment Zone. (For large establishments, we made an initial telephone contact to identify an appropriate recipient for our advance letter.) Interviews were trained to carefully identify appropriate respondents who could comment on an establishment's employment, tax filings, and overall perspective on business conditions.

The Wave 1 population estimates presented in Chapter Three are weighted to reflect the sampling and survey administration procedures. For each of the eighteen Wave 1 strata (i.e. for six sites and three size categories), a stratum weight was calculated. The stratum weight took into account both the sampling methodology and the incidence of non-response.⁴ The non-response adjustment made also compensates for the establishments that were removed from the sampling frame when we attempted to conduct an interview and the records were confirmed to be duplicates. The Wave 1 stratum weight (SW) was calculated as follows:

$$SW = \left(\frac{\text{population}}{\text{sample}} \right) * \left(\frac{\text{sample-duplicate records}}{\text{respondents+excluded records}} \right)$$

³ Non-responses included establishments for which no attempt was made to contact because a sufficient number of responses had already been obtained. Most of the establishments that did respond but did not complete the survey had addresses different from those listed in D&B and, therefore, were ineligible for the survey.

⁴ Weighting adjusts the estimates to reflect the full population from which the sampling was drawn and to take into account the fact that no data was available for sampled establishments that did not participate in the survey.

Finally, an establishment weight was calculated to take into account the fact that establishments with multiple records in the sampling frame had a higher probability of being selected for inclusion in the sample (for those strata in which sample members were selected randomly). The establishment (EW) was calculated as follows:

$$EW = SW * (\text{occurrences in the sampling frame} / \text{occurrences in the sample})$$

Because a high proportion of sample members were excluded from the sampling frame (and these excluded records are added to the denominator of the stratum weight), the weighting yields an estimate of the population that is much lower than the unweighted population estimate. Our weighting scheme was designed to ensure that our estimates accurately reflect the experience and perspective of establishments located in the Empowerment Zones. Our approach almost certainly results in an underestimate of the actual population size. We aggressively used new information gathered in the survey to exclude sample members who may have left the population after the collection of the data from which the Wave 1 sample was drawn. However, we have no corresponding information about members that have entered the population since the data for the sampling were collected. Also, some establishments excluded from the sampling frame may actually be legitimate members of the population. That could happen if a business changed its name (but remained in the EZ), moved to a new location within an EZ, or could not be located by telephone.

Because only a small number of the respondents had one or more duplicate records in the sampling frame, the influence of the establishment weight is small relative to the influence of the stratum weight. In addition to these weights, the Wave 1 results reported in Chapter Three were adjusted to reflect our experience in cleaning the historical data files. We found that in about 3 percent of the cases, establishments that were not included in the 1995 DMI file acquired from D&B were listed in the 1995 telephone directory. We assumed that these businesses were, in fact, in existence and thus adjusted our estimates to take the Wave 1 data cleaning experience into account. The adjustments were applied at the stratum level, based on the ratio of members of the population stratum to the number of corresponding records identified in the 1995 telephone directory.

C.2 Sample Selection and Establishment Weighting: Wave 2

The sampling frame for Wave 2 included two types of establishments.⁵ First, all establishments that were in the Wave 1 sample, *regardless of whether they responded in Wave 1 or not*, and that were still in existence in 2000 according to the 2000 DMI database were included in the sampling frame. Second, all establishments that were new (i.e. establishments that were not listed in the 1997 DMI database but were in the 2000 DMI database) and that were in the 269 EZ census tracts were included in the Wave 2 sampling

⁵ The same SIC codes were excluded from the Wave 2 survey frame as had been excluded from the Wave 1 sampling frame.

frame.⁶ Firms that were in existence in both the 1997 and the 2000 DMI databases but which were not sampled in Wave 1 *were not eligible* for Wave 2 and, therefore, were not included in the sampling frame. Establishments that were sampled in Wave 1 but for which there was no D&B record in 2000 were assumed to have gone out-of-business, have moved to a different location outside the Empowerment Zones, or have been delisted and thus were not included in the Wave 2 sampling frame. Unlike the first wave, duplicate records were removed *prior* to sample selection in Wave 2.⁷

Sampling was again stratified by size and site but, in Wave 2, it was also stratified according to whether the firm was a “survivor” (i.e. was in the Wave 1 sample and also the 2000 DMI database) or a “new” establishment.⁸ All survivors were selected with certainty, as were all new firms with at least 50 employees. The remaining sample was randomly selected from the new establishments in the sampling frame with fewer than 50 employees.

One thousand eight hundred and four (1,804) establishments were eligible and responded to the survey, out of the 5,332 establishments that were sampled for Wave 2. The survey was conducted during the months of July, August, and September 2000. Six hundred ninety-eight (698) establishments were determined to be ineligible and 2,830 did not respond to the survey. Wave 2 of the survey did not include several questions that had been included in Wave 1, but which had been determined to be difficult to answer and for which the responses had not been reliable. The second wave, therefore, took only about 10 minutes to administer with each respondent, on average. As in Wave 1, potential respondents were mailed an advance letter with a description of the study and a map of the local Empowerment Zone, and interviewers were trained to identify appropriate respondents.

Weights for survivor establishments that responded to the Wave 2 survey were the same as in Wave 1, but further adjusted for Wave 2 non-responses. New establishments received the following weight:

$$SW = \left(\frac{\text{population}}{\text{sample}} \right) * \left(\frac{\text{sample-ineligibles}}{\text{eligible respondents}} \right)$$

Because duplicate records were removed prior to the selection of establishments, there was no need to further adjust the strata weight for the higher probability of being selected for some establishments, as had been the case in Wave 1. Therefore, for Wave 2:

$$EW=SW$$

⁶ In Wave 2, tracts could not be determined for approximately 2 percent of establishments. Manual procedures were infeasible given the large size of the databases.

⁷ Records were considered to be duplicates if their following information matched: first 5 letters of the company name, first 10 letters of the street address, 9-digit telephone number, and 4-digit SIC code. Roughly 2 percent of observations were removed from the sampling frame as a result of multiple records.

⁸ Stratification by size was based on the employment data in the DMI database.

However, there were 14 establishments for which the self-reported information about the number of employees obtained from the Wave 2 survey differed so greatly from the DMI employer size information that we determined that the weights they had received were inappropriate. For these 14 records, outlier adjustments were made. Essentially, these establishments were “pulled” from their strata and were given survey weights of 1. The weights of the strata from which these establishments were pulled were then adjusted to reflect the new strata population and sample sizes. No such adjustment was necessary in Wave 1.

C.3 Employment Weights: Wave 1 and Wave 2

Employment weights were used when it was necessary to look not just at how many establishments fell into various response categories, but at how many employees are comprised by those establishments. Each establishment’s employment weight is simply the product of the establishment weight and the self-reported number of employees at that establishment. Because large firms with large establishment weights could result in extremely high employment weights and, therefore, overwhelm and distort the results, the one percent of firms with the highest employment weights from each wave were truncated for employment-weighted analysis.⁹

⁹ These establishments were included in establishment weighted analyses.

Appendix D

Local Analysis Methodology

APPENDIX D

Local Analysis Methodology

For a variety of reasons, discussed in some detail below, the EZ/EC program cannot be well-evaluated using conventional evaluation approaches such as experimental or quasi-experimental designs. Simple before-and-after measurements of zone conditions would produce no learning about how and why changes in the zones occurred (or did not occur), so the effects of the EZ/EC program would remain uncertain. The Interim Assessment therefore employed the pathway of change methodology as an alternative research approach for measuring changes in the EZ/EC sites.¹

This appendix begins by describing the methodology, the rationale for its use, and its major strengths and limitations. It also explains how the assessment team worked with local stakeholders in the sites at baseline to articulate their pathways of change. The appendix then presents in detail the full set of pathways for one site to give the reader a more grounded understanding of what the method entailed in this assessment. This is followed by a broader discussion of the various types of pathways local stakeholders in the EZ/EC sites articulated. The text then returns to a specific set of pathways to illustrate how the pathways have been modified over time to reflect the evolution of local revitalization strategies. The appendix concludes with a discussion of the challenges encountered in applying the methodology in assessing the EZ/EC program.

D.1 What is a Pathway of Change?

A pathway of change is a representation of the underlying logic that those engaged in initiative design and implementation use in structuring and carrying out their activities. Such a representation typically includes a prose description of how local stakeholders are thinking about their intervention. Analysts using this approach to evaluate complex community-level interventions are finding that adding a schematic description, such as a flowchart or causal model, is extremely helpful, too. Logically, it should include:

- the *problems* the intervention is intended to address;
- the available *opportunities* that the intervention can use to advantage;
- the *strategies and programs* being used to address the identified problems;
- the *interim and long-term objectives* that those strategies are expected to achieve;
- the *milestones* that will be used to chart progress toward those objectives; and

¹ The existing methodological literature generally refers to this approach as "theory of change" evaluation. The term was modified in this assessment to emphasize the importance of monitoring progress along a pre-specified pathway of expected events if the method is to be meaningful, and people "on the ground" in the sites seemed to find the term "pathway" more appropriate than "theory."

- the *assumptions or hypotheses* that represent the logical relationship among these various elements.

With these elements of the description in place, the evaluation then tracks the progress of the intervention to compare actual experience to the underlying logic, or “theory,” assumed by participants. It provides a careful account of the process through which progress along the pathways (or lack of it) occurs, and maps any strategic or programmatic changes made during the process “...to ensure that the results identified in the evaluation are firmly connected to the program’s activities.”² In this way, a pathway of change evaluation goes beyond traditional “black box” methods in which an evaluator simply compares changes in indicators of interest measured both before and after the intervention.

D.2 Why Use the Pathway of Change Methodology?

The EZ/EC program does not lend itself to traditional evaluation methods. Those methods represent different ways to determine a program’s impact, i.e., the changes that occur *as a result of the program*. The point of impact evaluation is determining (or estimating) the extent to which conditions after the program has been administered are actually *attributable to the program* rather than to other, possibly unobserved, factors. Evaluators refer to this as the attribution problem. The key to solving that problem is to determine what conditions would have existed in the program’s absence; evaluators refer to this set of conditions as the *counterfactual*. Several characteristics of the EZ/EC program make it quite difficult for an evaluation to establish attribution.

The EZ/EC initiative is based on the conviction that community revitalization efforts will be most effective if they are tailored to local circumstances and reflect the views of local stakeholders, particularly community residents. As discussed in Part II of the report, the Federal program required that localities develop their locally-tailored programs in ways that incorporated four fundamental national program principles: strategic vision for change, economic opportunity, sustainable community development, and community-based partnerships. These principles were broad and flexible enough to leave localities with great latitude to choose strategic priorities and goals, target populations, individual sets of activities, governance mechanisms, and approaches to implementation. As a result, the strategies and activities developed in the EZ/EC sites, and the priorities assigned to them, were quite varied. This made the use of a uniform set of indicators of program effects in all sites (the approach used in virtually all impact analyses except comparative case studies) seem inappropriate.

² See Carol Hirschon Weiss, “Nothing As Practical As Good Theory: Exploring Theory-Based Evaluation for Comprehensive Community Initiatives for Children and Families,” in James P. Connell, et al. Editors, *New Approaches to Evaluating Community Initiatives: Concepts, Methods, and Contexts*. 1995. Washington, D.C.: The Aspen Institute.

The zone designation process also contributed to the infeasibility of experimental and quasi-experimental evaluation methods. The program application process was competitive, and sites were judged on the quality of the strategic plans they presented and the Federal government's assessment of the likelihood that those plans would achieve meaningful change in seriously distressed communities. This type of selection process did not support an experimental design (which requires random assignment and a control group to determine what would have happened in the absence of the program).

Sites competing for designation typically tried to focus their attention on the most disadvantaged neighborhoods in the local jurisdiction. This fact made selection of comparison neighborhoods, needed for a quasi-experimental design, very difficult (as Appendix B has noted). In addition, since the EZ/EC programs were multi-faceted and had multiple objectives, multiple outcomes were of interest. This would have made monitoring of comparison neighborhoods quite costly.

Further, EZ/EC programs were intended to be saturation interventions (that is, intended to be open to, and to benefit, all neighborhood residents) and to have community-level impacts: the ultimate goal is neighborhood transformation. Simple before-and-after measures of multiple outcomes, while feasible, would have provided no information about the extent to which observed changes could be attributed to the intervention. They would also provide a weak basis for cross-site comparison, since the sites' activities are so varied.

Although the pathway of change approach is still quite new, and the evaluation field is still learning how best to employ it, its use carries several expected benefits. In addition to providing an approach (still not well tested for complex interventions like this one) to addressing the issue of attribution, it generates information not only about what happened but also about how and why it happened. It frames evaluations in locally relevant terms, and helps to identify unanticipated outcomes. Finally, local program operators can use it to improve their own strategic planning and self-assessment if they choose to do so.

Despite these virtues, the method does have limitations. While it provides the basis for making a *prima facie* case for program attribution, it does not *solve* the attribution problem since it cannot control for other possible causes of change. It does, however, provide a framework for thinking about other influences on observed changes in conditions. It also encourages evaluators to (a) make explicit other possible causes, and the manner in which they had an effect, and (b) make reasoned judgments about the relative role and importance of the program intervention and competing explanations of observed changes (or their absence).

D.3 Establishing a Baseline

EZ/EC designations for the first round of grantees were announced at the end of December 1994. Ideally, the baseline profile of the designated zones and the revitalization strategies intended to strengthen them captured conditions and expectations close to this point in time.³ However, the current assessment project did not get into the field to begin data collection until August 1997.⁴

Most of the assessment's local research affiliates monitored the program start-up in their zones prior to beginning this assessment; the few who did not quickly familiarized themselves with the local program's history. The qualitative data gathered through interviews with local stakeholders reflects conditions in the sites at the time the Interim Assessment fieldwork started in late summer 1997. Clearly, however, the portrait local stakeholders portrayed of their program was informed by their experience with the program over time.

D.4 Developing Pathways of Change

Pathways of change are representations of the underlying logic that local EZ/EC stakeholders used to make decisions about the scope, focus, and programmatic elements of their zone's activities. Also embedded in the pathways are local choices about the most effective way to make program decisions (the intervention's governance structure) and to implement the initiative and its elements (e.g., through city agencies or nonprofit organizations, by creating new entities or expanding existing ones). Logically, a site could have any number of distinctive pathways, depending on the scope and complexity of its activities.

At baseline, diagrammatic representations of each site's pathways of change were developed by the site's local research affiliate with the assistance of key local stakeholders.⁵ Local

³ A case could be made for an even earlier baseline date, since the strategic planning conducted during the process of preparing program applications was itself intended to have an impact by engaging community residents in new decision-making mechanisms, fostering the creation of new partnerships, and generating new ideas about how to affect community improvement.

⁴ Abt Associates was awarded the contract to perform the Interim Assessment in July 1996, and one of the early key tasks was the selection of an appropriate sample of sites to serve as the focus of the local analysis component of the study. Among the 18 intensive study sites ultimately selected for the Interim Assessment, 15 were also the focus of the earlier Implementation Assessment directed by the Rockefeller Institute at the State University of New York for HUD. Accordingly, the best course of action appeared to be for the Interim Assessment to recruit the same set of local research affiliates as had been used in the Implementation Assessment for these sites, in order to gain the benefit of the affiliates' existing base of knowledge and contacts with the zone staff and local stakeholders. Abt Associates was authorized by HUD to approach these affiliates in late spring 1997, and trained these affiliates and initiated the local analysis data collection in the summer of 1997. The affiliates submitted their baseline conditions reports in September 1997.

⁵ The process described here is a typical one. There were, of course, local variations. Factors that contribute to these variations are discussed in Section D.8.

research affiliates began by reviewing what they already knew about “their” respective zones. They also conducted initial interviews with key local stakeholders to introduce them to the assessment. On the basis of this reconnaissance, each constructed a first draft of one or more flowcharts depicting the pathways of change, based on their understanding of the implicit underlying logic (also sometimes referred to as “models” or “theories”) used by stakeholders in formulating EZ/EC strategies and programs.

The affiliate presented these flowcharts to stakeholders for review and discussion. These discussions included efforts by the local research affiliate to question the stakeholders about the assumptions and logical connections that the pathways posit, and to encourage them to be more specific about why they thought the elements and linkages in the pathways made sense. Based on those conversations, s/he prepared a revised version of the flowcharts and again submitted them to key local stakeholders for feedback. This iterative process continued until the stakeholders agreed that the flowcharts depicting the local pathways of change, taken together, provided an accurate representation of their initiative, or until they indicated to the local affiliate that they could not, at that time, make the local pathways any more fulsome or precise.⁶

This collaborative process at baseline was time-consuming, but it was the most cost-effective way to avoid losing one of the important strengths of the pathway of change approach: it “...helps to ensure that the developments being studied are good reflections of the things that matter...”⁷ in a multi-faceted, complex intervention.

The extent to which key local stakeholders agreed at baseline that the pathways accurately captured their programs varied, but was encouraging. In ten of the intensive study sites, local research affiliates reported that the key stakeholders did feel that the pathways described reasonably well what their programs were trying to do. Any reservations they had were

⁶ The approach to developing pathways of change described here is only one variant of a process that can take many different forms. How evaluators of comprehensive community initiatives actually develop pathways to characterize an intervention varies according to the circumstances, including the nature of the intervention, the evaluation’s relationship to it, the level of resources available for evaluation, and the evaluator’s perspective and experience. Approaches vary primarily in the degree and style of interaction between the evaluator and program participants in developing the pathways of change. At one extreme (and not espoused by the approach’s adherents), the evaluator may construct the pathways independently, gathering information from a mix of written materials and interviews with participants and observers, but not involving the participants in developing a representation of the pathways. At the other extreme, some evaluators may work with local stakeholders either individually or in groups to help them engage in strategic program planning. S/he then develops with participants a draft “model” of their ideas about pathways of change (i.e., how they expect to get from where they are to where they want to end up). Participants’ feedback about needed revisions and clarifications shape the evolution of both plans for the program and the “model” that structured its evaluation. The iterative process continues until the local stakeholders agree that the set of pathways is accurate. Fresh iterations take place periodically as progress is made and stakeholders gain experience. This approach is quite resource intensive, and requires a willingness among all parties to integrate the program and its evaluation.

⁷ Weiss, *ibid.* p 72.

generally related to the levels of outputs or outcomes anticipated.⁸ However, some local research affiliates noted that while the portrait was accurate, it did not necessarily represent how the stakeholders themselves normally described and thought about their program. In four sites, stakeholders appeared to “buy in” to parts of the pathways only. Again the reservations mainly related to indicators of program progress (milestones) and expected outputs and outcomes. In an extreme case, one local research affiliate was not able to get local stakeholders engaged in any discussion about pathways. In the remaining three zones, stakeholders were described as “politely acquiescent.”

D.5 The Elements in a Pathway of Change: An EZ/EC Example

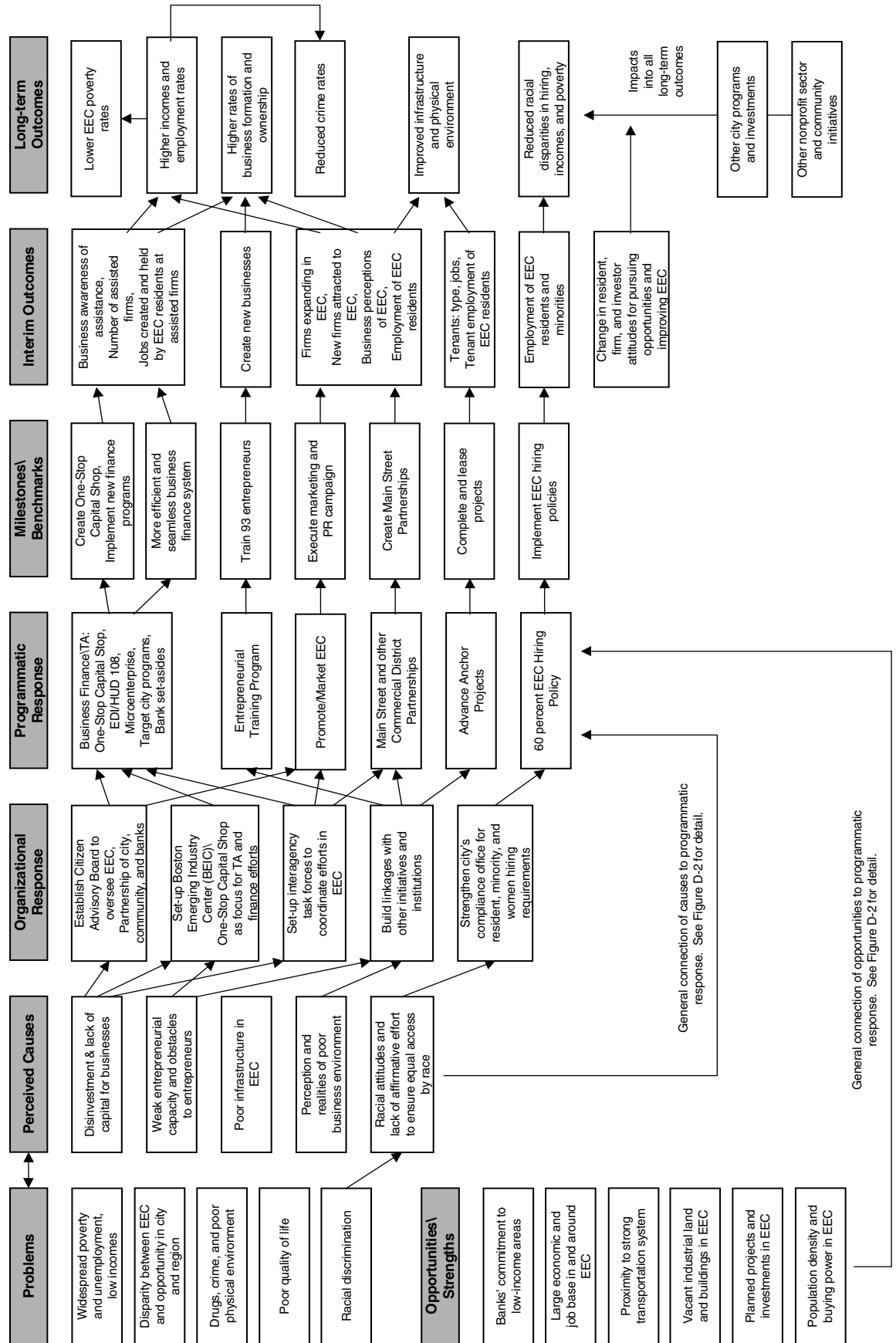
Although the logic of identifying pathways of change is fairly straightforward, the EZ/EC pathways themselves were sometimes detailed and complex. This section presents one set of pathways, from a site of intermediate complexity, in its entirety as an illustration. The following section takes a broader view and discusses the various types of pathways that characterize local EZ/EC efforts.

Boston’s Enhanced Enterprise Community (EEC) developed two strategies to address economic problems in zone neighborhoods: an Economic Development Strategy (shown in Figure D-1) and a Human Services Strategy (shown in Figure D-3). They addressed *the same problems*. As indicated at the top of the far left column of both figures, both strategies were a response to local stakeholders’ perceptions of widespread poverty, unemployment and low incomes; low quality of life, including high levels of crime, a poor physical environment and drug activity; and racial discrimination.

However, the two strategies addressed *different causes* of the problems. The Economic Development Strategy addressed such causes as disinvestment and lack of capital for zone businesses, poor zone infrastructure, and weak entrepreneurial capacity and obstacles to entrepreneurs (shown in Figure D-1, column 2). The Human Services Strategy addressed such causes as residents’ lack of job skills and low levels of educational attainment, as well

⁸ Note that stakeholders participating in the process of developing the pathways were generally individuals with important responsibilities for their local EZ/EC program, since they were the ones who shaped the program and made decisions about its direction. Others not involved in running the program may have had different ‘theories’ about the best way to revitalize the zone, e.g., may have had different views concerning the relative importance of business development versus workforce preparation, or concerning the appropriate level of attention to give to human services. Their views were generally not captured in the articulated pathways.

Figure D-1
The Boston EEC Economic Development Strategy



as the need for supportive services and more positive developmental experiences for youth (shown in Figure D-3, column 2).⁹

The Economic Development Strategy is used here to illustrate the key elements of a pathway of change in its entirety. The pathway (Figure D-1) necessarily makes some simplifications to make the presentation of the strategy tractable.

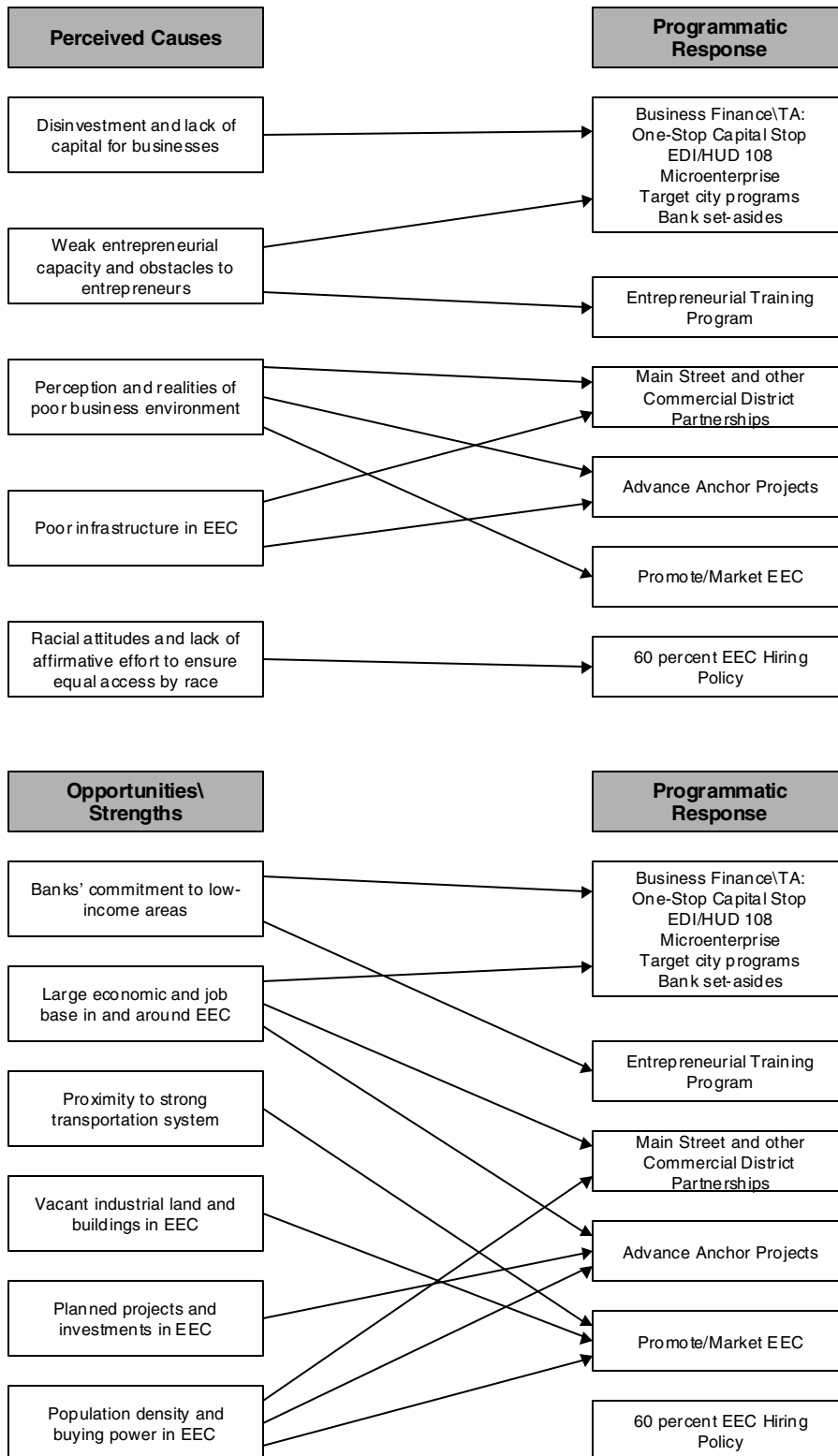
Local stakeholders reasoned that poor neighborhood conditions (column 1) were caused (column 2) by disinvestment and lack of capital for neighborhood businesses, weak entrepreneurial capacity and obstacles faced by aspiring entrepreneurs, and poor infrastructure in the EEC neighborhoods—all of which were to be addressed using an economic development strategy. These causes persisted, in part, because non-EEC business people had negative perceptions of the zone neighborhoods, viewing them as poor places to do business. Stakeholders believed these perceptions were partially the result of racial attitudes and a lack of affirmative effort to ensure that capital was available in EEC neighborhoods.

The EEC's economic development interventions addressed these causes of neighborhood problems. For example, disinvestment and lack of capital for entrepreneurs (top box in column 2) were believed to contribute to poor neighborhood social and economic conditions. Therefore, a one-stop capital shop to provide financing and related technical assistance was planned to offset disinvestment by other sources of capital (top box in column 4). The pathway of change uses arrows to illustrate the logical connections among these elements in the stakeholders' thinking. Figure D-2 specifies in greater detail the perceived connections between the causes of zone problems, available opportunities (discussed below) and the program's response to them.

The flowchart also shows linkages between the stakeholders' understanding of the problems faced by EEC residents and the opportunities and resources available within the neighborhoods and broader metropolitan area. To continue the example, the commitment of local banks to increasing their lending in low-income areas (Figure D-1, bottom half of column 1), partially stimulated by the Community Reinvestment Act, leads to bank set-asides (column 4, top box) that would help the one-stop capital shop provide its customers with a full range of credit products. (Note that because of the level of detail in the flowchart, this connection is illustrated only generally, in the arrow connecting columns 1 and 4). Local stakeholders posited that use of the loans and technical services of the one-stop capital shop would result in new businesses being started in the EEC and/or by EEC residents, and in the

⁹ Drafts of these flowcharts were developed by the local research affiliate in Boston. The charts presented here are the product of his revisions at baseline based on feedback and discussion with the Executive Director and Deputy Director of Human Services for the EEC, the member of the EEC board who directed the City's Department of Neighborhood Development, the Director of the City's human services agencies, and two members of the EEC Community Advisory Board (a local business person and a staff member of the Boston Foundation).

Figure D-2
Relationship of Programmatic Responses to Perceived Causes and Opportunities
Boston's Economic Development Strategy



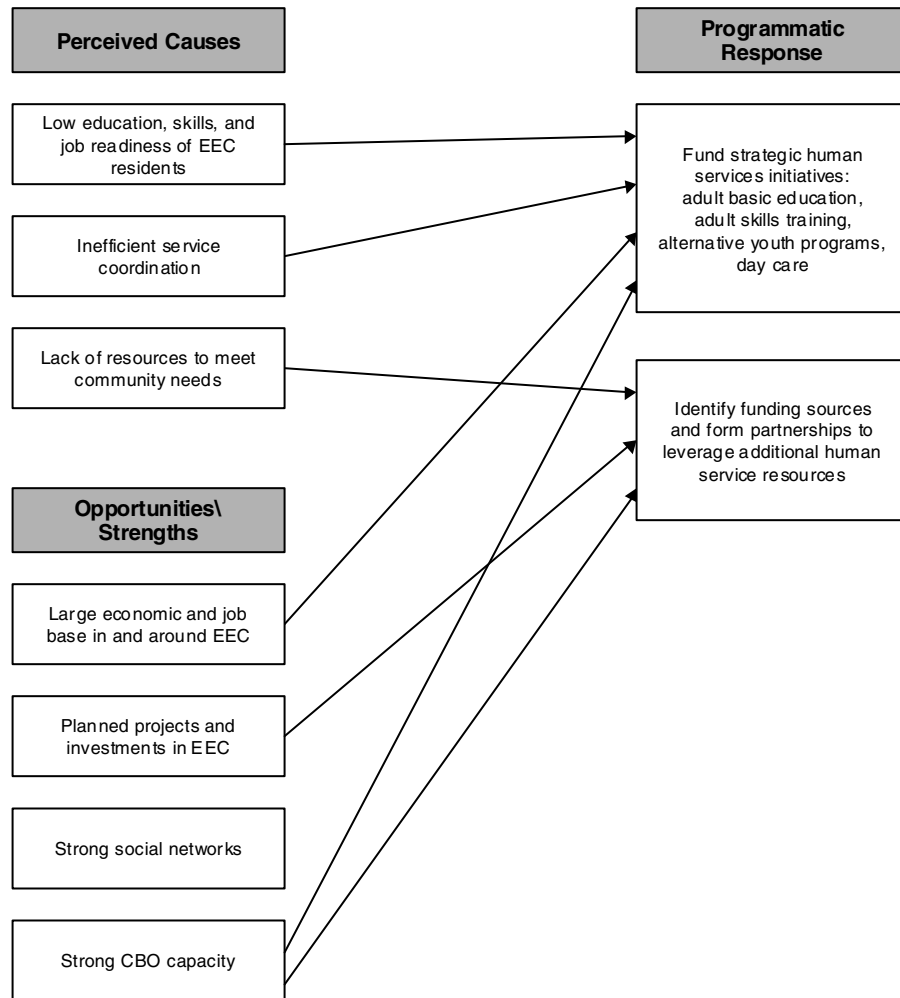
expansion of existing businesses. In both instances, it was assumed that the businesses would hire and retain EEC residents (who were assumed to be available and suited to the new jobs), resulting in higher incomes for both the proprietors and their new employees.

The pathway includes two types of indicators to capture the EEC program's expected effect. First, it includes measures of programmatic *outputs*, which are immediate program products resulting from the program's operations, e.g., completed and leased anchor projects and the number of entrepreneurs receiving training; these appear under milestones/benchmarks (column 5) and interim outcomes (column 6). In some cases, a specific quantitative target was specified for a particular program. For example, 93 entrepreneurs were expected to be trained through a program established by building linkages with other initiatives and institutions in Boston (column 5, box 3). In other cases, stakeholders identified the types of outputs expected, but did not specify quantitative targets (e.g., the number of Main Street Partnerships to be formed [column 5], or the number of EEC residents that they were likely to employ [column 6]). In both instances, local stakeholders also specified the time frame for reaching those milestones.

Second, the pathway identifies neighborhood *outcomes* to reflect the fact that the EEC initiative was intended to improve neighborhood conditions; program outputs were expected, over time, to improve the neighborhood, e.g., effective Main Street Partnerships and training for entrepreneurs were both expected to contribute to higher rates of business formation and ownership in the zone. Outcomes are presented under the "long-term outcomes" column (column 7) in the Boston EEC pathway of change. The flowchart graphically demonstrates how certain neighborhood *outcomes* were expected to be affected by programmatic *outputs*. For example, the objective of the Main Street Partnerships was to attract new businesses and help existing zone businesses expand. These outputs were expected to create more jobs, thereby increasing the employment rate and income levels of EEC neighborhood residents (column 7, box 2). Thus, the flowchart provided a formal representation of the linkages among problems and opportunities (initial conditions), programs, outputs and outcomes.

However, neighborhood conditions at the end of the EEC program were expected to be affected by many factors other than this intervention. Some of these could be identified and explicitly taken into account, e.g., other city programs and investments, and unrelated non-profit sector and community initiatives (Figure D-1, column 7, bottom two boxes). And, as noted earlier, the EEC Human Services Strategy (Figures D-3 and D-4) was also intended to improve neighborhood conditions such as levels of employment and income, as indicated by the fact that the long-term outcomes of the Human Services Strategy overlap with those anticipated from the Economic Development Strategy. Other factors were expected to have an effect, too, but they were implicit because they could not all be anticipated and directly incorporated into a model of the program. These included, for example, the performance of the national and New England economies, changes in Massachusetts' corporate tax rates, the strength of the Boston housing market, and the racial climate in the Greater Boston area.

Figure D-4
Relationship of Programmatic Responses to Perceived Causes and Opportunities
Boston's Human Services Strategy



Nevertheless, the pathways of change established a framework for tracking zone activities and their effects in the context of what local stakeholders, at baseline, expected to occur.

Although Boston’s pathways of change were among the most fully articulated at baseline, local research affiliates in almost all of the intensive study sites, working with local stakeholders, were able to develop a baseline representation of a pathway of change for each local strategy, which linked problems, opportunities, programs and expected outputs. Only some were able to elicit specific numeric targets for those outputs. Few were able to take the additional step of getting local stakeholders to identify the links between expected outputs and desired outcomes; this topic is addressed in more detail in Section D.8 below.

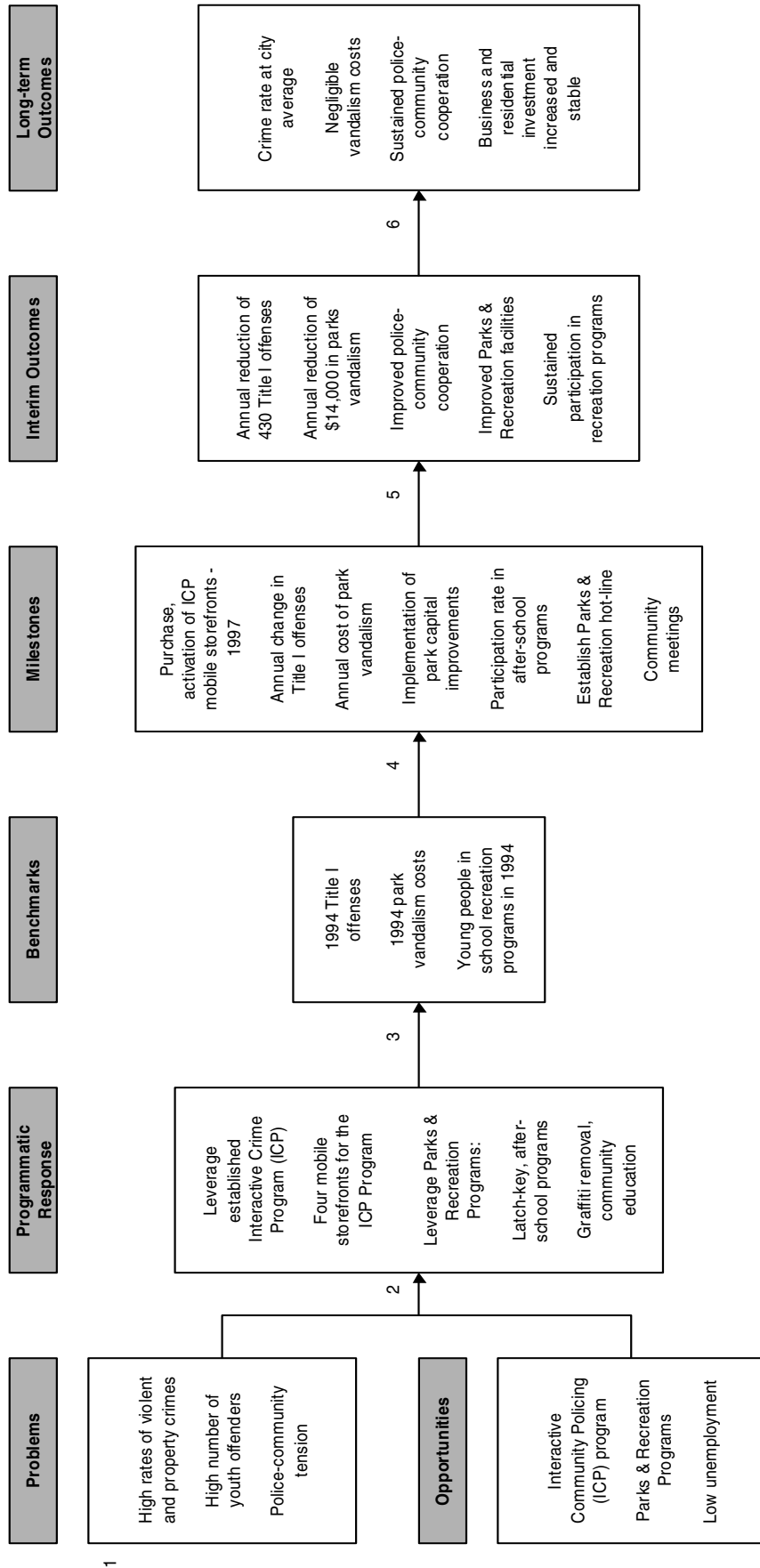
D.6 Types of Pathways of Change That Articulate Local EZ/EC Strategies

The pathways of change that articulated the details of local stakeholders' EZ/EC strategic priorities differ considerably, since both overall visions and related strategies, and how local stakeholders thought about them, differed. Some zones pursued targeted, niche strategies with a narrowly defined set of outcomes. Others thought more comprehensively, and representing their ideas called for more complex pathways with feedback loops and/or connections among the elements of different strategies. Still others identified several strategic priorities intended to promote a common set of outcomes. The pathways of change that captured their program designs in summary form varied as a result.

The simplest pathways seen among the EZ/EC sites at baseline, which were also the most typical, described situations in which EC program funds were to be used to support a defined set of program activities intended to produce a directly related set of outcomes. The pathway of change for Dallas’ Public Safety Strategy, presented in Figure D-5, is a good example. The strategy was a response to problems (high rates of violent and property crimes, high number of youth offenders and police-community tensions) and opportunities, including the City’s Interactive Community Policing Program (ICP) and the availability of funds from the City’s Parks and Recreation Department that could be used in the EC neighborhoods. The EC program built on these opportunities (see “Programmatic Response” box in Figure D-5) by establishing mobile storefront police stations and supporting after-school programs and graffiti removal efforts for youth. The combination of interactive police presence in the neighborhoods and constructive alternatives to crime for teens was expected to reduce crime rates in the EC neighborhoods while improving the quality of park and recreation facilities. Dallas’ other two strategies—Youth and Family Investment (job training) and Public/Private Partnerships (business development)—ran parallel to the public safety strategy: each was independent of the other two, and there were no feedback loops.

Pathways at a somewhat greater level of complexity emerged from some of the EZ/EC sites as a way to articulate the relationships among different program elements. Louisville’s strategy of establishing a new community development bank, presented in Figure D-6, is a

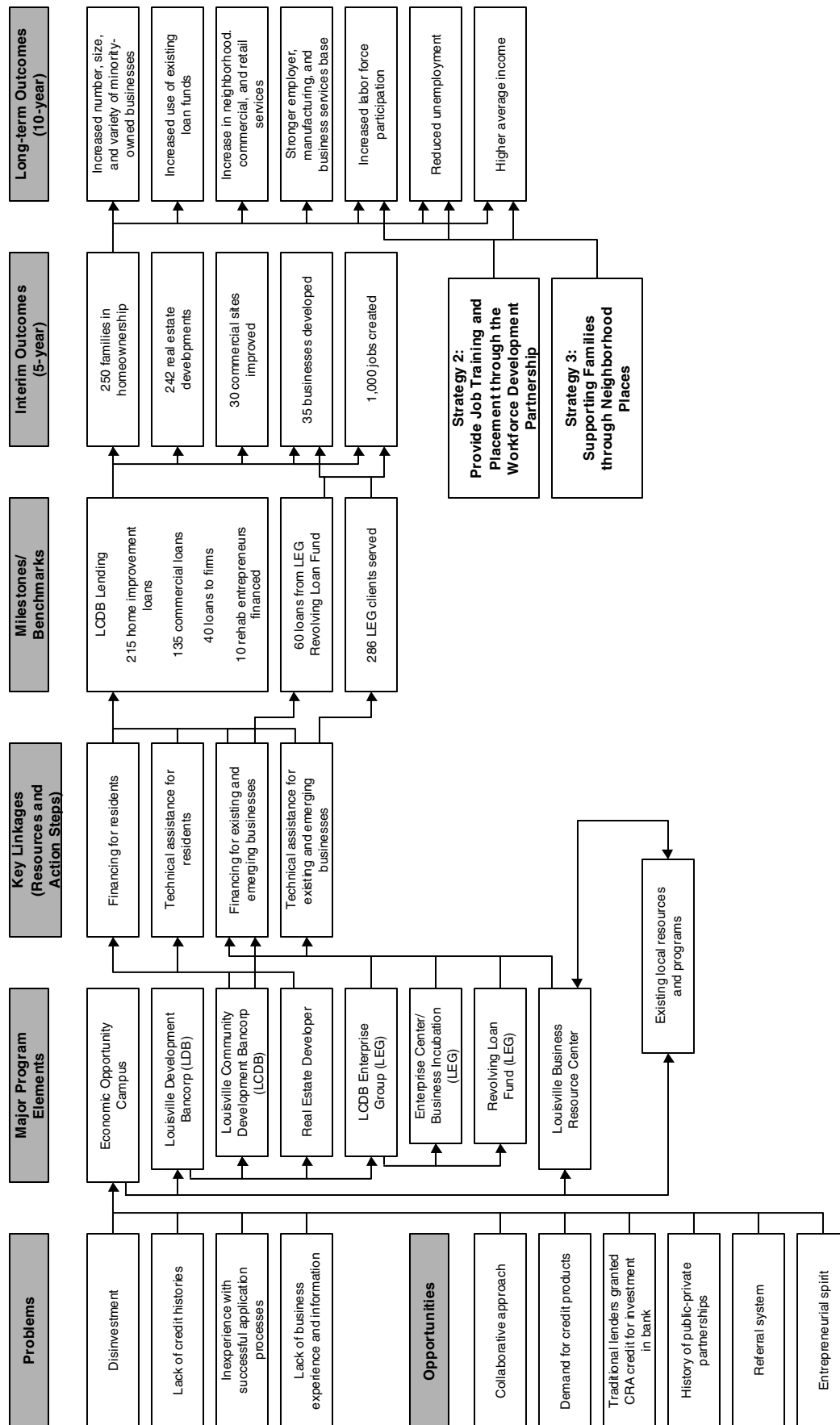
**Figure D-5
Dallas EC Theory of Change -- Public Safety Strategy**



Assumptions:

1. Problems are the result of high poverty levels in the EC tracts, and very high levels of unemployment among young adults; a history of community conflicts with police, exacerbated by a relatively low police presence in the community. There is a serious substance abuse problem in the EC, drug trafficking, and inadequate recreation programs for youth.
2. Public safety should be a major focus of the EC program. The most effective use of resources was to supplement the recently established ICP program by purchasing four mobile storefronts, which could be moved to high crime areas and increase police presence in the area. The ICP's specially trained officers could also ameliorate poor police-community relations. Dividing funds between police storefronts and neighborhood recreation programs provides a "second front" against youth crime and vandalism. Leverage of recreation programs and anti-vandalism maintenance and improvements would improve opportunities for youth and enhance the amenity of the neighborhoods.
3. Pre-program conditions are the benchmarks against which change in safety and related costs should be measured.
4. Milestones are the points at which significant program actions, such as fund allocations, and program implementation occur, and annual measures of changes in conditions, participation in programs, and levels of community involvement in anti-crime and recreational programs.
5. Interim outcomes directly attributable to the safety strategy include reductions in Title I offenses and costs of maintenance due to vandalism of Park & Recreation facilities. Indirect outcomes include levels of participation that are sustained in youth recreation programs and the improved general condition of park facilities. The interim period is probably too short for the effects of improved safety on business conditions to be assessed.
6. Continuation of the safety strategy should produce crime rates that approach the citywide average, sustained low costs in facility maintenance against vandalism, and a continuation of amicable police-community relations. The period may also be long enough to see measurable improvements in business climate and reinvestment in residential properties.

Figure D-6
Louisville EC - Strategy 1: Create Economic Opportunities through a Community Development Bank



good example. Stakeholders determined that many EC area residents had damaged credit histories that limited their access to bank loans. Many also had little business experience, including the knowledge needed to complete a loan application. Opportunities included a perceived demand for credit products among residents, a local history of public-private partnerships, and incentives for lenders to participate due to Community Reinvestment Act requirements. Louisville's response to this combination was the new Louisville Development Bancorp, organized as a bank holding company with several subsidiaries.

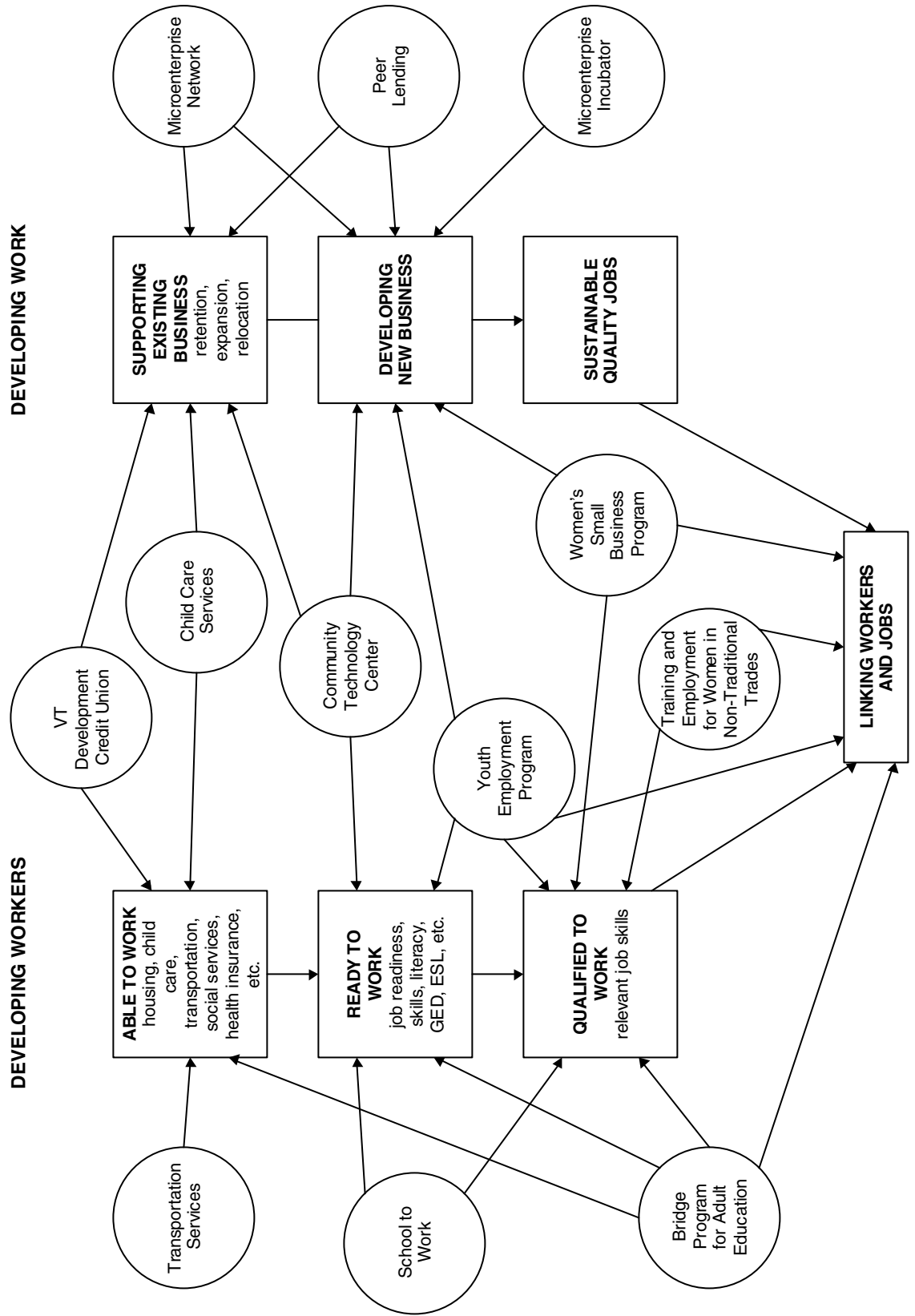
Their activities, plus those of the independent Louisville Business Resource Center, were expected to combine to provide an extensive package of financing and technical assistance for existing and emerging zone businesses, which in turn was expected to lead to 35 new businesses and 30 improved commercial sites.¹⁰ Note, too, that the Louisville EC's other two strategies were also intended to stimulate three of the long-term outcomes of this strategy. Thus, Louisville made explicit a link that the Boston pathway (presented earlier) left implicit: the fact that these sites pursued parallel strategies intended to contribute to some common long-term outcomes.

Most unusual in the initial pathways of change articulated in the EZ/EC sites were those that indicated explicitly how different strategies related to one another. For example, one of Burlington's pathways of change showed the anticipated synergy between two strategies: business development (referred to locally as "developing work"), and enhancing employment ("developing workers"). Figure D-7 illustrates how Burlington stakeholders believed these two strategies would inter-relate. For example, programs initiated to develop work were targeted to develop new businesses. Child care services, the Community Technology Center, the youth employment program, and the micro-enterprise development program were all viewed as being directly supportive of both strategies. The latter two were also seen as directly facilitating the linking of the two strategies by connecting jobs and workers. Charlotte and Baltimore also had strategic pathways that explicitly linked local strategies.

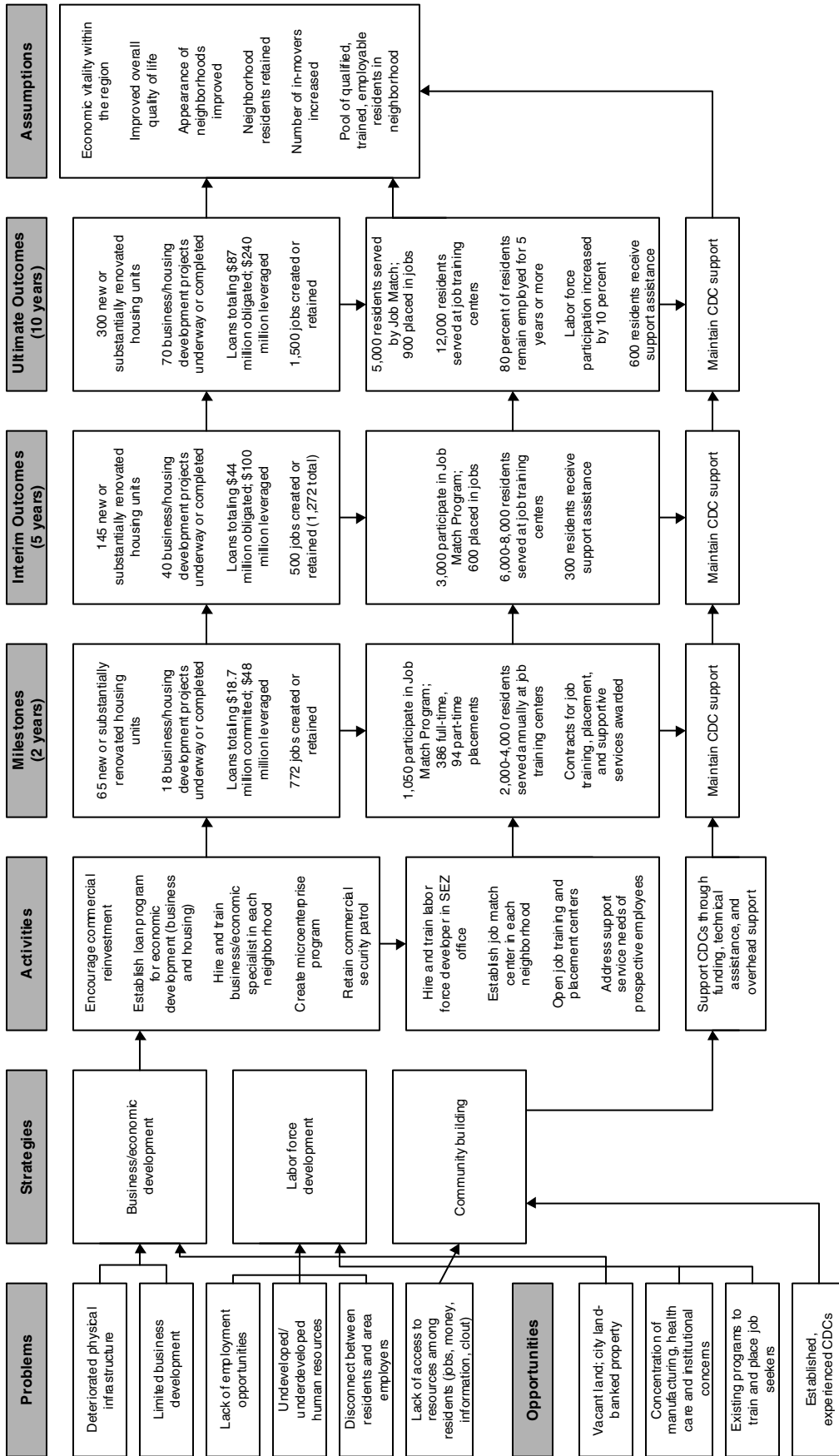
The pathways for Cleveland and Baltimore help to illustrate further variations in how the EZ/EC sites initially thought about (1) interfacing with existing programs and organizations and (2) building community capacity. In Cleveland, business development, labor force development and community building were all seen as contributing directly to the outcome of economic vitality (see Figure D-8). Cleveland is well-known for its many CDCs and its highly-developed system of support for them. Those organizations have a

¹⁰ A more complete discussion of the services and products of the Louisville Development Bancorp can be found in Section 5.1.1.

**Figure D-7
Burlington EC -- Major Economic Development Strategies**



**Figure D-8
Pathways of Change: Cleveland SEZ**



Parallel Non-SEZ Activities: Cleveland Community Building Initiative, Cuyahoga County Welfare Reform, Jobs and Workforce Initiative.

long-established role both in housing production and rehabilitation and in economic development. SEZ funds were intended to augment support for the zone's existing CDCs. Increasing their capacity was an explicit strategy that ran parallel to the others, but was expected to contribute to the same economic vitality outcome.

Cleveland contrasts with Baltimore, where building new community capacity, in the form of Village Centers, lies at the heart of the EZ's approach. Some of Baltimore's neighborhoods did not have an established infrastructure of community-based neighborhood improvement organizations. In those neighborhoods, creating such an infrastructure was seen as a precursor to improved economic conditions and an improved quality of life (see Figure D-9). Although the interactions among the core elements of Baltimore's primary pathway of change appear more complex than those in Burlington, each has behind it one or more contributing "mini-pathways" similar to the one shown above from Dallas. An example is shown in Figure D-10.

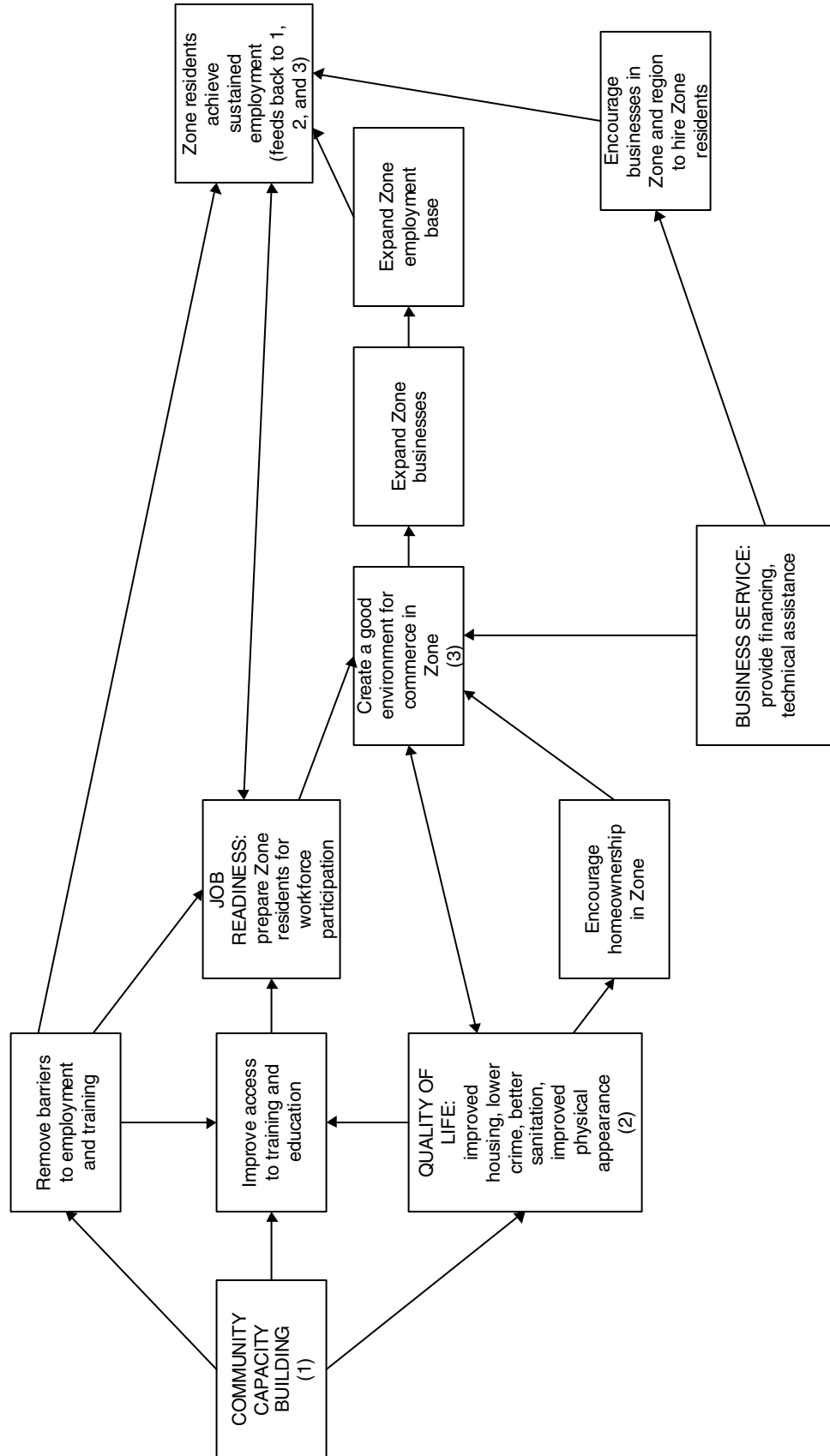
D.7 Modifications to Pathways of Change Over Time

It was anticipated at the outset that EZ/EC strategies would evolve over time in response to problems encountered, new opportunities, and changing local conditions. The pathways of change approach accommodates and reflects such changes by recording their character, timing and rationale. As discussed in Chapter Four, the strategic priorities in many of the sites have, in fact, been adjusted over time. Local research affiliates have monitored these changes and modified the pathways of change accordingly. Like the changes in the priorities, these alterations have been modest. The Charlotte EC provides a good example.

The Charlotte EC program originated in the context of a larger initiative, City-Within-A-City, that concentrated city resources on clusters of distressed inner city neighborhoods. Those same communities were also designated EC neighborhoods. The local economy was (and has remained) dynamic and jobs were plentiful. Nevertheless, unemployment rates in the EC communities were three times the unemployment rate city-wide. During the strategic planning process, each of the three EC clusters identified as their priority the need for activities that would better prepare zone residents for work, either in existing jobs or as entrepreneurs (see Exhibit D-11, columns 1-3, unshaded boxes). Their common programmatic response was to create empowerment centers (one in each of the three clusters, each operated by a new CBO called an Enterprise Community [EC]) to conduct and facilitate job training and placement and business development for residents (shown in column 4).

Over time, however, the local research affiliate noted that local stakeholders began to view housing as a zone problem, as well. The City-Within-A-City Initiative produced a quality-of-life index that revealed considerably more substandard housing and less homeownership in the EC communities than elsewhere in Charlotte. Over the same period, two of the cluster ECs found opportunities to become involved in housing in modest ways, e.g., doing outreach or providing partial funding for homeownership counseling. The local research affiliate

Figure D-9
Overall Theory of Change: Baltimore EZ



Note: Numbered items represent major strategies.

Figure D-10
Baltimore EZ: Close-up on a Specific Pathway - Create Community Capacity Through Village Centers (Strategy #1)

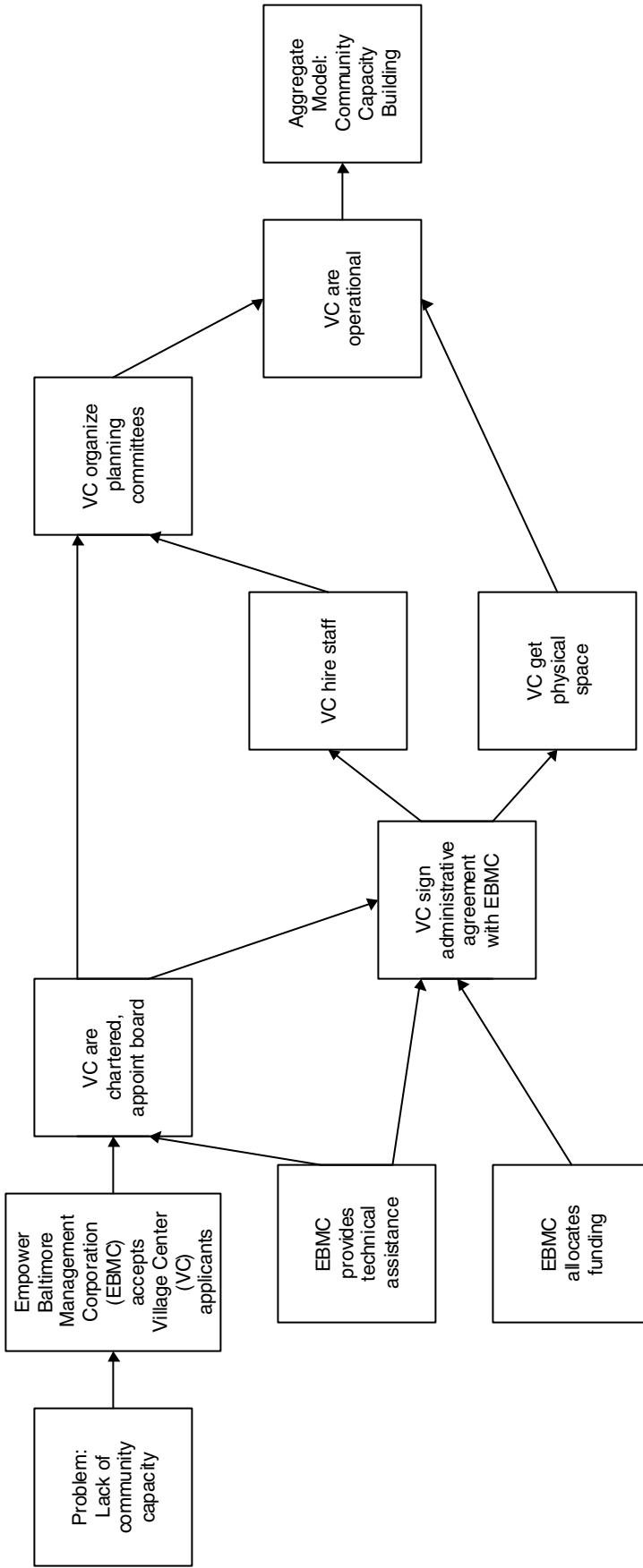
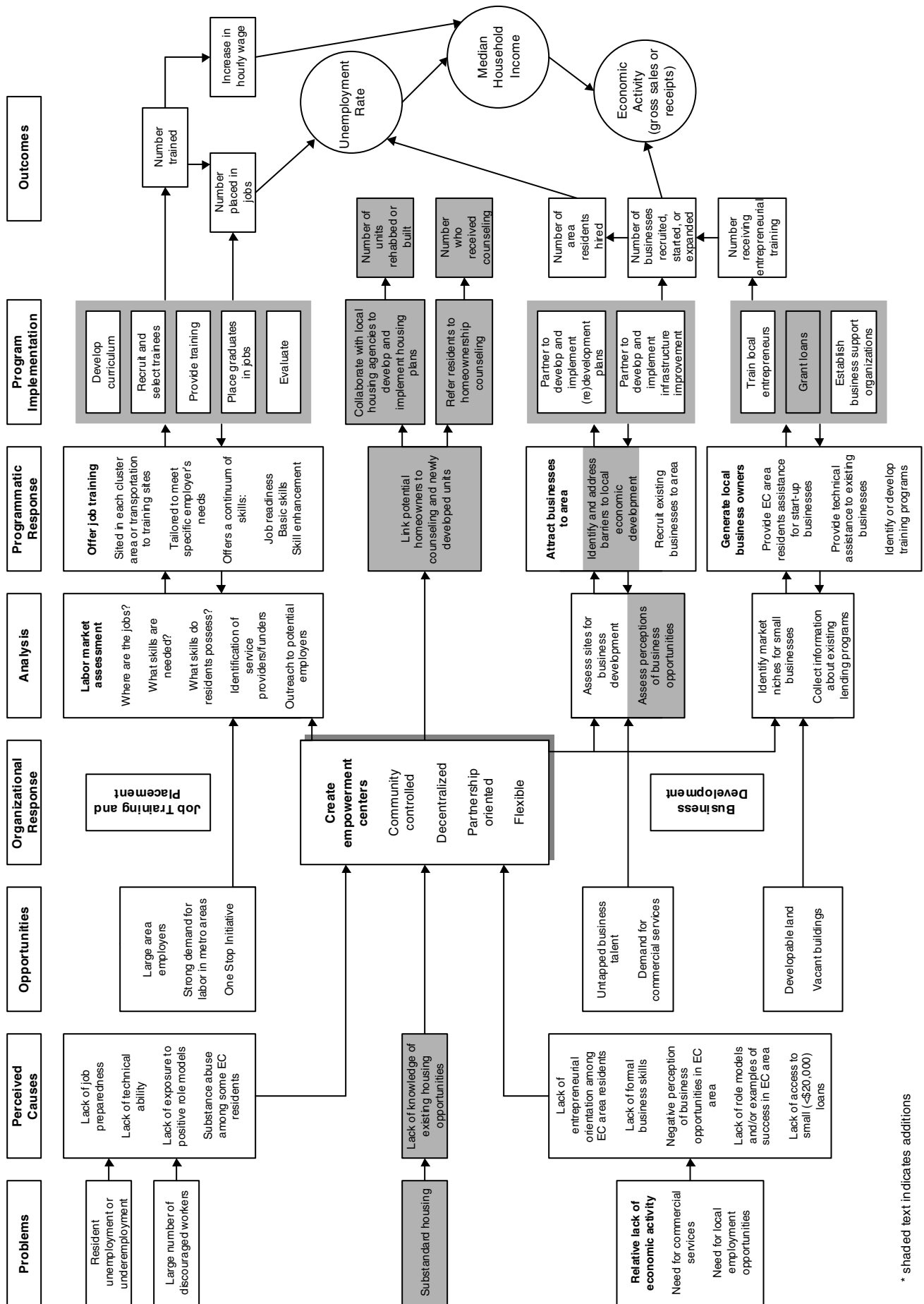


Figure D-11
Pathways of Change: Charlotte EC



* shaded text indicates additions

indicated these through the addition of new, shaded boxes: the newly-perceived problems are shown in columns 1 and 2, the zone's responses to them in columns 4-6. Note, however, that unlike the zone's workforce development and business development activities, the housing activities and their outputs have not been explicitly linked to the desired long-term outcomes (shown in the circles in column 8) identified at baseline.

In addition, two neighborhood ECs have broadened their business development strategies to include attracting non-resident-owned businesses to the zone.¹¹ The local research affiliate noted that "this appears to reflect a recognition that business are unwilling to locate in the EC neighborhoods because they are perceived as poor sites—although the locations are along major corridors, the structures are unattractive and dilapidated, inviting undesirable activities..." In response, the ECs have begun such activities as assisting with the development or redevelopment of prime sites to make them more attractive to potential businesses, and developing plans for infrastructure improvements. They are reflected in the shaded boxes in Exhibit D-11, columns 5-7, which show both "assess perceptions of business opportunities" and "identify and address barriers to local economic development." The local research affiliate noted that it was not clear whether this shift was undertaken as a product of the analysis shown, or in response to local opportunities. Unlike the new housing activities, however, the new business development activities link directly to the originally-specified outputs and outcomes.

D.8 Challenges in Using the Pathway of Change Approach

The pathway of change methodology was intended to bring rigor to the assessment while recognizing that sites would, by design, do very different things. The methodology created a framework for assessing the progress each EZ/EC site made in reaching *its* objectives. By tracking the process through which the program progressed along a pre-specified path, the assessment could establish empirically the connections between program activities and the results they produced; in this way, it was intended to lay the foundation for determining whether the results observed could reasonably be construed to be the product of the program intervention. This was intended to address one part of the attribution problem, namely, connecting the intervention to the results by documenting the linkages as they occurred over time. At the same time, the approach was flexible enough to permit local stakeholders to learn from experience and to revise their approaches and objectives, as needed. It also provided a structured way to think about cross-site comparisons.

Attempting to implement the pathways of change approach in the Interim Assessment presented a number of challenges that can be grouped into three categories: identifying and engaging local stakeholders at baseline, the need for local research associates to make some

¹¹ The third neighborhood EC has closed its doors because of alleged financial irregularities.

important judgments, and the special difficulty of getting local stakeholders to articulate anticipated outputs and outcomes for their zone programs.

D.8.1 Identifying and Engaging Local Stakeholders at Baseline

The first set of challenges concerned the identification and engagement of key local stakeholders. An early evaluation task was determining who the major stakeholders were. In principle, the number of stakeholders was often quite large, since it logically included not only program operators and funders (the easiest group to identify), but also all the potential program beneficiaries and those who could potentially be adversely affected by it. In practice, a much more limited number of individuals was engaged to make the task practicable. At baseline, local research affiliates typically designated key stakeholders such as senior EZ/EC program staff and a limited number of individuals on the governing board that set policy for the program.¹²

For this approach to be effective, local stakeholders had to be involved in developing the pathways of change, but EZ/EC stakeholders differed in their ability to articulate such pathways. For example, some had real difficulty articulating the full, logical sequence of anticipated steps because they did not assess conditions or make decisions in the linear, analytical way the approach presumes. Instead, they may have been accustomed to incremental decision-making, or may have developed an experiential, intuitive style. In particular, individuals involved in direct program implementation may have been unaccustomed to thinking strategically and globally (in this case, for example, thinking about what might be accomplished with the full range of leveraged resources rather than focusing solely on activities funded by Title XX or EDI), and to thinking about *outputs* rather than *inputs*.

Stakeholders also varied in their receptivity to the pathways of change approach (or to assessments, in general) and hence in their willingness to participate in the process described above in Section D.4. Some were simply reluctant to spend time thinking about “theories” when they were already very busy trying to implement an important, complicated program. In the one site where the local research affiliate was unable to engage local stakeholders in any discussion of pathways of change, those stakeholders simply did not want to specify their future activities because doing so would limit their flexibility.

¹² This does not mean that they were the only individuals from whom the local research affiliates solicited information. The affiliates interviewed and/or conducted focus groups with numerous participants. However, typically the short list of key stakeholders were the only participants engaged in the process of working with the affiliates to develop representations of the pathways of change. This choice reflected the fact that their “theory” of how the program was expected to work was the operative one. Other ideas about how the program ought to work (i.e., different or possibly even competing “theories”) were not tested in the program.

Finally, the ability of local stakeholders to specify pathways of change at baseline varied depending on how well-established (and hence how clearly defined) their zone program was at that time. Since the intensive study sites made varying degrees of progress in implementing their programs in the period between January 1995 (the official beginning of the EZ/EC program) and September 1997 (the Interim Assessment's baseline),¹³ the ability of local stakeholders to articulate local pathways varied, too. Sites that had applied for EC status and received it were typically able to get their programs moving relatively quickly. The modest amount of funding awarded was not big enough to stimulate competition for the money, so implementation of the strategic plan did not typically generate controversy. Burlington, for example, was able to start-up activities in short order after receiving its EC funds, and local stakeholders there were well-prepared to articulate their strategic thinking.

Other types of sites were less prompt in getting their programs underway, and were correspondingly less well-positioned to specify pathways of change. Although each site had a distinct story (summarized in Section 4.3.2 of Chapter Four), three factors played an important role in several sites: political disagreements over control of the program and strategic priorities; turnover of key staff and/or political figures; and the administrative difficulties of getting new organizations established and functioning in large, complex political and administrative settings. Slower program start-up exacerbated the difficulty of specifying pathways of change in these cities, even though all had programs in place by baseline. Pathways were especially challenging to prepare for the EZs, which have more multi-faceted programs than cities receiving smaller financial awards.

D.8.2 Judgments by Local Research Affiliates

The second set of challenges involved analytical decisions by the local research affiliates that necessarily entailed their making judgments. The first such judgment was identified above, namely, identifying key stakeholders and other informants. Another basic decision involved the level of detail that the assessment could reasonably expect to capture. Local research affiliates were sometimes obliged to simplify, or to exclude non-critical program elements in order to make the research effort manageable; this was especially true in the EZs, where the number of planned activities was large (Detroit, which planned 80 separate sets of activities in support of multiple strategies, illustrates this issue). The decisions about what to track and what to exclude were based on what key local stakeholders said was most important, and on the level of resources the site planned to devote to various strategies and program activities.

Over time, other issues requiring judgment arose. For example, since local stakeholders were expected to learn from experience and adapt to changing circumstances, the pathways of change were explicitly provisional and subject to change. When they did change (e.g., when output targets were modified), the evaluator made an assessment of whether the change was a

¹³ See again footnote four of this appendix.

response to real stakeholder learning or simply an effort to make sure the program looked good. The discussion in Section D.7 of post-baseline modifications to the Charlotte EC's pathways of change provides an illustration.

D.8.3 Specifying Outputs and Outcomes

Local research affiliates had an especially difficult time getting local stakeholders in the EZ/ECs to specify concrete targets for their interim (five-year) and final (ten-year) outputs and outcomes. Program stakeholders were better able, and more willing, to specify what they expected would occur at near-term and intermediate points than at distant ones. Thus, at baseline, all had some near-term (i.e. one- or two-year) output targets for at least some programs; however, only seven had set quantified targets for their five-year interim outputs for any of their programs, and only one had quantified any interim outcome targets.

The reluctance to specify firm, clear objectives and milestones had several possible sources. As noted above, some local stakeholders simply did not think about their programs in a strategic, output-oriented way. Some may have wished to avoid having the program appear unsuccessful if their objectives were not met, or feared that clearly articulated objectives would spark unwanted opposition to the program. Some may have felt so uncertain about what could actually be accomplished by their zone programs that setting specific targets—especially targets to be reached many years in the future—seemed arbitrary. Whatever the causes, the unwillingness to local stakeholders to articulate, up front, what *specifically* they hoped to accomplish has severely undercut the ability of the assessment to gauge zone progress relative to the zones' objectives.

In the fall of 1998, HUD introduced a new performance-based reporting system (PERMS) that does require the sites, when they approve new plans, to articulate anticipated outputs for the specific programs covered by that plan over the life of those programs. From the perspective of the assessment, seeking to implement a pathways of change approach, this was a positive development. Unfortunately, the PERMS were introduced after most of the ECs had allocated the bulk of their funds; other types of zones had also typically made large allocations by that time. In addition, the introduction of the PERMS has had an unintended negative side effect: the PERMS reports require the sites to report their activities in categories that have been pre-specified by HUD, not the categories implied by their locally developed strategies. As noted at several points in the body of this report, this has made it easier for local stakeholders, especially zone staff, to drift away from the strategic program focus that forms the core of the pathways of change approach.

A different type of difficulty arose in sites where stakeholders and key local decision-makers changed over time. In a number of cases, this created unanticipated “breaks” in implementation, or even major changes in approach and strategy. For example, New York City's early strategic planning work began when the mayor and the governor were both Democrats. By the time implementation began, those positions were both held by

Republicans. As a result, extensive changes were made to the plan to reflect the interests and perspectives of important new actors, since the plan called for both the city and the state governments to match the \$100 million EZ Title XX award dollar-for-dollar.

While the New York example occurred early enough in the program for the new strategic focus to be captured by the local research affiliates in their baseline report, turnover of key stakeholders continued in ways that presented greater difficulties. For example, the EC programs in Louisville and San Diego were each strongly championed by the cities' respective mayors. Subsequent changes in mayoral administrations in these places led to much-diminished interest in these programs in the two local City Halls. This had three effects on the assessment: the programs lost focus and momentum, local stakeholders changed, and the new stakeholders were neither familiar with the methodology nor interested in investing much effort in revisiting pathways of change for a prior mayor's program. Further, as noted at several points in the body of the report, staff turnover in the agencies implementing the zone programs disrupted those programs in some sites. It had a similar effect on the assessment, since program focus could either diminish or shift, and the new staff had to be engaged, if possible, in learning and participating in the assessment approach.

Finally, the process that some non-EZ zones undertook to prepare applications for Round Two EZ designations diverted local stakeholders attention and interest away from their current program and toward strategic planning for a proposed new program. Those that were unsuccessful in their bids to become Round Two EZs were demoralized and no longer forward-looking. Those that were successful immediately began to focus on their new programs, which replaced the smaller, existing ones—thereby making the pathways, outcomes and outputs specified for the site's EC, EEC or SEZ no longer operative.

As HUD looks forward to plan for the Long-Term Impact Study, a review of these challenges, in light of what can reasonably be expected as the EZ/EC program unfolds in future years, is clearly called for. In particular, the challenges need to be considered in the context of (1) how and why the interim assessment has dealt with them, (2) the advantages and disadvantages of alternatives for dealing with them that might be adopted in the future, and (3) the challenges that might be presented by any alternative methodologies the Department wishes to consider.

Appendix E

EZ/EC Activities by Site

**Appendix E
EZ/EC Activities by Site**

City	Business Development	Employment	Social Improvement	Public Safety	Physical Improvement	Housing	Capacity Improvement	Sustainability	Empowerment	System Reform	Increased Racial Equity
Atlanta	<p>EMPOWERMENT ZONES</p> <p>Other small business lending; Business training/TA; Large scale commercial real estate development; Improve existing commercial strips; Business council /merchant association.</p> <p>Still Planned: Marketing Zone to businesses.</p>	<p>Sector-specific job training; Job fairs.</p> <p>Still Planned: Job readiness training; General job training; Assisted child care in support of training or work; Transportation assistance in support of training or work; Child care.</p>	<p>Health outreach/ education.</p> <p>Still Planned: Social Services for families/children; Social services for senior citizens; Substance abuse classes; Enhanced youth education.</p>	<p>Community-oriented policing; Citizen public safety training.</p> <p>Still Planned: Conflict resolution classes; Block watches.</p>		<p>Loans for owner-occupied housing development; Assistance for existing homeowners; Homebuyer counseling; Homeownership purchasing assistance; Ongoing support for CDCs/CBOs.</p> <p>Still Planned: New or expanded housing partnership/ trust to support development.</p>	<p>Still Planned: Create CDCs; Create other types of CBOs.</p>	<p>New Community advisory/oversight/ review councils.</p> <p>Still Planned: Create citizen participation/ community building.</p>			
Baltimore	<p>Seed capital; Micro loans; Other small business lending; Business training/TA; Marketing the Zone to businesses; Redevelop brownfields.</p> <p>Still Planned: Infrastructure improvements.</p>	<p>Basic adult education; Job readiness training; General job training; Sector-specific job training; Job search/ placement/post assistance in support of training or work; Youth employment; Job fairs; Social services for families/children; Parenting classes; Substance abuse services; Health outreach/education; reverse commuting; Performance-based contracting</p>	<p>Lead paint remediation.</p>	<p>Community-oriented policing; Commercial police patrol; Citizen public safety training; Block watches.</p>	<p>Assistance for existing homeowners; Anti-graffiti/clean-up/ beautification.</p> <p>Still Planned: Improve existing commercial strips.</p>	<p>Homeownership purchase assistance.</p>	<p>Diversity training.</p>	<p>Create CBOs.</p>	<p>Create other types of CBOs; On-going support for CDCs/CBOs; New Community advisory/oversight/ review councils; Enhance citizen participation/ community building.</p>		<p>Performance-based contracting.</p>

**Appendix E
(continued)**

City	Business Development	Employment	Social Improvement	Public Safety	Physical Improvement	Housing	Capacity Improvement	Sustainability	Empowerment	System Reform	Increased Racial Equity
Chicago	EMPOWERMENT ZONES (continued)										
	Micro-loans; Business training/TA; Redevelop brownfields; Small or medium commercial real estate development; Improve existing commercial strips; Business council/merchant association. Still Planned: Seed capital; Other small business lending.	Basic adult education; Job readiness training; General job training; Sector-specific job search/placement services. Youth employment; Job fairs.	Assisted child care in support of training or work; Social services for families/children; Health facilities; Health outreach/education; new or enhanced recreational programs; New or enhanced cultural programs; Enhanced youth education; Child care; Diversity training.	Community-oriented policing. Still Planned: Conflict resolution classes; Domestic violence prevention programs.	New or enhanced recreational facilities; New or enhanced cultural facilities.	Loans for rental housing development; Loans for owner-occupied housing development; Assistance for existing homeowners; Homebuyer counseling; Homeownership purchase assistance.	Enhance citizen participation/ community building.				
Detroit	Other small business lending; Business training/TA; Marketing zone to businesses; Large scale commercial real estate development; Business council/merchant association. Still Planned: Incubators; Seed capital; Micro-loans; Small or medium commercial real estate development; Improve existing commercial strips.	Basic adult education; Job readiness training; Sector-specific job training; Job search/placement services; Youth employment; job fairs. Still Planned: General job training.	Assisted childcare in support of training or work; Social services for families/children; Social services for senior citizens; Parenting classes; Substance abuse services; Health facilities; health outreach/ education; recreational facilities; New or enhanced recreational programs; New or enhanced cultural programs; Enhanced youth education; Child care; Disability awareness training. Still Planned: School development.	Community-oriented policing; Citizen training; Conflict resolution classes; block watches; Domestic violence prevention programs.	Redevelop brownfields; Infrastructure improvements. Still Planned: Environmental cleanup; Anti-graffiti/cleanup/beautification.	Loans for rental housing development; Loans for owner-occupied housing development; Homebuyer counseling; Homeownership purchase assistance. Still Planned: Assistance for existing homeowners.	Transportation improvements; Create CDCs; Neighborhood planning office training. Still Planned: On-going support for CDCs/CBOs.			Coordination of municipal agencies; Performance-based contracting.	

**Appendix E
(continued)**

City	Business Development	Employment	Social Improvement	Public Safety	Physical Improvement	Housing	Capacity Improvement	Sustainability	Empowerment	System Reform	Increased Racial Equity
EMPOWERMENT ZONES (continued) New York	Incubators; Seed capital; Micro-loans; Other small business lending; Business training/TA; Marketing zone to businesses; Large scale commercial real estate development; Small or medium commercial real estate development; Improve existing commercial strips; Business council/merchant association; New or enhanced recreational facilities; Child care; Performance-based contracting.	Sector-specific job training; Job search/placement/post placement services; Assisted childcare in support of work/training; Youth employment; Incubators; Business training/TA; Large scale commercial real estate development; Performance-based contracting.		Community-oriented policing.	Environmental improvements.	Homebuyer counseling; Homeownership purchase assistance.	Health facilities; New or enhanced cultural facilities; Enhanced youth education.				
Philadelphia/Camden	Incubators; Seed capital; Micro-loans; Other small business lending; Business training/TA; Redevelop brownfields; Small or medium commercial real estate development; Improve existing commercial strip.	Job readiness training; General job training; Sector-specific job training. Still Planned: Job search/placement/post placement services; Assisted childcare in support of work/training.	Youth employment; Social services for families/children; Parenting classes; Substance abuse services; Health outreach/education; New or enhanced recreational facilities; New or enhanced recreational programs; Child care. Still Planned: New or enhanced cultural facilities; New or enhanced cultural programs.	Community oriented policing; Citizen public safety training; Block watches.	Environmental clean-up; Infrastructure improvements; Anti-graffiti/clean-up/beautification.	New or expanded housing partnership/trust fund to support development; Create CBOs. Still Planned: Large scale commercial real estate development; Loans for owner-occupied housing development; Homebuyer counseling.	Performance-based contracting; Neighborhood planning office training.	On-going support for CDCs/CBO; New community advisory/oversight/review councils; Enhance citizen participation/community building.	Voter education/registration.		

**Appendix E
(continued)**

City	Business Development	Employment	Social Improvement	Public Safety	Physical Improvement	Housing	Capacity Improvement	Sustainability	Empowerment	System Reform	Increased Racial Equity
SUPPLEMENTAL EMPOWERMENT ZONES/ENHANCED ENTERPRISE COMMUNITIES Boston	Micro-loans; Other small business lending; Business training/TA; Small or medium commercial real estate development; Improve existing commercial strips; Coordination of municipal agencies.	Basic adult education; Job readiness training; General job training; Sector-specific job training; Job search/placement/post placement support; Youth employment; Incubators; Marketing zone to businesses; Large scale commercial real estate development; Health facilities; Enhanced youth education; Performance-based contracting; EEC Hiring goals for EDI/HUD 108 funding projects.					Improve existing commercial strips.	Infrastructure improvements; Loans for rental housing development; Loans for owner-occupied housing development; Community-oriented policing; Child Care.	New community advisory/oversight/review councils.		EEC Hiring goals for EDI/HUD 108 funding projects.
Cleveland	Incubators; Micro-loans; Other small business lending; Business training; TA; Marketing the zone to businesses; Redevelop brownfields; Large scale commercial real estate development; Small or medium commercial real estate development; Improve existing real estate development.	Basic adult education; Job readiness training; General job training; Sector-specific job training; Job search/placement/post placement support; Assisted childcare in support of work/training; Transportation in support of work/training; Job fairs; Social services for families/children; Child care.	Still Planned: Enhanced youth education.		Transportation improvements; Infrastructure improvements; Community-oriented policing.		On-going support for CDCs/CBOs.		Still Planned: Enhance citizen participation/community building.		

**Appendix E
(continued)**

City	Business Development	Employment	Social Improvement	Public Safety	Physical Improvement	Housing	Capacity Improvement	Sustainability	Empowerment	System Reform	Increased Racial Equity
SUPPLEMENTAL EMPowerment ZONES/ENHANCED ENTERPRISE COMMUNITIES (continued) Oakland	Micro-loans; Other small business lending; Business training/TA; Marketing zone to businesses; Small or medium commercial real estate development; Improve existing real estate development. Still Planned: Large scale commercial real estate development.	Job readiness training; General job training; Sector-specific job training; Job search/placement/post development support; Youth employment; Job fairs.	Social services for families/children; Social service for senior citizens; Parenting classes; Health facilities; Health outreach/education; Community-oriented policing; Citizen training; Voter education/registration; Enhance citizen participation/community building. Still Planned: Block watches.	Public Safety (continued)			Create other types of CBOs; On-going support for CDCs/CBOs.			New community advisory/oversight/review councils.	
ENTERPRISE COMMUNITIES Burlington	Incubators; Micro-loans, Other small business lending; Business training/TA; Large-scale commercial real estate development; Improve existing commercial strips; Create CDCs.	Basic adult education; Job readiness training; Sector-specific job training; Transportation assistance in support of training or work; Youth employment.	Social services for families/children; Social Services for senior citizens; Substance abuse services; Health outreach/education; New or enhanced recreational facilities; New or enhanced recreational programs; New or enhanced cultural facilities; New or enhanced cultural programs; Enhanced youth education; Child care; Community schools and education; Homeless assistance and prevention.	Community-oriented policing; Citizen training; Conflict resolution classes; Block watches; Domestic violence prevention programs; Anti-graffiti/clean-up/beautification.	Redevelop brownfields; Transportation improvements; Environmental clean-up; Infrastructure improvements; Energy efficiency.	Loans for rental housing development; Loans for owner-occupied housing development; Assistance for existing housing development; Assistance for existing homeowners.			Enhance citizen participation/community building.		Diversity awareness training; Fair housing and equal opportunity.

**Appendix E
(continued)**

City	Business Development	Employment	Social Improvement	Public Safety	Physical Improvement	Housing	Capacity Improvement	Sustainability	Empowerment	System Reform	Increased Racial Equity
ENTERPRISE COMMUNITIES (continued)											
Charlotte	Incubators; Seed capital; Micro loans; Business training/TA (A/P); Redevelop brownfields; Small or medium commercial real estate development; Improve existing commercial strips; Business council/merchant association; Enhanced youth education.	Job readiness training; General job training; Sector-specific job training; Job search/ placement/post placement support; Youth employment; Job fairs.		Citizen public safety policing.	Infrastructure improvements.	New or expanded housing partnership/ trust fund to support development; Homebuyer counseling; Homeownership purchase assistance.		Enhance citizen participation/ community building.	Create CDCs; New community advisory/ oversight/ review councils.		
Dallas	Incubators; Seed capital; Micro-loans; Other small business lending. Still Planned: Large scale commercial real estate development.	Job readiness training; General job training; Sector-specific job training; Job search/ placement/post placement support. Still Planned: Youth employment.		Community oriented policing. Still Planned: Block watches.						Coordination of municipal agencies.	
Louisville	Incubators; Seed capital; Micro-loans; Other small business lending; Business training/TA; Small or medium commercial real estate development.	Basic adult education; Job readiness training; Job-specific training; Sector-specific job training; Job search/ placement/post placement support; Assisted child care in support of training or work; Transportation assistance in support of training or work; Job fairs; Marketing the zone to businesses; Transportation improvements.	Social Services for families/children.	Community-oriented policing.	Redevelop brownfields.	New or expanded housing partnership/ trust fund to support development; Loans for rental housing development; Loans for owner-occupied housing development; Assistance for existing homeowners; Homebuyer counseling; Homeownership purchasing assistance.					

**Appendix E
(continued)**

City	Business Development	Employment	Social Improvement	Public Safety	Physical Improvement	Housing	Capacity Improvement	Sustainability	Empowerment	System Reform	Increased Racial Equity
ENTERPRISE COMMUNITIES (continued) Minneapolis	Incubators; Micro-loans; Other small business lending; Business training/TA; Marketing zone to businesses; Redevelop brownfields; Large-scale real estate development; Business council/merchant association.	Basic adult education; Job readiness training; General job training; Sector-specific job training; Job search /placement/post Transportation assistance in support of training or work; Youth employment.	Assisted child care in support of training or work; Social services for families/children; Substance abuse services; Health facilities; New or enhanced recreational facilities; Citizen program.	Social Services for families/children; Conflict resolution classes; Coordination of municipal agencies; Community-oriented policing; block watches.	Redevelop brownfields; Large-scale real estate development; New or expanded housing partnership/trust fund to support development; Loans for rental housing development; Loans for owner-occupied housing development; Homebuyer counseling		On-going support for CDCs/CBOs.	Still Planned: Transportation improvements.	New community advisory/oversight/review councils; Enhance citizen participation/community building.		
San Diego	Business Training/TA; Child care.	Job readiness training; Job-specific training; Sector-specific job training; Job search /placement/post placement support; Assisted child care in support of training or work; Youth employment.	Social services for families/children; Parenting classes; Health outreach/education; Enhanced youth education.		Environmental cleanup; New or enhanced recreation facilities; Anti-graffiti/cleanup/beautification.	Loans for rental housing development; Assistance for existing homeowners.					
San Francisco	Business training/TA; Marketing zone to businesses.	General job training; Youth employment.	Basic adult education; Business council/Merchant association; Social services to seniors; Parenting classes; Enhanced youth education; Child care.	Citizen public safety training.	Anti-graffiti.		Health facilities.				

Appendix F

EZ/EC Outputs for the Intensive Study Sites

Exhibit F-1

Access to Capital Outputs Reported by EZ/EC Intensive Study Sites

	Active Plans			Completed Plans		
	# Cities	Projected	Actual	# Cities	Projected	Actual
Empowerment Zone Totals (6 Sites)						
Dollar size of loan pools established	4	\$79,413,391	\$27,150,830	0	\$0	\$0
Number of loans closed	5	2,259	2,090	0	0	0
EZ/EC resident jobs created from loans	4	3,023	1,141	0	0	0
Number of capital/credit access programs	3	130	6	1	6	3
Number of businesses served	3	621	18	2	115	77
Number of EZ/EC residents hired	3	1,842	12	1	60	28
<i>HHS Funds</i>			\$82,339,577			\$275,000
<i>Total</i>			\$1,565,471,548			\$580,000
SEZ/EEC Site Totals (3 Sites)						
Dollar size of loan pools established	3	\$134,039,000	\$83,908,805	1	\$10,000,000	\$1,400,000
Number of loans closed	3	357	64	1	13	31
EZ/EC resident jobs created from loans	3	798	250	1	644	401
Number of capital/credit access programs	1	3	3	1	2	2
Number of businesses served	2	56	51	1	17	17
Number of EZ/EC residents hired	1	135	25	1	140	145
<i>HHS Funds</i>			\$0			\$0
<i>Total</i>			\$288,154,121			\$38,440,000
Enterprise Community Totals (9 Sites)						
Dollar size of loan pools established	3	\$21,535,883	\$19,276,996	3	\$19,734,915	\$17,885,215
Number of loans closed	4	2,181	1,447	2	327	326
EZ/EC resident jobs created from loans	3	2,195	699	2	868	869
Number of capital/credit access programs	3	27	25	3	12	12
Number of businesses served	3	2,423	3,388	3	119	119
Number of EZ/EC residents hired	3	311	234	3	824	824
<i>HHS Funds</i>			\$1,845,072			\$2,310,592
<i>Total</i>			\$37,366,219			\$26,084,538
All Communities Totals (18 Sites)						
Dollar size of loan pools established	10	\$234,988,274	\$130,336,631	4	\$29,734,915	\$19,285,215
Number of loans closed	12	4,797	3,601	3	340	357
EZ/EC resident jobs created from loans	10	6,016	2,090	3	1,512	1,270
Number of capital/credit access programs	7	160	34	5	20	17
Number of businesses served	8	3,100	3,457	6	251	213
Number of EZ/EC residents hired	7	2,288	271	5	1,024	997
<i>HHS Funds</i>			\$84,184,649			\$2,585,592
<i>Total</i>			\$1,890,991,888			\$65,104,538

Source: FY2000 PERMS.

Exhibit F-2

Business Assistance Outputs Reported by EZ/EC Intensive Study Sites

	Active Plans			Completed Plans		
	# Cities	Projected	Actual	# Cities	Projected	Actual
Empowerment Zone Totals (6 Sites)						
Number of EZ/EC businesses receiving financial assistance	6	1,362	902	2	76	6
Number of EZ/EC businesses receiving technical assistance	6	8,289	7,158	3	338	229
Number of non-EZ/EC businesses receiving assistance	3	6,865	2,533	2	148	81
Number of jobs created or retained	6	10,849	1,832	2	313	104
Number of EZ/EC businesses receiving other assistance	2	242	0	1	17	32
Number of jobs created or retained through other assistance	2	1,020	0	1	20	20
<i>HHS Funds</i>			\$54,965,543			\$1,297,832
<i>Total</i>			\$533,341,993			\$4,533,720
SEC/EEC Site Totals (3 Sites)						
Number of EZ/EC businesses receiving financial assistance	2	955	1,046	2	143	143
Number of EZ/EC businesses receiving technical assistance	3	1,116	930	2	198	243
Number of non-EZ/EC businesses receiving assistance	1	1,452	1,750	0	0	300
Number of jobs created or retained	2	439	805	2	928	1,049
Number of EZ/EC businesses receiving other assistance	1	200	79	0	0	0
Number of jobs created or retained through other assistance	1	4,000	1,200	0	0	0
<i>HHS Funds</i>			\$0			\$30,000
<i>Total</i>			\$148,342,706			\$1,644,390
Enterprise Community Totals (9 Sites)						
Number of EZ/EC businesses receiving financial assistance	5	388	183	4	253	251
Number of EZ/EC businesses receiving technical assistance	5	427	913	4	266	407
Number of non-EZ/EC businesses receiving assistance	3	2,156	2,331	0	0	31
Number of jobs created or retained	4	939	302	4	672	593
Number of EZ/EC businesses receiving other assistance	3	190	150	0	0	0
Number of jobs created or retained through other assistance	1	130	0	0	0	0
<i>HHS Funds</i>			\$1,401,106			\$980,983
<i>Total</i>			\$55,757,270			\$17,289,176

Source: FY2000 PERMS.

Exhibit F-2, cont'd.

Business Assistance Outputs Reported by EZ/EC Intensive Study Sites

	Active Plans			Completed Plans		
	# Cities	Projected	Actual	# Cities	Projected	Actual
All Communities Totals (18 Sites)						
Number of EZ/EC businesses receiving financial assistance	13	2,705	2,131	8	472	400
Number of EZ/EC businesses receiving technical assistance	14	9,832	9,001	9	802	879
Number of non-EZ/EC businesses receiving assistance	7	10,473	6,614	2	148	412
Number of jobs created or retained	12	12,227	2,939	8	1,913	1,746
Number of EZ/EC businesses receiving other assistance	6	632	229	1	17	32
Number of jobs created or retained through other assistance	4	5,150	1,200	1	20	20
<i>HHS Funds</i>		\$56,366,649			\$2,308,815	
<i>Total</i>		\$737,441,969			\$23,467,286	

Source: FY2000 PERMS.

Exhibit F-3

Workforce Development Outputs Reported by EZ/EC Intensive Study Sites

	Active Plans			Completed Plans		
	# Cities	Projected	Actual	# Cities	Projected	Actual
Empowerment Zones Totals (6 Sites)						
Number of EZ/EC residents trained in job training programs	6	14,193	2,398	3	1,128	1,084
Number of EZ/EC resident trainees placed in jobs	5	7,495	829	3	295	316
Number of EZ/EC residents participating in job match programs	4	13,242	5,643	1	241	241
Number of EZ/EC residents placed in jobs through job match programs	4	8,178	2,195	2	125	100
Number of EZ/EC residents attending job fairs	2	421	321	0	0	0
Number of EZ/EC residents placed in jobs through job fairs	3	173	113	0	0	0
Number of EZ/EC residents placed in jobs via other programs	0	0	0	1	22	13
<i>HHS Funds</i>			\$46,244,306			\$1,796,077
<i>Total</i>			\$91,467,695			\$5,654,594
SEZ/EEC Sites Totals (3 Sites)						
Number of EZ/EC residents trained in job training programs	3	6,870	1,350	2	547	505
Number of EZ/EC resident trainees placed in jobs	3	4,045	1,863	2	401	426
Number of EZ/EC residents participating in job match programs	3	8,180	2,775	2	1,081	681
Number of EZ/EC residents placed in jobs through job match programs	3	6,675	2,501	2	627	752
Number of EZ/EC residents attending job fairs	3	5,180	3,280	1	500	1,100
Number of EZ/EC residents placed in jobs through job fairs	2	1,335	775	1	200	250
Number of EZ/EC residents placed in jobs via other programs	2	125	150	0	0	0
<i>HHS Funds</i>			\$60,000			\$2,874,309
<i>Total</i>			\$32,564,247			\$6,719,309
Enterprise Communities Totals (9 Sites)						
Number of EZ/EC residents trained in job training programs	6	7,444	6,816	5	561	483
Number of EZ/EC resident trainees placed in jobs	7	1,868	1,304	5	533	524
Number of EZ/EC residents participating in job match programs	4	5,665	6,486	1	150	170
Number of EZ/EC residents placed in jobs through job match programs	5	2,300	3,448	1	75	76
Number of EZ/EC residents attending job fairs	4	3,022	2,957	1	1,300	2,200
Number of EZ/EC residents placed in jobs through job fairs	4	341	495	1	19	22
Number of EZ/EC residents placed in jobs via other programs	1	1,100	100	0	0	0
<i>HHS Funds</i>			\$4,451,315			\$3,244,241
<i>Total</i>			\$45,800,190			\$6,080,843

Source: FY2000 PERMS.

Exhibit F-3, cont'd.

Workforce Development Outputs Reported by EZ/EC Intensive Study Sites

	Active Plans			Completed Plans		
	# Cities	Projected	Actual	# Cities	Projected	Actual
All Communities Totals (18 Sites)						
Number of EZ/EC residents trained in job training programs	15	28,507	10,564	10	2,236	2,072
Number of EZ/EC resident trainees placed in jobs	15	13,408	3,996	10	1,229	1,266
Number of EZ/EC residents participating in job match programs	11	27,087	14,904	4	1,472	1,092
Number of EZ/EC residents placed in jobs through job match programs	12	17,153	8,144	5	827	928
Number of EZ/EC residents attending job fairs	9	8,623	6,558	2	1,800	3,300
Number of EZ/EC residents placed in jobs through job fairs	9	1,849	1,383	2	219	272
Number of EZ/EC residents placed in jobs via other programs	3	1,225	250	1	22	13
<i>HHS Funds</i>			\$50,755,621			\$7,914,627
<i>Total</i>			\$169,832,132			\$18,454,746

Source: FY2000 PERMS.

Exhibit F-4a
Social Improvement PERMS Table, Empowerment Zones

Social Improvement						
	Active Plans			Completed Plans		
Empowerment Zones Totals (6 Sites)	# Cities	Projected	Actual	# Cities	Projected	Actual
Number of EZ/EC families served by childcare programs	4	2,376	732	1	5,169	5,162
Number of EZ/EC residents served by elderly programs	1	7,820	12,078	0	0	0
Number of EZ/EC youths served by youth programs	3	54,605	58,714	2	2,958	1,956
Number of EZ/EC families served by family programs	1	9,250	5,439	2	1,539	1,140
Number of homeless persons served by homeless programs	1	9,200	15,543	1	100	90
Number of EZ/EC residents served by substance abuse programs	4	1,808	787	0	0	0
Number of EZ/EC residents served by recreation/arts programs	3	77,203	80,380	2	1,956	1,719
Number of EZ/EC residents served by human services programs	3	8,130	4,234	1	575	0
Number of EZ/EC children served by pre-school/Head Start programs	1	130	100	0	0	0
Number of EZ/EC children served by K-12 programs	6	4,065	4,074	3	16,700	15,197
Number of EZ/EC residents served by vocational/GED programs	1	1,000	404	1	72	184
Number of EZ/EC residents served by post-secondary assistance programs	0	0	0	1	120	150
Number of EZ/EC residents served by other educational programs	3	48,956	47,982	3	4,582	3,634
Number of EZ/EC residents served by health-related programs	6	114,506	50,466	2	4,533	5,242
Number of new health-care facilities opened	2	3	3	0	0	0
Number of rehabilitated health-care facilities opened	1	2	0	0	0	0
Number of health facilities expanded	1	1	0	0	0	0
<i>HHS Funds</i>			<i>\$70,041,683</i>			<i>\$6,326,152</i>
<i>Total</i>			<i>\$226,020,927</i>			<i>\$13,796,026</i>

Source: FY2000 PERMS.

Exhibit F-4b

Social Improvement PERMS Table, Supplemental Empowerment Zones/ Enhanced Enterprise Communities

Social Improvement						
	Active Plans			Completed Plans		
SEZ/EEC Sites Totals (3 Sites)	# Cities	Projected	Actual	# Cities	Projected	Actual
Number of EZ/EC families served by childcare programs	2	3,850	1,713	1	173	173
Number of EZ/EC residents served by elderly programs	2	3,370	900	0	0	0
Number of EZ/EC youths served by youth programs	2	3,500	6,036	0	0	0
Number of EZ/EC families served by family programs	0	0	0	1	7,950	7,950
Number of homeless persons served by homeless programs	0	0	0	1	1,000	1,250
Number of EZ/EC residents served by substance abuse programs	1	75	34	0	0	0
Number of EZ/EC residents served by recreation/arts programs	0	0	0	0	0	0
Number of EZ/EC residents served by human services programs	1	1,000	792	0	0	0
Number of EZ/EC children served by pre-school/Head Start programs	0	0	0	1	747	1,200
Number of EZ/EC children served by K-12 programs	2	4,300	1,680	1	675	750
Number of EZ/EC residents served by vocational/GED programs	2	1,150	101	1	295	341
Number of EZ/EC residents served by post-secondary assistance programs	0	0	0	1	51	51
Number of EZ/EC residents served by other educational programs	3	4,213	2,147	2	35,543	45,542
Number of EZ/EC residents served by health-related programs	2	60,000	15,000	1	1,246	1,246
Number of new health-care facilities opened	2	10	5	1	1	0
Number of rehabilitated health-care facilities opened	1	1	1	1	1	1
Number of health facilities expanded	1	1	1	1	200	0
<i>HHS Funds</i>			<i>\$60,000</i>			<i>\$760,000</i>
<i>Total</i>			<i>\$282,277,048</i>			<i>\$13,989,848</i>

Source: FY2000 PERMS.

Exhibit F-4c
Social Improvement PERMS Table, Enterprise Communities

Social Improvement						
	Active Plans			Completed Plans		
Enterprise Communities Totals (9 Sites)	# Cities	Projected	Actual	# Cities	Projected	Actual
Number of EZ/EC families served by childcare programs	1	260	260	2	79	79
Number of EZ/EC residents served by elderly programs	1	1,639	748	1	35	35
Number of EZ/EC youths served by youth programs	3	4,412	3,632	5	1,733	1,738
Number of EZ/EC families served by family programs	1	250	395	4	2,680	2,466
Number of homeless persons served by homeless programs	0	0	0	1	21	21
Number of EZ/EC residents served by substance abuse programs	0	0	0	0	0	0
Number of EZ/EC residents served by recreation/arts programs	2	298,202	298,202	2	300	300
Number of EZ/EC residents served by human services programs	2	2,184	684	1	3,000	18,500
Number of EZ/EC children served by pre-school/Head Start programs	0	0	0	1	1	1
Number of EZ/EC children served by K-12 programs	3	8,701	5,500	1	1	1
Number of EZ/EC residents served by vocational/GED programs	0	0	0	1	190	190
Number of EZ/EC residents served by post-secondary assistance programs	0	0	0	0	0	0
Number of EZ/EC residents served by other educational programs	3	3,096	1,791	2	1,811	2,499
Number of EZ/EC residents served by health-related programs	1	800	0	1	1,500	1,933
Number of new health-care facilities opened	1	1	1	1	1	1
Number of rehabilitated health-care facilities opened	1	1	0	0	0	0
Number of health facilities expanded	0	0	0	0	0	0
<i>HHS Funds</i>			<i>\$1,592,071</i>			<i>\$2,564,149</i>
<i>Total</i>			<i>\$37,879,360</i>			<i>\$9,257,568</i>

Source: FY2000 PERMS.

**Exhibit F-5
Public Safety PERMS Tables**

Public Safety						
	Active Plans			Completed Plans		
Empowerment Zones Totals (6 Sites)	# Cities	Projected	Actual	# Cities	Projected	Actual
Number of EZ/EC residents served by public safety programs	3	325,539	174,879	3	56,625	55,514
Number of EZ/EC residents served by crime prevention programs	4	270,125	58,920	3	67,025	58,413
<i>HHS Funds</i>			\$16,348,872			\$1,276,338
<i>Total</i>			\$269,220,144			\$3,023,216
SEZ/EEC Sites Totals (3 Sites)						
Number of EZ/EC residents served by public safety programs	1	125	75	1	475	710
Number of EZ/EC residents served by crime prevention programs	2	12,725	9,450	0	0	0
<i>HHS Funds</i>			\$0			\$60,000
<i>Total</i>			\$4,962,684			\$928,200
Enterprise Communities Totals (9 Sites)						
Number of EZ/EC residents served by public safety programs	3	199,172	198,830	2	5,200	5,200
Number of EZ/EC residents served by crime prevention programs	2	190,994	190,780	1	100	120
<i>HHS Funds</i>			\$1,107,164			\$78,695
<i>Total</i>			\$36,499,613			\$78,695

Source: FY2000 PERMS.

Exhibit F-6a
Physical Development PERMS Tables, Empowerment Zones

Physical Development						
	Active Plans			Completed Plans		
Empowerment Zones Totals (6 Sites)	# Cities	Projected	Actual	# Cities	Projected	Actual
Number of EZ/EC residents served by transportation programs	0	0	0	0	0	0
Number of parks/playgrounds built/rehabilitated	3	45	23	1	4	5
Number of EZ/EC residents served by building/rehabilitating parks/playgrounds	3	11,178	5,214	1	1,000	720
Number of new facilities constructed	1	1	0	0	0	0
Number of facilities rehabilitated	0	0	0	2	3	2
Number of other infrastructure activities programs	1	4	3	0	0	0
Number of EZ/EC residents served by other infrastructure programs	0	0	0	0	0	0
Number of Brownfields projects	2	16	14	0	0	0
Number of Brownfields sites identified	2	33	29	0	0	0
Number of Brownfields sites remediated	2	28	4	0	0	0
Number of neighborhood beautification/anti-graffiti programs	3	45	37	1	7	6
<i>HHS Funds</i>			<i>\$13,178,334</i>			<i>\$1,087,900</i>
<i>Total</i>			<i>\$93,770,672</i>			<i>\$2,980,157</i>

Source: FY2000 PERMS.

Exhibit F-6b
**Physical Development PERMS Tables, Supplemental Empowerment Zones/
Enhanced Enterprise Communities**

Physical Development						
	Active Plans			Completed Plans		
SEZ/EEC Sites Totals (3 Sites)	# Cities	Projected	Actual	# Cities	Projected	Actual
Number of EZ/EC residents served by transportation programs	0	0	0	1	100	150
Number of parks/playgrounds built/rehabilitated	0	0	0	1	23	23
Number of EZ/EC residents served by building/rehabilitating parks/playgrounds	0	0	0	0	0	0
Number of new facilities constructed	0	0	0	0	0	1
Number of facilities rehabilitated	0	0	0	0	0	0
Number of other infrastructure activities programs	2	14	7	0	0	0
Number of EZ/EC residents served by other infrastructure programs	2	50,200	12,550	0	0	0
Number of Brownfields projects	0	0	0	1	5	5
Number of Brownfields sites identified	1	5	3	1	3	3
Number of Brownfields sites remediated	0	0	0	1	1	1
Number of neighborhood beautification/anti-graffiti programs	0	0	0	1	10	10
<i>HHS Funds</i>			\$96,570			\$90,000
<i>Total</i>			\$294,564,743			\$8,470,146

Source: FY2000 PERMS.

Exhibit F-6c
Physical Development PERMS Tables, Enterprise Communities

Physical Development						
	Active Plans			Completed Plans		
Enterprise Communities Totals (9 Sites)	# Cities	Projected	Actual	# Cities	Projected	Actual
Number of EZ/EC residents served by transportation programs	1	249,000	119,074	0	0	0
Number of parks/playgrounds built/rehabilitated	2	20	14	1	1	1
Number of EZ/EC residents served by building/rehabilitating parks/playgrounds	1	20,000	12,500	1	18,000	18,000
Number of new facilities constructed	2	5	0	1	1	5
Number of facilities rehabilitated	2	3	2	0	0	1
Number of other infrastructure activities programs	2	8	22	1	1	0
Number of EZ/EC residents served by other infrastructure programs	2	5,002	702	0	0	0
Number of Brownfields projects	3	15	15	1	1	1
Number of Brownfields sites identified	3	31	31	1	1	1
Number of Brownfields sites remediated	3	10	11	1	1	1
Number of neighborhood beautification/anti-graffiti programs	1	2	2	1	5	3
<i>HHS Funds</i>			\$255,431			\$1,416,639
<i>Total</i>			\$35,011,216			\$18,831,190

Source: FY2000 PERMS.

**Exhibit F-7
Housing PERMS Tables**

Housing						
	Active Plans			Completed Plans		
Empowerment Zones Totals (6 Sites)	# Cities	Projected	Actual	# Cities	Projected	Actual
Number of new units	3	991	152	1	8	32
Number of rehabilitated units	3	612	143	2	267	294
Number of EZ/EC residents served by homeownership programs	6	10,164	2,537	1	124	52
Number of homeless residents served by homeless housing programs	2	150	0	0	0	0
Number of homes inspected	1	245	245	0	0	0
Number of homes remediated	1	245	222	0	0	0
Number of EZ/EC residents served by other housing programs	3	1,215	32	1	1,450	0
<i>HHS Funds</i>			\$67,508,207			\$3,555,919
<i>Total</i>			\$373,915,416			\$23,100,285
SEZ/EEC Sites Totals (3 Sites)						
Number of new units	2	1,602	683	1	68	68
Number of rehabilitated units	2	1,873	952	1	74	74
Number of EZ/EC residents served by homeownership programs	3	2,034	1,022	0	0	0
Number of homeless residents served by homeless housing programs	0	0	0	1	50	50
Number of homes inspected	0	0	0	0	0	0
Number of homes remediated	0	0	0	0	0	0
Number of EZ/EC residents served by other housing programs	0	0	0	0	0	0
<i>HHS Funds</i>			\$0			\$0
<i>Total</i>			\$316,195,585			\$7,521,057
Enterprise Communities Totals (9 Sites)						
Number of new units	4	968	427	3	79	187
Number of rehabilitated units	3	709	340	3	630	659
Number of EZ/EC residents served by homeownership programs	2	572	521	3	112	315
Number of homeless residents served by homeless housing programs	1	7	1	0	0	0
Number of homes inspected	0	0	0	0	0	0
Number of homes remediated	0	0	0	0	0	0
Number of EZ/EC residents served by other housing programs	1	1	1	0	0	0
<i>HHS Funds</i>			\$561,629			\$564,244
<i>Total</i>			\$111,061,323			\$68,236,272

Source: FY2000 PERMS.

**Exhibit F-8
Capacity Improvement PERMS Tables**

Capacity Building							
		Active Plans			Completed Plans		
Empowerment Zones Totals (6 Sites)		# Cities	Projected	Actual	# Cities	Projected	Actual
Number of EZ/EC board members trained		4	348	180	0	10	10
Number of implementing agencies trained		3	305	96	0	40	40
Number of EZ/EC residents trained		4	453	342	1	161	349
Number of EZ/EC staff hired		2	38	38	0	0	0
Number of organizations supported		4	415	170	0	0	0
Number of Public Meetings		1	48	36	0	0	0
<i>HHS Funds*</i>	<i>\$19,863,311</i>						
<i>Total*</i>	<i>\$26,738,862</i>						
SEZ/EEC Totals (3 Sites)							
Number of EZ/EC board members trained		3	186	154	0	0	0
Number of implementing agencies trained		2	154	173	0	0	0
Number of EZ/EC residents trained		3	2,025	2,084	0	0	0
Number of EZ/EC staff hired		2	39	20	0	0	0
Number of organizations supported		2	50	52	1	50	40
Number of Public Meetings		3	187	105	2	112	100
<i>HHS Funds*</i>	<i>\$822,768</i>						
<i>Total*</i>	<i>\$9,939,891</i>						
Enterprise Community Totals (9 Sites)							
Number of EZ/EC board members trained		2	33	41	1	14	2
Number of implementing agencies trained		1	32	58	2	25	14
Number of EZ/EC residents trained		2	1,900	2,200	2	162	314
Number of EZ/EC staff hired		0	0	0	0	0	0
Number of organizations supported		0	0	0	0	0	0
Number of Public Meetings		6	237	195	0	0	0
<i>HHS Funds*</i>	<i>\$1,030,239</i>						
<i>Total*</i>	<i>\$5,103,171</i>						

* Note: The funds allocated for capacity building outputs were not broken out in the PERMS report into active and completed.

Source: FY2000 PERMS.

Appendix G

Partnership Case Studies

Appendix G

In-Depth Partnership Studies

The initial research design for the EZ/EC interim assessment called for a local analysis of community-based partnerships that would parallel the analyses of the other four national program principles. As the EZ/EC program unfolded, however, HUD developed a deeper interest in the dynamics of these partnerships—especially in the question of what is really required to make them effective. In response to this emerging interest, the research design was expanded to include in-depth data collection and analysis of a limited number of EZ/EC partnerships; the goal of this addition was to enrich the discussion of community-based partnerships in this report by including material that could not be gleaned solely from the reports of the local research affiliates.

In-depth site visits to two sites, the Baltimore EZ and the Burlington EC, yielded data about numerous partnerships in each locale. Clustering the partnerships was an effort to "hold constant" the many contextual factors that influence partnership formation and performance. These two sites were selected because:

- they each made extensive use of partnerships;
- most of their partnerships seemed to work well, so they would provide information about effective performance; but
- some of their partnerships did not work well, so some variation (to help confirm the lessons of the effective cases) would be observable.

The in-depth site visits were completed between July and September, 2000. The presentations that follow are based on the information collected in semi-structured interviews during those visits, as well as on the reports submitted by the local research affiliates, interviews with those affiliates, and written documentation collected from the sites. They are the foundation for the numerous detailed examples from these two sites included in Section 6.3 of Chapter Six.

Baltimore Empowerment Zone Partnerships Case Report

G.1.1 Site's Strategic Vision and Major Strategies

The Baltimore EZ covers three areas of the city: mixed residential and commercial neighborhoods on the east and the west sides, and a relatively unpopulated industrial area to the south. The east and west side neighborhoods have a population of about 72,000, mostly low-income residents.

The Strategic Vision for the Baltimore EZ was to make Baltimore neighborhoods a desirable place to live, work, and do business. As implemented, it has emphasized four primary areas to realize this goal—*Workforce Development* for zone residents, *Job Creation* through business development, *Improved Quality of Life* in the zone, and *Community Capacity Building* in the zone neighborhoods.¹ Underlying this vision was the theory that employment opportunity was the fundamental need of the residents in the zone and, consequently, that the zone's priorities and strategies should focus on increasing residents' incomes and stimulating the economy of the neighborhoods. All of the major programmatic efforts of the EZ focused on employment initiatives, either from the supply (workforce development) or demand (business development) side.

To implement the EZ program, Baltimore created a new entity, Empower Baltimore Management Corporation (EBMC), with its own board. As a newly-established body, EBMC was intended to keep the EZ program at least somewhat insulated from local politics. EBMC specified that programs would be coordinated in the EZ neighborhoods by Village Centers, which were to be nonprofit partnerships of residents, businesses, community associations, religious organizations, institutions, and governments from adjoining neighborhoods.

The original planning process for the EZ had produced a broader agenda, and the change to a narrower, more focused vision for employment was controversial. The change in the strategy occurred after the EZ designation was awarded, with the appointment of the EBMC board of directors, the majority of whom are corporate leaders.

The original planning process had involved scores of people from across the city, coordinated by the Baltimore Development Corporation and drawing on representatives of community organizations, businesses, and foundations. Based on the advice of neighborhood associations involved in the process, the planning process had been divided among five

¹ Stoker, *Interim Assessment Baseline Report*, 7/98.

committees: economic opportunity; health and family development; housing; public safety; and education, training and literacy. The committees identified problems and opportunities and recommended strategies to achieve the vision. An 83-member Empowerment Zone Advisory Council received the committees' recommendations and made the final proposal to the Mayor for the EZ submission to HUD. Approximately 30 percent of the Advisory Council was comprised of community leaders, one-third of institutional leaders, a quarter from government, and only 13 percent from the business community. The community and institutional members, who dominated the Advisory Council, were oriented towards improving social service provision in the zone.

The initial vision for the EZ, and the one approved by HUD, was comprehensive and involved the following seven strategies:

- *Community Mobilization*, to organize and involve residents in the planning and implementation of the zone;
- *Community Development*, for physical revitalization and land use planning;
- *Public Safety*, to reduce crime and increase security;
- *Housing*, to increase homeownership in the zone;
- *Health and Family Development*, to coordinate human service delivery to support families;
- *Education Training and Literacy*, to increase community participation in the management of schools and design of job training programs; and
- *Economic Opportunity*, to develop businesses in the zone and provide zone residents access to mainstream jobs in the region.²

The neighborhood organizations anticipated that the EZ would offer a selection of programs and resources and that individual neighborhoods would undertake strategic planning processes to determine their priorities and what resources they would need to accomplish their goals.

However, the EBMC board narrowed the EZ strategy because it felt that the more comprehensive vision of the Advisory Council was too diffuse and ambitious to make an impact.³ The Board believed that a focus on jobs was needed to make an impact and that progress could be better tracked and measured if goals were more limited. The re-framing of

² These seven strategies were described in the EBMC Strategic Plan, which was attached as Exhibit G to the EBMC Village Center Funding Agreements prepared in 1996.

³ Three strategies were identified in the Attachment A to the EBMC contracts with Village Centers in 1998, which states, "EBMC's strategic plan and mission focus on making achievements in three critical areas: Business Development (job creation); Workforce Development (job placement, barrier removal and skills development); and Quality of Life (physical and environmental to include land use, public safety, home ownership, etc.)."

the EZ vision frustrated some who believed in the need for neighborhood determination of priorities and disagreed with the strategic vision of the corporate leaders. For example, the Director of the Historic East Baltimore Community Action Coalition (HEBCAC) was convinced that there needed to be more attention to improving local schools as part of a neighborhood strategy. Otherwise, his argument went, as people increased their incomes, they would move to suburbs where the schools were better. Under the revised EZ program, however, local neighborhoods did not have the opportunity to design their own programs and uses of EZ funding. This shift in control undermined the sense of partnership and collaboration in the EZ.

G.1.2 Central City Partnership – Empower Baltimore Management Corporation

As noted, EBMC was created as a new entity to oversee and manage the allocation of the \$100 million of EZ funding. Given the substantial size of the program, the Mayor was concerned that the program be well-managed and accountable for the funding. He did not want to be criticized for mispending funds, or for having an ineffectual program. Thus, the Mayor appointed a “blue ribbon” Board of Directors, with high profile corporate leaders in the majority (17 out of 30 members) and nine community representatives (one from each of the six Village Centers, one from the industrial area, and two from the Advisory Council). In addition there were two appointees each from the Mayor’s and Governor’s offices.

The corporate leadership on the board included prominent figures, such as the President of the Abell Foundation, who was a former mayor and HUD Undersecretary. Most of these business leaders were not expected to involve their businesses in the EZ programs (that is, they were not partners in the EZ) and did not benefit directly from the program. An exception was one board member from Sylvan Learning Centers, who did move his business into the zone and participated in EZ programs.

The purpose of EBMC was to administer the funding, set the strategic direction, and provide financial accountability to the Mayor and to the community. As noted above, EBMC changed the EZ’s strategic vision after zone designation. “We needed to concentrate on what would make a difference in a desperately distressed community,” one board member said.

HUD’s administration of the EZ program led to some problems and concerns for the EBMC. According to the director of HEBCAC, as part of the EZ program, EBMC was supposed to receive the \$100 million up front, which it had planned to invest to cover the overhead for the program and to expand the funding available for program activities. As it turned out, HUD did not make the funds available up front, so administrative costs had to come out of the grant. Another concern was that the HUD staff who administered the grant were different from the staff who had reviewed and approved the application. The grant management staff

required a more specific plan for the use of funds than the EZ proposal had presented, and thereby precluded the ability of EBMC to allow the Village Centers to do their own planning and define the use of funding.

To provide for greater community input into the EBMC decisions (mostly in response to HUD's insistence on community participation) the Community Advisory Council, comprised primarily of neighborhood representatives, played a continuing role. Initially, the EBMC presented its decisions to the Council as they were made. However, the Council soon asserted itself and the process evolved: the Board's preliminary decisions were presented to the Council, which could either approve or reject the decisions. More often, the Council would suggest conditions for approval. This community role took some getting used to by the Board, but was felt to have a substantive effect on the EBMC decisions.

The creation of the Village Centers took a substantial amount of time and effort—more than the EBMC expected. In most cases, the approach was to forge new community organizations with broad participation from the key stakeholders. This choice was motivated by the perception that no existing institutions could represent all the groups in a neighborhood. Either there were no existing organizations, or those that did exist were too closely identified with one or more groups to be inclusive. The sole exception was HEBCAC, an Eastside partnership of neighborhoods, Johns Hopkins University, and the city government. Over time, as the start-up of the Village Centers progressed more slowly than expected, EBMC expanded its role to including providing technical assistance to the Centers and implementing some programs.

Most of the activities of the EBMC were conducted by the fairly autonomous committees of the Board, i.e., the Economic Development Committee, the Workforce Development Committee, etc. These committees met monthly, directed policy and programs, and reported to the quarterly board meetings. EBMC added other components to the EZ to complement its business and workforce development strategy. It added loan funds to provide capital to businesses and it created the Business Empowerment Center (BEC) to assist businesses locating or expanding in the zone. The BEC provided zone businesses with contacts for technical assistance, access to capital, and workforce development services, including customized training programs. Over time, the EBMC staff grew from 5 to 30. Some of the community partners saw the growth in EBMC staff as a problem of too much centralized control and use of resources.

The Director of the EBMC established a strong reputation as a leader and effective bridge between the corporate board and the community organizations. She was the appointee of the previous mayor and made the transition to the new Mayor. She was the second director of the program, and had developed experience with the Board and communities prior to taking over the Director's role. She has been an effective advocate for community participation and local determination within the organization. She helped keep the board "at bay" while some

of the Village Centers were in their early stages. “Capacity building requires the most effort from the board, and I’m not sure that they understood until the last 6 months why we needed to do capacity building. Now we know what has to happen and what the Village Centers need,” she noted. She reported that some board members “had come around 180 degrees” on the question of community participation, and are now clear about the need to have community organizations implementing workforce development.

The EBMC guidelines required there to be collaborations among organizations and specified that funding could not be used to substitute for existing services. But without staff, EBMC was limited in the role it could play in developing collaborative skills. The Director felt that EBMC needed to have someone on staff who was able to pay attention to partnerships.

Building trust was challenging given the history of the EBMC. According to the EBMC Director, “The elites think the money will disappear, and the community fears it will go to the suits.” Overcoming this distrust in the motives of the participants has been difficult. However, membership on the EBMC board has been consistent over the five years, with only about five percent turnover, so there have been opportunities for members to educate and learn from each other. That consistency has helped understanding grow among the parties.

Some of the Village Centers saw themselves as partners with the EBMC, but the director of HEBCAC did not. As the director of the largest Village Center, and one that was a pre-existing organization, he believed that there was no partnership with EBMC because there did not have mutually agreed upon goals. In his view, EBMC operated like a foundation: it controlled all the funding, set the programs and had an attitude of “we know better,” while the community organizations could apply for funding for specific programs. He described the relationship as a client relationship, not a partnership—lacking the ongoing dialogue and mutual ownership of programs he sees as central to a partnership. For example, he noted that the EBMC decided to do a Main Street program, but did not ask people in the community if they thought it was a good idea.

Having numerous new organizations responsible for implementing the EZ program diminished the ability of the community organizations to be equal partners with EBMC. The voice of the community was dispersed among many groups that had little experience or track record. The time and effort required for building capacity of the Village Centers has been significant. Some from the community feel that time and money was wasted because there were already established organizations in some neighborhoods that could have been vehicles for the EZ (e.g., SECO in the East Harbor area).

Another problem was the definition of the geographic areas in the EZ. Eight Village Centers were planned, but only six were formed. Some of the communities are very small (with populations of only 2,000 people) and are primarily residential with little commercial activity and few institutions. These areas have small markets and fewer partners with which their

Village Centers can work. Racial dynamics influenced the selection of some Village Center areas were based on racial dynamics. Some communities had difficulty coming together because they never dealt with the historical neighborhood racial and income divisions between European and African Americans directly; where larger communities could not come together the area was split. According to the EBMC Director, “anointed” leaders in these neighborhoods used these politics to maintain their control. Some selection decisions related to prior history in the neighborhoods, e.g., the Sandtown Winchester program of the Enterprise Foundation had made people in that area skeptical about outside assistance for community participation.

Sustainability

The intent from the start was that EBMC would sunset by 2003 and would not be an ongoing organization in the city. While some programs of EBMC may continue (e.g., the BEC) the primary goal for sustainability was for the Village Centers to become sustainable ongoing organizations. At least three (or possibly four) Village Centers likely will continue (HEBCAC, Washington Park, East Harbor and, perhaps, Poppleton). The leadership of the EBMC sees its role as bridge building for new relationships, helping the Village Centers find mainstream partners and new resources to support themselves. EBMC now has a resource developer on staff to help develop strategic relationships with foundations to assist the Village Centers in the future. In addition, EBMC is promoting community economic development deals to help the Village Centers generate new revenue sources. The Director also sees the need to help the weaker Village Centers build relationships and work from where they are now, with more consulting time to help them build capacity. Some of the community representatives are concerned that when the EBMC Director leaves there will not be anyone looking out for the community.

Lessons

- Transferring power over the EZ to the corporate leadership after the grant was awarded insulted the community representatives who had worked hard to win the award and undermined trust in the initiative.
- The creation of new organizations to administer and implement programs (EBMC and the Village Centers) takes time, resources and attention that can delay expected outcomes.

G.1.3 Community Level Partnership – East Harbor Village Center

As noted above, the Village Centers were integral to the EBMC strategy. East Harbor Village Center (EHVC) was created as a new organization by the EZ program. It has become a promising organization representing the Fells Point neighborhood, Little Italy, and the area east of downtown. As required by the EBMC process, EHVC was formed by

representatives of area residents, local business owners, and other institutions. All major stakeholder groups had to "sign on" to the organization for it to be designated as a Village Center.

The Village Center's purpose was to connect zone residents to EZ programs and services. It was intended to be a vehicle for community mobilization and participation, as well as a service delivery agency, providing a one-stop center for job training.

The East Harbor area is an ethnically diverse neighborhood with a large number of public housing residents and an active commercial area with many small businesses, represented by the Fells Point Business Association. African Americans, Hispanics, Native Americans, Italian and other European Americans all live in the East Harbor area. Bringing these diverse groups together to form a Village Center was a difficult process.

The current Director of the EHVC was involved in the early planning and development of the Village Center. As President of the tenants' council of her development, her property manager asked her to attend a Village Center planning meeting. People from the local public housing developments, area businesses, and other residents and organizations attended. Everyone spoke about forming a Village Center. The EHVC Director was upset with the tone of some remarks; she felt that the attitude of the business community suggested that they did not respect the residents. She got the other African Americans to walk out of the meeting. The group met again the next week, but the Director continued to think that the Fells Point Business Association wanted to control the new Village Center. She caucused with a group of people representing the churches, public housing, and others and formed a coalition to speak up for the residents. After several meetings, a 21-member Village Center board was created that involved all the parties in equal measure. The caucus asked the EHVC Director to run for Chair of the Board and she agreed. She developed the qualifications for Village Center membership and certified each member as either a resident or having a business in the area. As chair she oversaw a community survey to assess what was needed in the area. When she developed the RFP for the Executive Director's position, she realized that she was invested and wanted to apply. Consequently, she resigned from the board and applied for the job.

Coming into the job, the Director knew there was conflict among the different constituencies. There had always been racial conflicts in the neighborhood and people needed a way to bond to make a total community. Since there was so little trust, she called a meeting and invited a facilitator from EBMC to help foster a dialogue. People talked about the issues (schools, public safety, housing, jobs) and found that they had common concerns. The discovery that they shared many concerns helped to overcome the color and class lines. Nonetheless, it has taken a long time for trust to develop.

By bringing the conflicts out in the open and dealing with them, EHVC was able to build new relationships. The businesses were upset that they might not be part of the Village Center and wanted to be included. EBMC held up the application until there was an effort to bring the groups together. EHVC got a better board and structure as a result, and the CEO of one local business (Allied Signals) became one of EHVC's best allies.

EHVC was able to use its collaborative relationships to help accomplish its goals. It initially partnered with the Center for Employment and Training, which gave the Village Center office space. EHVC was later able to establish a permanent office in a former Provident Bank building on Broadway after negotiations with the bank. SECO also partnered with EHVC by using its tax credits to help finance the office building purchase.

EHVC opened a Career Center with EBMC funding to provide training and referrals to residents for jobs. EHVC also developed its own programs with EBMC funding. As its Director stated, "All of the programs we decide, unless we need help." EHVC has started its own Individual Development Accounts program and EBMC may provide some funding for it. EHVC has received technical assistance with fundraising from EBMC. It has a technical assistance budget and can use the funds for a scope of work it defines. Currently, EHVC is working on developing 24-hour childcare and using EBMC funds to hire a consultant to do a feasibility study.

With the EBMC resources and the designation as the Village Center, EHVC has become more of a "player" in the community. According to the Director, "Money talks, now we get to sit at the table with the big boys." EBMC programs, including loans for businesses and tax credits that are available through the Village Centers, make "everyone want to partner with us. Before there was nothing."

Sustainability

EHVC is working toward becoming more established and sustainable in the future. It has formed its own CDC (with technical assistance from EBMC) and is able to share the overhead of the Village Center with the CDC. It hopes to do more community development to generate revenues to support the organization. It is partnering with Johns Hopkins University and a private developer on a housing swap program. EHVC plans to deliver services to residents of a HOPE VI project under a contract. It is finding fees to survive and sustain itself. Since EHVC hires from the community, there is concern that it be able to maintain the jobs for residents in the future.

In the view of EHVC, EBMC has been very responsive and an important support mechanism for the Village Center. The EBMC staff provides technical help. The EHVC Director is concerned about what will happen to the community when EBMC dissolves or when its Director leaves. As a Federal program, she feels the EZ needs to have a longer timetable. It

took EHVC five years just to get going, and get the word out. It will take longer for it to become well-established.

EBMC maintained some control over the Village Centers by retaining approval power over their board and structure, setting the terms for funding (staffing of at least an Executive Director and a Community Organizer) and defining the program areas for funding. Each Village Center entered into a contract with EBMC for a one-year term, with performance goals and a workplan for the year.

The amount of the funding contract was an area of conflict among the Village Centers. Since the HEBCAC area is larger than any other (it serves 30,000 people) and originally was to have been served by 3 Village Centers, it asked for funding to be done on a per capita basis. Other Village Centers wanted to have the funds divided equally among the Village Centers. This disagreement set HEBCAC apart from the other Village Centers. Since it was the only pre-established group with a significant track record and its director had been the leader of the EZ planning process, many factors set HEBCAC apart from the others and may have caused resentment. When the EZ funding was first allocated, the Village Centers (except for Washington Park) joined together and wrote their own formula to propose to EBMC. One person noted that some Village Centers were afraid of losing something, but her attitude was, "What is there to be afraid of? You can't lose what you don't have." In the end, EBMC made initial grants of \$135,000 to \$200,000 to each of the five smaller Village Centers and HEBCAC got \$300,000.

There was an effort to form a federation of Village Centers. The EBMC invited the Village Centers to attend a meeting at the Annie E. Casey Foundation to talk about their goals. The EHVC Director noted that she could see then who would survive and who would not. She was angry that some participants were negative, saying that the federation would not work. She felt it was up to each person to make it work. The Village Centers started meeting on their own. This effort continued for about a year and a half, but then fell apart as the Village Center leaders disagreed and made "power plays." This was seen by some as a sexist problem, with some of the men trying to manipulate the process and ignore the women. Some of the Village Center leaders were "into promoting their personal power rather than trying to advance the interests of the community."

Lessons

- Creation of new community-based organizations with multiple stakeholders takes time. Assistance in facilitation and community building is necessary to find common ground.
- Strong indigenous leadership can emerge from an open process to engage community residents.

- Community-based organizations need to be able to develop at their own pace and with their own priorities.
- Diversity in race, class and gender can create divisions that can undermine partnerships unless they are dealt with in the open. Decision-making needs to be transparent and equitable.

G.1.4 Community Partnerships – Business Lending Program with Development Credit Fund

As part of the strategy for increasing economic development in the zone, EBMC expanded its programs to include a financing vehicle to provide capital for business lending and investment. Loan funds were not part of the original EZ application, but early on it was suggested that there needed to be capital for employers to expand. EBMC went to the Advisory Council to get their approval of the change before it was proposed to HUD. EBMC was able to raise additional funding from HUD and other Federal agencies to capitalize loan funds for five purposes: a brownfields loan fund; a small business lending program; a micro-enterprise fund; a business investment fund; and an 80/20 fund.

To administer the loan funds, EBMC entered into contractual arrangements with loan fund managers. Loan fund managers were selected through a competitive bidding process.

The Development Credit Fund (DCF) was an established minority-owned firm that had been providing financing to businesses in the region since 1983. It had a reliable track record and had experience administering public loan programs. It had a contract with the City to administer a CDBG loan program and an SBA micro-lending program. DCF had received a CDFI grant to enhance its document storage and software capabilities, and has good reporting systems.

EBMC contracted with DCF in 1997 to manage a small business loan fund that would make loans of \$50,000 to \$500,000 to zone businesses. In 2000, EBMC added a second contract for a micro-enterprise loan fund. Contracts were written for one year and provided a set fee for originating and managing loans. DCF made quarterly reports and presentations to the EBMC business development committee on the status of lending, loan payments, status of the loan portfolio, etc.

DCF used the capital to make loans for working capital, equipment and machinery, and other short term capital needs of businesses. When the program started, DCF found that many applicants came in for long-term real estate loans. The DCF and the EBMC board agreed that these types of loans were not appropriate for the fund's purpose and rejected these applications.

DCF was able to market its loan funds and tailor the financing to the needs of the client. DCF worked with the EBMC staff at the BEC to identify prospects and worked with the Village Centers to make presentations on the availability of loan capital. The BEC sent individual clients to DCF for the micro-enterprise fund.

EBMC and DCF had a formal, contractual partnership in which most of the terms were clearly defined. One point of negotiation was the interest rate to be charged on loans. The rate was set by EBMC at prime plus two percent, but DCF requested a higher rate to reflect the level of risk of the loans. DCF could explain why a higher interest rate was needed to relate to the risk of the loans and EBMC committee accepted its reasons. On the micro-loan program, since DCF was paid a fee to manage the funds, it was not as dependent on the interest rate.

The experience of one borrower illustrates the operation of the program. An entrepreneur from the Caribbean wanted to open a sign company in Baltimore. She found the EBMC on the internet and got information about the loan program. She went to DCF for a loan. She found that the DCF loan officer was very diligent and thoughtful. He helped by referring customers to her and sent her information on events and business seminars. She had a business plan professionally done, which she used as the application for the loan. The initial site she had identified was not in the zone, so she found another location through a city database of zone properties. She found a place that needed work, as it had been vacant for some time. Although she had hoped to get a spot with more traffic, the location was satisfactory. The loan terms were clear, although it was not a low-cost loan (12 percent) but the seven-year term was good. She had to show an equity contribution in the business, and collateral included a lien on her house in addition to business assets. She found reporting to DCF was onerous for the small business and providing quarterly reports certified by the CPA was costly. She could use more capital to buy computer equipment but has not generated enough profit to support more debt.

Although the loan did not require that the business reserve a certain number of jobs for zone residents, the business owner had intended to hire from the community. However, her experience with local hiring was difficult and made her feel that the EZ is up against “insurmountable barriers” to provide employment. She experienced a lot of turnover in the hiring she did (a turnover of 6 people in 2 years). In spite of trying to handle people with “kid gloves,” one employee walked off the job and another never came back. She required employees to have a GED, but when she took one employee out with her on a job, he could not read the tape measure, which was embarrassing to her in front of a client. She had difficulty getting appropriate employees referred to her from the EZ and has found people are unable to speak on the phone, take a message, or have the dress, deportment, communication skills or other basic skills needed for dealing with customers. She was “aghast” at the illiteracy in adults who applied for work.

The borrower appreciates the loan she got from DCF and acknowledges that she never would be in business without the EZ since she did not have prior experience as a business owner. Support from DCF went beyond her expectations; its staff have been helpful and professional. But the business has low capitalization and needs a way of increasing its capital without more debt.

The program has been good for DCF because it expands the loan products it has available to meet the needs of clients. It can help businesses grow with progressively larger loans, and it can mix and match loan products to meet the clients' purposes. The relationship with EBMC is good and channels of communication are open. As noted by the President of DCF, "as a partner, we don't want to keep the other partner in the dark."

EBMC is satisfied with the arrangement as well. The Chair of the Business Development Committee said its objective was to get the money out to job-creating businesses, and it wanted a loan fund manager that would "ride herd" on the borrowers and get the funds repaid. Loan servicing has also been an important factor. EBMC reviews the loan fund performance on a quarterly basis. Default rates are low. The job creation target was to support businesses with jobs that pay at least \$6.50 per hour with benefits and career paths. This latter goal has been difficult to achieve, as not every job meets those criteria. EBMC offers an incentive by reducing the interest rate depending on the number of jobs created.

Sustainability

The future of the loan funds after the sunset of EBMC is not yet defined, although the intent is to institutionalize the funds in some way. The funds might continue as assets of the loan fund managers, or they might be continued as new loan fund corporations in which the Village Centers have stock. Alternatively, the loan funds may be used to support the BEC in the future.

According to the Chair of the Business Development Committee, the factors that contributed to the success of the lending program included:

- Sticking with known quantities when choosing loan fund managers and selecting managers with favorable track records;
- Close scrutiny of the fund managers, regular reporting, and face-to-face meetings quarterly to answer questions about the programs;
- Not proceeding with the lending programs until they were clearly defined;

- Parceling out the money in small amounts and making the loan fund managers show progress before distributing additional funds. This kept better control over the program; and
- Good staff oversight at EBMC.

The Manager of the BEC added the following lessons:

- Define the role and goals of the program;
- Keep monitoring on track and have a regular reporting mechanism;
- Non-competition with other lenders enhances collaboration;
- Structuring the micro-loan fund with a management fee on performance helps to get buy-in from the fund manager;
- Funds are diversified and seek different markets (brownfields, small business, etc);
- Staff can intercede and facilitate technical assistance and work outs with businesses so avoid failures.

G.1.5 Community Partnerships – Washington Village-Pigtown Public Safety Program

The Baltimore EZ strategy included public safety initiatives in all neighborhoods, including mobile police vans, enhanced community policing, block organizing, and safe neighborhood design. The Washington Village–Pigtown Neighborhood Planning Council is a Village Center that serves a neighborhood in the EZ on the west side of the city, near the Camden Yards stadium. As part of its EZ activities, the Village Center initiated a Public Safety Program (PSP) in partnership with the Baltimore Police Department and the Maryland Division of Parole and Probation (DPP). The purpose of the program was to reduce crime in the neighborhood and improve the re-integration of offenders into the community.

The partnership included formal memoranda of understanding with the departments that explained the purposes of the partnerships and laid out the responsibilities of the departments and the Village Center. The program also included informal partnerships with local residents, businesses and organizations that participate in PSP activities. While much of the work of the team was to reduce crime, many of the community mobilization activities were intended to go beyond that by building community, helping people get to know their

neighbors better and becoming more active in community activities. The Public Safety Team provided training for block representatives and block watchers in the neighborhood.

The core of the PSP was a team composed of a community organizer (who was also a Public Safety Advocate at the Village Center), an officer from the Police Department, and two representatives from the DPP. The team worked cooperatively out of an office in the Village Center building on Washington Street in the heart of the neighborhood and coordinated neighborhood volunteers in regular community service activities, such as clean-ups and block parties. Community organizations and businesses donated goods. The team was very collegial and worked together well. The team members were friendly, enthusiastic and had positive, no-nonsense attitudes. They got cooperation from their departments. Working together the team was able to better respond to safety concerns in the neighborhood. They knew the area, they knew the residents and people knew them. They were out on the streets and were approachable. They were out in the neighborhood all the time and were aware of problem areas.

The team reported to a Public Safety Committee of residents who met monthly. The committee provided information on safety concerns and suggestions for assistance. The team's workplan set outcomes for recruitment of block representatives, nuisance abatement activities, installing security cameras, and youth activities. The team installed security gates on the breezeway alleys between row houses to close off escape routes for drug pushers and street criminals. They increased patrols at playgrounds and parks that had become havens for drug dealers. They increased identification of vehicles roaming the neighborhood or stopping for known drug dealers. They enforced the boarding up of vacant houses to prevent them from becoming dens for criminal activity. The Public Safety Team involved many local organizations and businesses in their programs.

The representatives from the DPP coordinated the supervision of offenders who were residents in the neighborhood. After they got cases transferred to them, they were able to maintain closer supervision of parolees and those on probation, including those that received "community probation" to do service in the neighborhood. In addition, they did home visits together with the police and coordinated with other staff at the Village Center offices who served the same clients.

"The beauty of being in the community at this center, is that we have extra contacts with the clients, when they come in for drug treatment or community service," one of the DPP representatives said. When offenders came to the center for services and job training, they were visible and the officers knew if they were meeting the terms of their release. With the additional contact, the officers were more aware of the clients and were able to intervene more quickly when necessary. Referrals to the substance abuse counselor or job training were easier and there was more accountability from the clients when they knew that all the services were in one place. The project was approved by a judge as a community service

location. As such, offenders may be sentenced to perform community service as a way to pay back the neighborhood by helping clean up streets, planting trees, cleaning up vacant lots, etc.

A recent example of the activities of the Public Safety Team was their work with the “skateboard kids.” A number of youth in the neighborhood were practicing their skateboards in the street, setting up jumps and barriers and being an annoyance to residents and drivers. They needed a place to go. The Public Safety Team worked with the kids to help them get a skateboard park, the first such park in the city. The kids attended community association meetings and a master planning committee. They got the support of the Colonial Dames for locating a skateboard park on the unused tennis courts in Carroll Park, a large public park in the neighborhood that includes the home of the local signer of the Declaration of Independence. The Colonial Dames gave them money for the skate park and letters of support. The skateboard park was approved and opened in September 2000. The Public Safety Team worked with the kids to set the guidelines for use and management of the park. In return, the kids had to become members of the club, pay to use the site, and clean up after themselves. The kids were involved in the design of the park with the planning board. They learned a lot about the democratic process and how to get things done. The Public Safety Team was able to turn a nuisance into a positive experience.

The PSP has helped to reduce crime in the neighborhood—a recent report cited a 20 percent crime reduction in the last two months. The team keeps regular statistics on crime and reports to the community. The Washington Village-Pigtown Village Center produces a monthly newsletter that includes information on crime and the Public Safety Team's activities. The team is producing a “city card” that will have information on services available to people in the community.

Sustainability

It is likely that the PSP will continue. The former Village Center director wrote grants for the program. They received a Department of Justice Weed and Seed grant, and were designated a Hot Spot program by the state. They have received a grant from the Enterprise Foundation to pay for a newsletter. The University of Maryland Law School and School of Social Work provide pro bono services. The cost of the Public Safety Team is not too high, as the officers are part of their department’s regular budget. The Hot Spot program designation has gotten the PSP more attention. Because they are a Hot Spot, the Mayor’s office, Governor’s office and many other agencies come to weekly meetings with the Team at Washington Village to coordinate enforcement activities. The PSP is making a difference in the neighborhood.

Lessons

- Public safety programs that involve block-level community organizing build neighborhoods and offer residents a tangible way to participate in activities that result in visible changes in the neighborhood.
- Motivated staff are essential for program success. The staff of the PSP was from the community, represented the diversity of the community, and brought a positive attitude to the community's problems.
- Small amounts of resources can produce significant outcomes as part of an organizing/public safety program.
- Coordination of services for people at risk (especially offenders, substance abusers, and others who have the potential to disrupt neighborhood life) improves their chances for positive re-integration and thereby can enhance community harmony.

G.1.6 Community Partners – HEBCAC Bridges to Work Program

HEBCAC is one of the Village Centers in the Baltimore EZ. It covers the largest area of the city on the east side. One of the programs that HEBCAC operates with EZ funding is the Bridges to Work program. The program provides transportation for community residents to jobs at businesses located in the region outside Baltimore. The purpose of the program is to get people with low or medium skills into better paying, career-path jobs. HEBCAC forms partnerships with businesses that hire city residents.

HEBCAC received start-up funding for the program from HUD as part of its reverse commute program (the program was also funded by the Ford, MacArthur and Rockefeller Foundations and was managed and evaluated by Public/Private Ventures in five sites).⁴ In Baltimore, the program also received EBMC funding. HEBCAC created partnerships with employers that were looking for workers by providing employee screening, training, and dependable transportation. The HUD-approved areas for employers were Fairfield, Howard and Anne Arundel Counties, all of which were experiencing labor shortages. Baltimore County had its own transportation system and thus did not need the program.

The manager of Bridges to Work and other HEBCAC staff met with employers, the Chambers of Commerce, and quasi-government agencies in the target areas. Businesses had had some experience with a transportation program since there had been van services in the past that some employers had used. The manager of Bridges to Work also had experience

⁴ For more information, see <http://www.ppv.org/indexfiles/workforce-index.html>.

with the program and in the 1980s provided van services to Lorian Health Services. In his view, employers recognize the benefits of transportation services.

Using Federal funding for the service resulted in some challenges for HEBCAC. It was a trial and error process to determine who qualified for the services under the Federal guidelines. There were eligibility limitations such as a requirement that participants have a GED, but most job seekers did not have one. Some who required treatment for substance abuse were referred out to other providers. Since the HEBCAC neighborhood was larger than the designated EZ area, some neighborhood residents were excluded from the service, which created problems for the organization to explain.

The program instituted a fare box to get the riders to pay a share of the cost. The fare was \$24/week. According to the manager of Bridges to Work, “The service is an opportunity but it is not a hand out. To empower people, they have to buy in.” The program was also partly underwritten by employers using the community choice tax credit.

According to officials at HEBCAC, employers in the program “run the gamut.” HEBCAC focuses on employers that have shift work and that offer the jobs and benefits sought by the program. One example is Lorian Health Systems, an operator of nursing homes, that has been a good partner. As they grew, they needed the program to help get employees from Baltimore and have employed 40 people. The employees are trained as Certified Nursing Assistants and Medical Assistants. Some have been promoted to Licensed Practicing Nurses and Registered Nurses and some have become managers and supervisors.

PPV’s evaluation of Bridges to Work found that workforce development skills were more important than the logistical problems of transportation in placing people in jobs. Skill at job-matching was critical. Many of the clients did not have as many job skills as expected and additional pre-employment training was needed.

To engage people with pre-employment needs, HEBCAC had its own program to screen and assist neighborhood residents. Its staff was sent to STRIVE for training to strengthen its pre-employment programs. With the Gaining Access to Training and Employment (GATE) program, a HEBCAC job developer provides residents with a psychosocial assessment.⁵ After assessment, each individual was assigned to one of three tracks to work with a case manager and a peer team. The first track was for those needing minimal help; they received an intense 30-day training in job readiness, preparation for work, career path selection and were assisted with job placement. For those that needed more job skills, track two referred people to other skill training for 60 to 180 days in careers such as computers, construction trades, trucking, nursing, etc. Track three assisted those with multiple barriers to work and connected them with a collaborative network of supportive services (housing, childcare,

⁵ See description of GATE at www.hebcac.org/

medical, substance abuse, legal, etc.) and may serve clients from 90 to 365 days. These were the most challenging clients to serve. GATE was responsible for removing barriers to work and helping with job retention by providing support services for one year. It had a goal of 436 placements in 2000.

HEBCAC discovered that it is challenging to coordinate the timing and needs of the two parts of its program—training and employer needs. Some employers may not communicate as well as they could about what their needs are. With the transportation program, employers are looking for workers. Bridges to Work coordinates the routing and has to constantly modify the routes to match workers and shifts.

Sustainability

To sustain the program in the future, HEBCAC has spent a lot of time getting data on the effects of reverse commuting to make the case for the service. For the past three years, it has been challenged at every level to find what works best for alternative transportation. The manager of Bridges to Work asserts that it could be its own entity for the entire city and could be supported by suburban businesses. It could also work with the MTA at Maryland Department of Transportation, and could be state funded. He believes that there is an ongoing demand from businesses looking for employees.

HEBCAC is involved in a new statewide effort to better coordinate employment services. The Job Opportunity Task Force is a new organization that brings together EBMC, the state, city, foundations, and providers like HEBCAC, with a focus on reviewing workforce and economic development in the region and planning for advocacy for standards and policy. The idea is to coordinate economic development with workforce development rather than the other way around, that is, to look for businesses that can use the available workforce and to assess the needs of the people you serve. The leadership at Bridges to Work sees this as an exciting and proactive opportunity to improve the employment training system.

Lessons

The manager of Bridges to Work asserts the following lessons from this partnership:

- Communication is the key. People must share information.
- Capacity building is important because no one partner has all the answers. Situations are constantly changing so learning must be ongoing.
- Workforce development issues are more basic than the logistics of transportation and both services need to be combined to be successful.

- In a strong economy, employers need employees and are willing to partner to get access to a source of screened workers.
- It is challenging to coordinate the timing of training completion with the demands from employers.

Overall Observations From Baltimore EZ

- The \$100 million in EZ funding was a lot of money that made people sit up and take notice. It made politicians fear that their reputations could be tarnished if the funds were misused. So much money made lots of people want to get a piece of it while distrusting the motives of those who might receive allocations of funding. This made partnership building more difficult.
- There was a basic tension inherent in the concept of “empowerment.” By setting the agenda and defining the programs, EBMC initially did not demonstrate confidence in the power of the Village Centers or communities to define their own priorities or activities.
- While some communities struggled and did not have the capacity to use the EBMC resources as effectively as others, some Village Centers were successful in developing local leadership, bringing together different stakeholders, and creating partnerships that made positive contributions to the neighborhoods.
- EBMC’s contracts with grantees, including the Village Centers, loan fund managers and others did define their relationships clearly and provide benchmarks for measuring progress.

Burlington Enterprise Community Partnerships Case Report

G.2.1 Overview of Burlington EC's Strategic Vision and Major Strategies

The Burlington EC serves the city's Old North End (ONE) neighborhood, a community of about 10,000, mostly low-income, residents. It is the most ethnically and racially diverse community in the state. The EC offered a comprehensive vision of community development for this area and developed a complex set of 70 strategies aimed at improving the physical, economic and social dimensions of the community. Central to the assumptions in the Burlington EC was the concept that partnerships and collaborations were the most effective way to implement the strategies defined in the EC plan. The key assumptions of the plan included:

- A focus on strategies, not organizations, would be most effective;
- Burlington had a wealth of nonprofit and community-based organizations that had proven themselves to be effective service delivery agents;
- Reliance on collaborations of existing nonprofit, community-based organizations and City agencies to implement the strategies would be preferable to the creation of new entities;
- EC funding was available only for new programs, not for maintaining current programs;
- Rather than focus on a few main issues, the EC would be comprehensive and the individual strategies would be linked together to enhance the prospects for successful results;
- Allocation of the \$3 million in EC funding was set in advance as part of the strategic planning process, rather than leaving it to the discretion of the governance committee after the grant was awarded;
- Partnerships would submit implementation plans and budgets to be reviewed by the EC steering committee before distribution of EC funds.

Although the EC demanded partnerships, the Burlington EC did not specify or give guidance on the forms of partnerships required. All types of relationships, from informal alliances and programmatic collaborations to structured partnerships, were acceptable; mergers were not required. The primary aim was to have the various organizational stakeholders in any strategy working together to define the problems and come up with solutions that all partners endorsed. The philosophy was that a democratic process that brought all the relevant parties to the table would come up with a better and more responsive result than if any single agency or group were given the authority to act unilaterally. It was acknowledged to be a “messy” process and not the most efficient. The City used the EC to reward collaborations and seed a process for bringing parties together. For example, funds were awarded for staff that served shared efforts rather than funding staff at any single agency. As a neutral third party, the City’s Community and Economic Development Office (CEDO) staffed the development of some of the collaborations to facilitate, negotiate and mediate among the partners.

G.2.2 The Central City-level Partnership – The ONE EC Steering Committee⁶

The Burlington EC is governed by the ONE EC Steering Committee. This entity acts effectively as the central city-level partnership, although it was never defined as a partnership per se. The Steering Committee is an elected body with representatives from different defined constituencies. It was not created as a new organization or as an implementing entity, but as the governing body of the EC to monitor the many EC strategies and partnerships.

The EC governance structure was negotiated up front in the strategic planning process. More importantly, the governance structure defined in the plan was followed after the EC designation was received. The Steering Committee was designed to have representation from the many entities that participated in the EC strategies while the majority of its members were neighborhood residents. Initially the Steering Committee had 11 members. The representatives included:

- Three from the City (the Director of the Community and Economic Development Office, Director of Planning, and one of the City Councilors representing the neighborhood);
- Two state government representatives—one each from the Department of Housing and Community Affairs and the Agency of Human Services;

⁶ This section draws on information and interviews conducted by Richard Schramm, the local research affiliate for Burlington, as part of the EZ/EC evaluation.

- Three representatives of the “participating entities”—nonprofit agencies or businesses involved in one or more strategies;
- A representative from the City’s Human Rights Commission to assure consideration of diversity issues; and
- A representative from each of the two Neighborhood Planning Assemblies in the ONE (Ward 2 and Ward 3).

The Committee was soon expanded to 15 with the addition of four at-large seats for neighborhood residents.

Other than the *ex officio* public agency members, the others were elected on an annual basis. Participating entities voted for their three representatives, the NPAs elected theirs, and the at-large resident members were elected at the annual EC meeting. The short terms were intentionally designed to keep the participation in the EC fluid and prevent the Steering Committee from becoming too institutionalized. Although each held only a one-year term, there was considerable continuity in the Steering Committee. The average service was two years, but six members served longer periods, and two members served continuously from the start (one from the Department of Housing and Community Affairs and a zone resident; the other, the Director of the Burlington Community Land Trust).

Notably absent from the committee was any representation from the business community. Although businesses were eligible to serve as “participating entities” none of these seats were held by businesses. A resident who operated a bed and breakfast in the community served as an at-large neighborhood representative one year; however, for the most part, representatives to the Steering Committee came from the public and nonprofit sectors.

The EC Steering Committee is charged with

1. Monitoring progress towards achieving strategic benchmarks and goals;
2. Ensuring that planned linkages among strategies are being established;
3. Ensuring that commitments pledged by principals are being fulfilled;
4. Recommending adjustments to the plan; and
5. Convening an annual meeting of all “Participant Entities.”

The Steering Committee must meet at least three times a year (they actually met monthly up until the last year). A full-time employee of CEDO has served as staff to the Steering Committee with the responsibility of coordinating the implementation of the ONE EC Strategic Plan.

Thus the Steering Committee did not have a lot of discretion in allocating the EC resources; rather its role was to monitor the plans and activities of the partnerships to assure that the strategies followed the plan. In some cases, where strategies did not come to fruition, or where changes were proposed, the Steering Committee had to approve new uses for the funding, changes in the fiduciary, or changes in the partnering organizations.

Burlington is a small city in a small state. Most of the participants on the EC Steering Committee knew each other and had worked together before in different ways. Some knew each other by reputation.

The Steering Committee members were chosen to represent the diversity and balance of interests of the many parties in the EC. As a result, there was considerable distrust and differences of opinion as the committee came together. Some people did not like each other, some were suspicious of others. People came with different values and philosophies. There was considerable tension around some of the decisions that the committee had to make to sign off on the implementation plans for the EC strategies. Some members were easily satisfied with the proposals from the partnerships because they knew the organizations and trusted them. Others were highly skeptical or distrustful of the proposing organizations or their plans and would not agree to the distribution of funds.

The EC Steering Committee was initially staffed by the author of the EC plan. As the City's Director of Housing, he was a senior person, uniformly respected in the community, and not aligned with any particular group although strongly committed to the overall vision of the EC. Prior to considering any funding decision, the committee spent its first several months defining the policies and procedures that it would use. With his guidance and assistance, the committee members developed an appeals process, conflict of interest policy, rules of operation, open meeting policies and communications methods including a newsletter, cable TV of meetings, etc. He also worked as a facilitator and negotiator in this period helping the committee to define its role and processes.

Most of the members of the Steering Committee brought their professional expertise and relationships to the EC. As many members of the Steering Committee represent public agencies or nonprofit organizations, these individuals are experienced in program operations.

Residents played an important role on the Steering Committee but their influence was muted somewhat by differences in class and professional experience that sometimes existed between resident and other members. One resident member described the membership as two-tiered, residents and non-residents, which comes down largely to non-professionals and professionals.

The Steering Committee received no formal training to help reduce these differences. While some resident members participated in facilitation training, Steering Committee development

was minimal, largely because it took a more short-term “get-the-strategies-going-and-the-money-out-the-door” perspective. The Committee did not see its role as longer-term. This short-term view is consistent with the Steering Committee’s reliance on CEDO staff leadership rather than building its own and the failure to fully develop the leadership and facilitation skills of all committee members, especially those without prior board experience. It also was reinforced by the understanding that EC moneys could not be used for administrative support and capacity building, including building the steering committee’s capacity.

After a while, the position of EC coordinator was reduced from a senior CEDO manager to a more junior staff position. The coordinator had less clout with the members and within the city and fewer skills. There is a sense that the Steering Committee began to fragment and people began to lose interest when the coordinator was demoted to a junior position.

During the 1994-1997 period, the EC Steering Committee required an annual review of most “strategies” as the basis for releasing the next year’s funds. Furthermore, those strategies that were changed or disbanded sometimes provided some funds for the Steering Committee to use for new purposes of their choice. The dozens of nonprofit organizations working in the EC, with funding from the EC or the promise of some, gave the Steering Committee some attention.

The role of the Steering Committee also changed over time. As the EC funding was used up, there was no longer a carrot or stick that the Steering Committee could use to enforce the partnerships. Without ongoing funding, there were no longer incentives to keep many of the collaborations together. Individual organizations did their own grant writing and the City and the Federal government went back to funding organizations rather than collaborations. A few of the more successful partnerships found their own reasons to stay together and required no external incentives to keep them collaborating. They have raised money together.

Sustainability

Since 1997, when the funds were essentially spent, the Steering Committee has been looking for a new role to play. In spite of the many new neighborhood associations started as part of the EC program, as well as the Neighborhood Planning Assemblies that go back to the 1980s, the EC Steering Committee seems to be the only formal group that “speaks” for the Old North End. So even if its other activities have petered out, it is often asked to support grant proposals or pick people for committees or otherwise provide an official stamp of approval from the EC. While this may provide it with a continuing role, its legitimacy is eroding as it transacts less and less business for the EC itself and is less and less involved in the continuing programs/strategies that began with the EC. In addition, newer initiatives gaining attention seem to be geographically larger than the EC (e.g., the HUD-designated Strategic Planning Community) or smaller (e.g., the North Street Revitalization plan) so the

permanency of the area known as the ONE EC (not of the ONE itself) seems to be in question as well.

Generally, there is a sense that the EC Steering Committee was successful in overseeing the EC plan. Because the uses of the grant were predetermined and so many of the strategies were ready to go when the funding arrived, the Steering Committee was able to get its funding out on the street faster than any other EC city, a matter of substantial pride in the city. However, since the Steering Committee was never structured as a separate organization, it does not have a life beyond the EC.

Interest by Steering Committee members appears to be declining, there is more difficulty in getting a quorum, more frequent cancellations of meetings, with more committee members resigning before their terms are up. There are currently five unfilled seats out of fifteen. This waning interest probably reflects the change in the Committee's role, its declining control of resources, the fewer action items on its agenda around the EC plan or its strategies, and a lower priority on its work from the City. If resident participation in EC governance was limited before, its influence has diminished further with the decline in the Steering Committee's role as a governing body.

The prospect of the EC Steering Committee staying "in business" until the full ten years of the EC is completed seems highly unlikely.

Lessons

The structure of the Burlington EC is unusual. It did not use the EC resources to create a new organization or operating entity within the city. The EC strategic plan dispersed the activities across many existing organizations, requiring collaborations of stakeholders in the implementation of every strategy. The city-level partnership acted as monitor of the community plan. It did not try to change the plan or redirect the resources in a major way. The Steering Committee was only partially successful in actively engaging residents in its deliberations and its role diminished as there were fewer decisions to be made.

In profiling three community level partnerships in Burlington, we have found a range of partnership structures. These include a formal partnership among nonprofit agencies with written contractual agreements intended to last for the long term, alliances between city government agencies and grassroots resident associations, and a more fluid, ad hoc collaboration of service providers that came together for a limited, short-term effort.

G.2.3 Community Level Partnership - The McLure Multigenerational Center

The Multigenerational Center was developed in 1997-99 by a partnership of three nonprofit agencies, the Burlington Community Land Trust, Burlington Children's Space and the Champlain Senior Center. Facilitated by the EC and CEDO, these groups came together in a unique partnership to build a new facility for childcare and for seniors that allowed both programs to expand. This partnership was not a part of the original Burlington EC strategic plan, but came about by combining parts of Social Strategy 9 (expanding childcare services) and Social Strategy 5 (facilities and programs for the elderly) with Economic Strategy 1 (developing a micro-enterprise incubator).

In 1995, both the Senior Center and the Children's Space needed to move. Their programs were expanding and their facilities were inadequate for their needs. The Senior Center owned a building on Main Street that the City had given it years before. The Children's Space was in the basement of the City's Memorial Auditorium rent free, but that space was needed for an expanded arts program and there was pressure for them to move.

Both agencies had been part of the EC planning process and had been involved in program strategies for their constituencies. They also had done some shared programming with the seniors and children but it was inconvenient and it required the children traveling to the Senior Center. The organizations each considered options for expansion. The Senior Center hired a development consultant to explore renovating its space, but it was infeasible. New construction for each group would require both to undertake capital campaigns. The City suggested they combine their efforts. Since neither agency was used to paying rent, they wanted to find a space that would not be too costly to operate and would allow their programs to expand.

A site on North Winooski Street in the ONE had been planned as the site of a business incubator in another EC strategy. The property was a rambling mix of commercial uses and was in poor condition. The site was contaminated and qualified as a brownfield. The surrounding area was a targeted redevelopment area for the City and had several other projects underway by the Burlington Community Land Trust and another nonprofit housing developer. After serious planning had been done for the incubator, the group intended to lead the project backed out, and the site became available. The City suggested that the Multigenerational Center locate there.

To explore the possibilities for development, the City introduced the Senior Center and Children's Space to the Land Trust. It had recently finished its first community facilities project in the neighborhood, RELIEF. In that project it developed four sites as new spaces for the emergency food shelf, Vermont Legal Aid, the homeless shelter, and a nonprofit

office building. In that project, the Land Trust had successfully demonstrated its capacity as a commercial developer, and its ability to raise private donations for capital projects.

In the partnership, each group brought skills and assets. The Land Trust brought development skills to the partnership -- its ability to put together the financing, manage the construction and oversee the property management as a benign landlord. The Senior Center brought its building to the project, which if sold could be invested in the new project. The Children's Space brought its skills in grant writing.

The Senior Center and Children's Space had no experience developing property and had not done a capital campaign before. Their boards of directors were concerned about whether they would be able to raise the funding needed and manage the process. Working with the Land Trust and a development consultant that had done feasibility plans for the Senior Center, the two agencies had more confidence they could do a major capital project.

The partners' three female executive directors worked together well. They met frequently and worked out issues and decisions for the project. The development consultant prepared a predevelopment agreement among the parties to lay out the basic assumptions about the project. Thus, the terms of this partnership were formal and clearly defined from an early stage.

Although the Land Trust was responsible for the development, the Senior Center and Children's Space were able to participate in the design of their space and assure that it would be tailored to their needs. They met with the architect often. The Land Trust invited the others to attend construction meetings and kept them informed about the project as it went forward.

The development budget for the project was about \$1.8 million, which was an intimidating amount for two service agencies to raise. The Land Trust and the consultant helped to break down the costs and identify sources of financing. Working with CEDO, the Land Trust was able to put together a package of financing that included CDBG funds, the \$80,000 in EC funds allocated for the site, state funding, EPA brownfields funds, and a nonprofit bond from the City. They showed the Senior Center that it could raise funds by the sale of its building and negotiated with the City to forgo its right of reversion for the Senior Center property so that the funds could be invested in the new project.

Tensions erupted when the financing of the deal started to be defined. Using the City-issued tax-exempt bond, the Land Trust would own the building and be the manager. The other agencies would be tenants but would have the right to purchase in the future. These were the same conditions that the other nonprofits had accepted in the REELIEF project. However, the two boards had two or three people who were suspicious of the project and felt the terms were unacceptable. They wanted to own their own building. These concerns required

negotiation and explanation to show the agencies how the structure would work for their benefit. The Senior Center had to be convinced that the City would not forgo its reversionary rights to its original building if it did not use the proceeds for the Multigenerational Center.

In addition to the financing from public sources, more than half of the financing for the project had to be raised privately from donations in order to keep the operating costs to a minimum. A capital campaign committee was created with prominent members from the city who had worked with the Land Trust on its earlier nonprofit facilities project. The City assigned a VISTA volunteer to work half time on the capital campaign. The Children's Space Director wrote the campaign case statement and sought foundation grants. Early on two influential members of the capital campaign committee were able to secure a commitment for a challenge grant from a wealthy individual. This \$500,000 pledge helped to increase everyone's confidence that the campaign was doable and encouraged other private donors to give.

The project entailed a lot of risks for all three partners. The Land Trust took on the major development risks. It had to exercise the option on the property before all the financing was in place and it owned the property during the construction period. It borrowed additional funds as they were needed. The two service agencies had to enter into a development agreement whereby they would be required to increase their occupancy costs substantially from what they had been paying. The Senior Center had to sell its building and invest the proceeds into the new project that it would not "own." Both agencies would be linked to each other for the future.

Part way through the construction period, the building started to sink. Test borings had not adequately assessed the ground conditions in one corner of the site. The project came to a halt while the problem was assessed. The architect and engineer came up with a solution of piers to rectify the problem, but it added to the cost. The Land Trust took on additional borrowing to get the construction back on track. There were tough moments as the two agencies worried about what they were getting with the construction and whether the building would be what they wanted. At the end of the project, a mediated settlement had the extra costs paid by the architect and engineer. The Land Trust was able to pay back the City for borrowing and invest the balance as an endowment for the property. An agreement for the use of the capital reserves was worked out among the three partners.

All the partners received significant benefits from the partnership. The two agencies got new, expanded space for their programs. The Land Trust got a development fee from the project, enhanced its development capacity, and increased its assets.

Programmatically, it has been easy to develop shared programs for seniors and children. The seniors act as "book buddies" for the children, and an intergenerational percussion group performed at the Burlington Jazz Festival. The two agencies also have found unexpected

benefits from co-locating. Some of the parents have invited their children's book buddy to share Christmas with them, knowing the senior would otherwise be alone for the holiday. Middle aged parents in the Children's Space who have aging parents discovered that the Senior Center is a resource for information and referral on many topics.

All three agencies used their contacts and political clout to move the project along. The City continued to assist and support the partnership by promoting the project and providing resources to the effort. The Vermont Congressional delegation was very helpful and worked together to find additional funding for the project. The Senior Center and the Children's Space did not see their programs in competition and were able to share information about donors in the fundraising phase. The combination of "babies and seniors" proved irresistible for politicians and philanthropists. Combined the programs were able to raise more funds than either thought it could have raised alone.

Sustainability

The facility was opened on March 22, 1999 with the participation of the Mayor, the Governor and the entire Congressional delegation. In addition to the bright new childcare space and senior center, the building provides two community meeting rooms and a computer room that are available to the public. The meeting rooms have proved enormously popular. Alcoholics Anonymous holds a regular meeting there, the first it was able to offer in this neighborhood where many of its members reside. It proved so popular that it has added another meeting time. Community Dinners are offered in the Senior Center space once a month and regularly attract 75-100 neighborhood people. In use from early morning to late at night, the site has taken on new vitality. Neighboring businesses have reported less vandalism as a result of the activity at the Multigenerational Center.

The Multigenerational Center is an ongoing partnership for as long as the building is owned in this arrangement. The roles of the partners are clearly defined and appropriate to their skills and interests. The Land Trust manages the facility. The service agencies operate their programs. They have found new ways to work together. All three organizations have derived a great deal of pride and community appreciation for the successful development of this project.

Lessons

- The Multigenerational Center partnership was successful because each partner had a role to play and it was clear what their needs were and how they would benefit from the effort.
- Each partner brought different skills and networks that complemented the others—they were not competitive.

- The project was tangible and the outcomes clearly defined.
- The three Executive Directors of the three partnership organizations were able to develop collegial relationships and trust that saw them through unexpected difficulties.

G.2.4 Community Level Partnership – The Public Safety Project

The Public Safety Project (PSP) is a community-organizing effort focused on improving safety in the Old North End by organizing neighborhood block associations and neighborhood watch groups, providing leadership training to residents, and offering small grants for neighborhood improvement projects. Planned as Social Strategy 14 in the EC strategic plan, it is primarily a collaboration between CEDO and the Police Department along with neighborhood residents and VISTA workers.

The purpose of the project is to promote actual and perceived safety in the neighborhood by organizing residents to help reduce crime, improve communication with the police, and build stronger social links among the residents. It is staffed by three VISTA workers. To date, the project has helped 28 block groups get organized or reactivated.

In the EC strategic planning process, when the Police Department was asked what would be the most useful ways to improve security in the neighborhood, the response was surprising – increase homeownership and increase the number of block associations. The Department had begun to implement community policing in 1991 and it was experimenting with how to tailor the process to Burlington. The Department had shifted its philosophy toward policing from the 1960s, when the idea was that the police could do it all and citizens should stay inside and dial 911, to the 1990s when it was recognized that the police cannot do it alone and people should come out and be more aware of their neighborhood. The Police Department response to the EC was to promote ways to increase the residents’ stake in the neighborhood. They wanted to improve citizen participation in and perception of the community with community improvements, following the “Broken Windows” strategies promoted by Wilson and Kelling (1982).⁷

At the same time, others involved in the EC planning process believed it was important to have a community organizing component to engage residents more directly in decisions about their neighborhoods. No organization came forward in the planning process to do community organizing, so CEDO became the lead. Although the EC program could not support community organizing alone, public safety was an allowed purpose and a natural focus for neighborhood organizing.

⁷ Wilson, James Q. and George L. Kelling, "Broken Windows: the Police and Neighborhood Safety," *The Atlantic Monthly*, March 1982, Vol. 29, No. 3, pp. 29-38.

With the focus on safety, the initial concept was to organize block associations and develop leadership to provide training in neighborhood watch, emergency response, self-defense, first aid and CPR, home safety and injury prevention. Although not located in the Old North End, the Red Cross was selected as the fiduciary to bring its services to the community and to act as a stable nonprofit home for the program. It was hoped that the Red Cross would make a longer term commitment to the neighborhood through this project. Thus initially, the PSP was designed as a collaboration among the Red Cross, the Burlington Women’s Council, Women’s Rape Crisis Center, Women Helping Battered Women, the Ward 2 and 3 Neighborhood Planning Assemblies, UVM’s Good Neighbor Program, together with CEDO and the Police Department. These groups and a few residents became the Steering Committee for the project.

Some of the individuals on the Steering Committee had collaborated in the past and knew and respected each other. This helped develop trust in the PSP. Those who came to the table had shared interests. However, there was some difficulty getting residents to serve on the PSP Steering Committee at first.

One partner in the PSP described the collaboration as “autonomous peacefulness.” The parties got along well and were strongly committed to the project. “We knew we all had to get along to keep the funding flowing.” There was a healthy tension among the groups related to their credibility and ownership of programs.

Over time, as the neighborhood organizing identified issues, the interests of the residents shifted and the focus of the PSP evolved. As VISTA workers began to help streets to organize, the issues that came to the fore were traffic “calming,” neighborhood clean-ups, neighborhood watch, and stepped-up code enforcement. Block parties and other social events were the common way of bringing people out and celebrating a clean-up. As the focus of the project evolved, the participation of the Red Cross and the women’s groups declined. Eventually, the leadership moved from the nonprofits to the citizens.

The PSP used the \$40,000 in EC money mainly to fund the VISTA salary co-payment and a pool for incidental expenses of the neighborhood groups for block parties, flyers, etc. After the EC funding, the City has continued to fund the program from CDBG and it has helped raise funds from other sources. The PSP has a small grants program with annual awards of up to \$5,000 for neighborhood activities to improve public safety and community cohesion. The awards go to pay for things like dumpster rentals for clean-ups, neighborhood gardens in the greenbelts. One group applied for a tool co-op.

The PSP organizing process was contagious; as one street was organized, others wanted it too. People saw that there were visible benefits from participating. Each street was able to define its own issues, and the VISTA workers looked for cues and interests from the residents. The door-knocking done by the VISTAs helped identify “neighborhood mayors”

and leaders to organize neighborhood watches, get people to talk to each other, share phone numbers, and organize block parties.

PSP coordinates with other City departments and has improved their ability to work with neighborhoods and respond to residents' requests. For example, the PSP helps coordinate with the Mayor's office the Community Based Action Teams that bring many City departments (Department of Public Works, Parks and Recreation Department, Police and Fire Departments, Fire Marshall, work release crews from Department of Justice, etc.) together to work on a block on a single day. The PSP helps get resident input, mobilizes citizens for the day, and coordinates the event. City departments redo curbs and sidewalks, pick up hazardous waste, trim the street trees, mow the green belts, and other activities. The street sweeper comes through at the end to clean the street. The PSP organizes the block party at the end of the day. The PSP also worked with the Department of Public Works on its traffic calming methods. This was a big demand from neighborhood associations, and with the PSP the VISTAs were able to follow up on requests and improve response from the Department. It also helped the Parks and Recreation Department respond to community requests for youth activities and pocket parks.

The PSP encountered and overcame several conflicts and tensions in the collaboration among the partners.

- From the start, the project brought together some parties that were not used to working collaboratively. The women's groups, used to advocating for their clients and often unhappy with the level of police protection, were often at odds with the Police Department. However, within the project, the partners were civil to each other, there was no arguing, and people got along. There was the potential for territoriality among the groups but it did not happen.
- Politically, some of the members of the NPAs were vocal in opposition to the PSP because they thought the NPAs should be the entity to make decisions and funding should run through them. [A PSP steering committee member noted that the loosely organized NPAs included "vocal young intellectual anarchists" who were ideological in their opposition to the project, but were not generally representative of the neighborhoods.] The concept of the PSP was to work at a more grassroots level, street by street, and the NPAs did not represent the residents at this level. The NPAs were given 3 seats on the PSP steering committee to reflect their concerns, but (according to a PSP member) it was hard to get these representatives to attend meetings.
- A representative from the University of Vermont and member of the EC Steering Committee left the PSP early on. She had designed a community mediation program to be part of the PSP. When the EC grant was awarded, she requested a grant for the UVM project that would have constituted a large portion of the project's EC funding. The

committee did not want to allocate that much of the money to the UVM project, but wanted to scale it back and reduce the budget. The UVM representative did not want modifications to her project, and she sent a letter to the steering committee withdrawing from the PSP. The committee decided it had to move on, and did so without the UVM participation. The UVM mediation project was incorporated into another City effort (the Community Justice Program) and received funding from the Department of Justice.

- Three of the city's Americorps*VISTA workers staff the project. They are housed at the Police Department with the support of the Chief. However, at first the workers had trouble with the other officers who were hostile to the "civilians," saw the VISTAs as radicals and were wary of their roles. The VISTAs' desks were out in an open area and they found their papers upset or discarded, food eaten, etc. The VISTAs worked with their supervisory committee to overcome the stereotypes held by the police. The VISTAs showed up at roll call with the officers, did "ride alongs," got to know their community-based officer, and gained the respect of the officers. The situation with the police has now "completely flipped." The police now depend on the VISTAs and embrace the PSP.

The PSP has generated many positive outcomes according to the participants. These include:

- A greater sense of what an organized neighborhood can accomplish. Now many more people understand it, not just middle-class residents.
- All City departments are more responsive and have a better customer service orientation. There has been "a paradigm shift" toward using resources better.
- The Police Department has come to understand community policing as a philosophy, not just a program. It requires adequate staffing, job skills, good pay and equipment. A quality job takes time. Community policing has worked better as PSP has helped improve communications with the residents.
- Perceptions of safety have improved and people feel safer on organized blocks. Small safety projects like installing dead bolt locks have helped improve the perception of safety.
- Residents have more information and can access City resources better.
- There are visible improvements on organized blocks, such as more plantings and less trash. DPW also installed some traffic calming devices. Small scale development projects include gardens and pocket parks.

- PSP has stimulated some policy changes. The abandoned building ordinance came from the PSP. Code enforcement has improved, with a limited number of days allowed for landlords to fix violations.
- With the PSP, the City has been able to attract new people to public service, and offered training and skill building for the VISTAs. The project has elevated the bar for VISTA service.
- The program is expanding into other neighborhoods.

The PSP has also confronted a number of challenges to its efforts.

Serving the diversity of the neighborhood has been a challenge and not a real success. The PSP has limited resources for non-English speaking residents. One group of Vietnamese residents participated in meetings for a while, but there was poor planning for translation and it did not work well. Consequently, the residents dropped out. In addition, Bosnian residents have not participated as a group.⁸

Even positive change in the neighborhood is met with opposition from some quarters. Some of the improvements and investments in the neighborhood that are identified with the EC and the PSP are feeding into a sub-current of concern about gentrification in the Old North End. While it has not generally been expressed by the average resident, some of the advocates have been vocal. The PSP has had to deal with the repercussions from some of the project activities. The coordinated code enforcement policy fit well with the goals of the PSP. However, as organized neighborhoods have identified problem properties and problem landlords, issues of tenant selection and screening have arisen. A committee member reported that 15 percent of the situations handled by the PSP are tenants complaining about other tenants. In such a dense community, residents have called for relief from the annoyances of neighbors who deal drugs, make noise, produce trash, or act antisocially. Some of the PSP VISTAs have been involved in reporting offenses to the police. As there is pressure on the landlords to improve their properties, it can lead to evictions of problem tenants. Some of the advocates (e.g., legal services), who have taken an extreme anti-eviction stance, have claimed that the PSP is part of an effort of the Progressives [the Mayor's political party] to gentrify the Old North End. In a recent eviction trial, a VISTA was subpoenaed to testify about the tenants in a house.

⁸ The Vermont Tenants Organization [a partner in the PSP] is starting a new program with a VISTA to work on immigrant housing issues, to identify leaders and give them information and training on landlord-tenant law, and to have ethnic liaisons able to help immigrants with housing problems.

Hard core drug use has been difficult for the PSP to change. In the last few years, the police have seen an increase in heroin use, a change from the past when alcohol and marijuana were the prevalent substance abuse problems. A PSP Steering Committee member pointed out that those who are sucked into drug use typically are not involved in neighborhood activities and are not reached by the project. The PSP has had some positive role in prevention activities for youth, but other than pressuring for drug enforcement and identifying certain properties where drugs are a problem, the PSP has had little impact on adult drug use. There is a concern that the neighborhood organizing not feed vigilantism, stereotype drug users or result in racially motivated arrests. This is a challenge, since the police perceive demographic changes in the neighborhood population to have fed an escalation of drug use. They see more people “fleeing” here from the cities, to escape. They believe that some of the newcomers may be attracted to the city by less competition and the opportunity to set up their drug dealing in Burlington.

Sustainability

The PSP was able to accomplish a lot with a very small budget. By relying on VISTA workers, the City is able to pay only a portion of the organizers’ salaries. Based on the experience in the Old North End EC, the project is continuing and expanding its services; CEDO plans to expand the project to other neighborhoods. It is seen as an important initiative by the City, which has continued to support it with CDBG funding.

With the recent Burlington-UVM Community Outreach Partnership Center (COPC) grant, Community Leadership training has been expanded in the PSP. The leadership training has focused on a continuum of skill-building on how to get things done in the city. The COPC has provided resources to help refocus the project’s governance and define the roles of its steering committee. It is also doing a neighborhood survey to research the impact of community organizing and compare organized blocks with others.

The North Street commercial revitalization project (another EC strategy) is being connected to the PSP. The VISTA worker for the North Street project will coordinate with the PSP VISTA workers and help organize the residents and businesses of North Street. This will add a new dimension to the Public Safety Project by including businesses. It will also help with organizing neighborhood residents around the plans for the physical infrastructure investments planned for North Street.

Lessons

The participants in the PSP identified the following lessons about the partnership from their experience.

- The role of the VISTAs is important to the project’s success because they are not part of the City or the police, and bring no institutional baggage. The VISTA role is a unique “badge” and these workers can align with all kinds of persons. The type of person who becomes a VISTA is typically not bureaucratic or stodgy, and is able to communicate with the residents. They have offered a new type of bridge between the neighborhoods and the city.
- Continuity of staff support from CEDO has helped keep the project going. Although neighborhood organizing on specific issues can wax and wane, the City has kept the project alive and provided ongoing resources.
- Relationships matter, and the personalities involved were important to making the project work. It takes hard work to build trust, and it takes a long term commitment, good people, clear vision, and shared outcomes to build on success. Good partnerships require good human relations—respect, tolerance, nonjudgmental behavior.
- The project received support from the top, from the Chief of Police and from the Mayor. It has also improved interagency cooperation, by having the relationships built at a lower level. For example, the community policing officer represented the Police Department with other agencies as a worker, not as the policymaker, so it was easy to work with other line staff, reducing the political aspects of cooperation.
- PSP had productive and focused meetings. The CEDO manager was well organized and kept the committee to the agenda. There was training in facilitation, and facilitation of meetings rotated around the table. The project also brought in experienced facilitators to allow the committee to focus on content. The committee’s focus was on ongoing projects and status reports.
- The funding was an incentive to bring the partners together. The EC grant motivated the City agencies and departments. External sources of funding are essential to developing new programs since the City and department budgets are very constrained.
- The PSP encouraged people to think outside-the-box and to work with others.

The PSP is seen as one of the most successful collaborations among the EC strategies. It has produced tangible and intangible benefits to the neighborhood and has helped to change the way the City provides services to citizens.

G.2.5 Community Level Partnership – The Service Training Program

The Service Training Program, known as The Workshop, was a workforce development effort that grew out of the EC strategy to attract a major retailer to the downtown (Economic Strategy 4 – Commercial Redevelopment of Downtown Lot). The Workshop was a pilot program for a short period of time. It was intended as an experiment to test the potential of a seamless delivery system that provided training, career development, and placement services to individuals interested in pursuing careers in the service sector.

When asked for their input in the EC strategic plan, the Burlington business community said that development of the downtown retail site between the Church Street pedestrian mall and the waterfront was the highest priority. The City’s predevelopment agreement with the site’s developer required a good faith effort to comply with the City’s women in trades ordinance and to hire residents from the Old North End for both the construction and the retail jobs, and provide livable wages. The idea was that if Filene’s (the identified anchor tenant) was going to come in and use tax increment financing from the City, it had to maximize the benefits to the city.

For a couple of years prior to the opening of the new store, CEDO convened all the major workforce training organizations to discuss how to improve the delivery of training services and improve the opportunities for employment in the service sector. The service sector was growing, more jobs were available, but low-income residents needed help to qualify for those jobs and find ways to advance in service jobs. (The Chamber of Commerce was already working on a manufacturing training program, so there was no need there.) The service sector presented lower training costs and thus reduced risks for an experiment to coordinate the many training programs that were available.

CEDO worked on a welfare-to-work grant proposal for workforce development in service and retail training. In the spring of 1999, CEDO convened a large meeting with local businesses, the Chamber of Commerce, the Burlington Business Association, the Church Street Marketplace, training providers and state agencies and brought in the National Retail Federation to learn about service and retail training models. They looked at a model training program at King of Prussia Mall in Pennsylvania run by the National Retail Federation. A subcommittee of the Workforce Investment Board was set up to define the skill standards and competencies needed for service workers. It looked at career paths in local hospitality, healthcare and retail businesses. Employers were motivated by their interest in getting workers trained in the “soft skills” of job readiness, attitude, career development skills, telephone manners, interpersonal skills, customer service orientation, etc. CEDO also included strategies of how to stimulate child care services, since lack of child care was a barrier to work for single parents.

Meetings with the training providers emphasized the need to do business in a different way – to be more responsive to the needs of the clients and to make the complex and bureaucratic training “system” invisible to the client. There were many training programs in the area, but service delivery was fragmented, duplicative, too focused on specific populations, too tied to funding, and did not use commonly accepted assessment and evaluation methods.

In the summer of 1999, the city was experiencing a very tight labor market, and many service businesses were hiring (Sears, P&C Supermarket, Filene’s, Bon Ton Department Store). CEDO seized the opportunity to get something started and developed the Workshop as a pilot program. CEDO instigated the program with the support of the United Way, and with the participation of most of the nonprofit training providers including Women’s Small Business Program (WSBP), ReCycle North, Cyberskills, Vermont Association of Business Industry and Rehabilitation (VABIR), Vermont Adult Learning, and the state Department of Employment and Training and Department of Social Welfare. The Burlington Housing Authority also participated by providing a Clothes Closet to assist people preparing for work. The Burlington Square Mall was another partner in the effort that offered the Workshop space in the Mall at low rent.

As a pilot program, the Workshop was planned to operate for a limited time, only until the end of December, 1999. This was due to limitations of the funding and the availability of space in the Mall. The City provided the funding for the program, along with a small amount of funds from the United Way. The other providers were expected to bring in-kind resources to the project. The Workshop received in-kind donations of furniture and equipment. The Women’s Small Business Program staffed the Workshop with a half-time coordinator paid from CDBG and EC funds. A VISTA worker also worked part-time at the Workshop.

From the large group that had met to plan the program, a smaller core formed the Executive Committee to decide the types of training needed and plan the outreach to get people into the program. The Executive Committee included the United Way, Department of Employment and Training, Department of Social Welfare, Recycle North, VABIR, WSBP, Vermont Adult Learning and CEDO. It was staffed by the former CEDO director and then director of the city’s Legacy Project. Many of these partners had worked together previously. WSBP and Recycle North had collaborated on another EC training strategy.

The Committee decided on the mission for the Workshop early on. Although the organizational goals may have differed, there was agreement on the purpose for the Workshop. The idea was to have a single point of entry for workforce training. The premise was that people know what they need and want and the system should provide it. The Workshop was to act as a service broker so that a client could get the most effective and appropriate training, based on the level of need.

Most of the partners in the Workshop were well intentioned and collaborative. Nevertheless, trust was hard to build in this partnership, especially in such a short time. The providers ostensibly agreed to the need for collaboration, but some felt they had to protect their turf. To receive their funding, the providers needed to get clients into their programs, as they were paid per capita. Some providers had dedicated funding streams that defined eligibility for their programs. Some had contracts for training from the Department of Employment and Training. Many were competitive in trying to attract clients to their programs. Also, they each had their own methods of training, defined curricula and client profile. Without common criteria and trust in each others' methods, individual organizations wanted to protect their contacts. For example, some were not willing to share leads for employers when they felt that other providers would not be as careful in screening clients they referred. Some were not forthcoming about their funding and their criteria. The inhibiting rules of some funding sources translated into lack of initiative to find solutions to the problems in the system.

The providers' motivations for participating in the collaboration differed. Some came to expand their contacts and improve their services. With tight resources, some were interested in collaborations to access additional resources for their clients. Some came to the table with the hope of a joint venture that would be successful in landing a Department of Labor grant. Some were there just to keep tabs on the plans of others and were not willing participants.

CEDO and the United Way promoted the concept of consumer choice and the provision of training that was appropriate to the needs of the clients rather than the needs of the providers. In their views, it was important to have community voices at the table saying, "this isn't working for our community" and demand greater accountability from the providers to the community.

The partners were expected to offer services on site at the Workshop some of the time. It was intended to be a one-stop service. The Workshop hoped that the partners would refer clients to the program. The staff coordinator would do an assessment of clients and then refer them to the appropriate training. The Workshop did not have a formal partnership agreement with the many "partners." It was hoped that it would get another grant to be able to extend the training program started at the Workshop. Had the grant been awarded it was expected that the relationships would have been formalized.

Training classes were free to clients. It was anticipated that the providers would be paid for their costs by reimbursements from the appropriate funding source after determining the eligibility of the clients for different programs. As it happened, most of the applicants did not fit the eligibility for any of the funding for workforce training, even though they lacked skills, were unemployed for an extended period, had very low incomes, and faced other barriers to employment. This showed that most of the workforce funding was tied to client profiles that did not fit the needs in Burlington. As the Board reviewed applicants at the

Workshop, it was obvious that the system was not working. These discussions and the prodding by the CEDO and United Way representatives fostered more creative thinking about what the clients needed to qualify for training.

A survey of the participants in the Workshop and interviews with providers identified the outcomes of the program. Seventy-five people came through the Workshop in three months. Seventy percent participated in some kind of training and about half of the enrollees completed the training. Most of the individuals were not eligible for training dollars and, for those who were eligible, accessing the funding would have delayed their participation for more than three weeks. The initial results showed that participants who enrolled in an integrated series of courses were more apt to complete the courses and secure employment.

The Workshop also helped providers improve networking and referrals. It helped some of the providers build their client base and helped them get to know area employers. New networks were built and relationships that had not existed previously were developed.

The challenges to the Workshop objectives were many:

- Most of the providers were small nonprofits with limited funding and staff. They found they could not afford to have a staff person located at the Workshop site as well as their own offices.
- The logistics of setting up the short-term facility at the Mall proved to be time consuming and frustrating. Telephone installation was delayed when the work order was mislaid at the City, leaving the Workshop without phones during its start-up. The Mall had a lot of rules that made it more difficult than expected: the Workshop could not put up an easel or notice board in the hallway and signage was limited.
- There were turf issues among the providers. When there were not enough clientele for the providers it was hard to get them to refer clients elsewhere, even if another training program might have better suited a client.
- DET required clients to have an assessment to become eligible for training funding. However, that could take three weeks to occur, and the program could lose the person in that time. It was frustrating to have people who had problems with attachment to work coming in looking for work and not being able to serve them immediately.
- The local DET office was risk averse and was not willing to seek the authority to change its procedures. The Secretary of DET did understand the concepts and was supportive of the collaborative efforts, nonetheless.

Sustainability

The Workshop was a demonstration and was not planned to be an ongoing program. There were no joint fundraising efforts for the Workshop, and it had to close after the 5-month pilot period. Subsequently, there was no dedicated staff at the city to follow up on workforce development issues. Without CEDO playing a continuing role as broker, the providers did not come together on their own.

However, the partners believed that the Workshop was a model to show how training could be offered in a different way. It was able to challenge the assumptions behind individual training programs and moved the discourse to a new level. The partners felt it “planted a few seeds.” Overall, many people thought that the Workshop was a success because it was a good learning experience and proved that the coordinated delivery system could work. As one partner said, “It was the first salvo in the war to get agencies together.”

Although the Workshop operated for a short time, the collaboration had an impact on the training system in Burlington. DET is planning a one-stop training center, and most of the players from the Workshop are involved. According to the participants, the experience from the Workshop has informed the planning of the DET one-stop. To recreate the Workshop on a permanent basis, most believe that there needs to be a pool of money that can cover people who fall between the cracks in the system. One participant who is now working at the state on workforce development at the Department of Social Welfare (it has been renamed Prevention, Assistance and Health Access) is facilitating the planning process for the new DET one-stop. In addition, a participant from the United Way is calling for a community role in the governance of the one-stop and greater accountability to the needs of the community.

Providers have seen changes at DET; it is reported to be more cooperative and less bureaucratic. Relationships developed in the Workshop have carried forward in the new planning effort. There are still conflicts and concerns. DET plans to invest \$150,000 in the one-stop and then charge the providers for using the space. This has not yet been proven to be the best alternative. However, the discussion is about how to coordinate the services, which is a new approach.

Lessons

The participants in the Workshop identified the following lessons from the demonstration.

- Sharing information is necessary but not sufficient to change a complex system. To move up the continuum, one needs to undertake strategic alliances and mergers to improve coordination and service delivery.

- For long term systems change, you need to have determined leadership and advocates who have the authority, skills, access and power to keep the partners at the table. In addition, the leadership at the highest levels must understand the objectives and be kept informed.
- It takes lots of time and patience to learn the languages of the different systems and build relationships. But if people invest the time, they do not want it to fail. Just when the Workshop program was getting going, the pilot was over. It takes longer than 5 months to get something like this operating.
- Employers should be more involved in the beginning. Some employers came in on Fridays to conduct interviews and talk about their businesses. Agreements to hire graduates of the training would have helped with placement. Employers are also willing to teach some of the classes and could have been used more effectively.
- Vermont's small size and open culture make systems change possible. Personal relationships can make things happen. Leadership is accessible.

Overall Observations from Burlington EC

The collegial culture among the nonprofits and the city government in Burlington fostered strong partnerships. Most people involved in the programs knew each other or knew the organizations. Although there was some competition among service providers, organizations were able to collaborate for specific programs or projects. Since the EC strategies were defined in advance and most of the funding was allocated up-front, there was little conflict over strategy. What was lacking in Burlington was active participation from the private sector, either in the planning or implementation of the EC strategies.

Appendix H

Multivariate Analysis: Ownership, Financial Incentives and Employment

APPENDIX H

Multivariate Analysis: Ownership, Financial Incentives and Employment

Exhibit H-1. Ordinary Least Squares Regression on All Wave 2 Respondents

Exhibit H-1 shows the results of four ordinary least squares (OLS) multivariate regressions on all establishments reporting in Wave 2 of the business establishment survey. These models test the hypotheses that establishments that are owned, at least in part, by zone residents or minorities have higher proportions of their employees comprised by zone residents. Since resident employment proportions are not linear (i.e. they are bound between zero and one) the dependent variable is a logistical transformation of the proportion of employees who are zone residents for each establishment. Specifically, the dependent variable is $\ln(p/(1-p))$, where p is the proportion of total employment in a given establishment comprised by zone residents.

All four models control for zone, industry, ownership, primary location of suppliers, and primary location of customers. Model (2) also controls for establishment size (i.e. number of employees), while Model (3) controls for establishment size and establishment tenure (i.e. whether the establishment has been at its current location for at least five years). Finally, Model (4) includes all of the independent variables in Model (3) plus 3 dummy variables for utilization of the EZ Wage Tax Credit, the Work Opportunity Tax Credit, and the Section 179 Expensing Provision.

In all four model specifications, resident-ownership has a statistically significant (at the 90 percent confidence level) and positive relationship with the proportion of total employment comprised by zone residents. In three of the four models (all except for Model (4)), minority ownership is positively and significantly related to the proportion of employees comprised by residents. Model (4), which includes utilization of the EZ financial incentives, shows no significant relationships between the incentives and the employment of zone residents.

Exhibit H-2. Ordinary Least Squares Regression on Respondents of Both Waves

Exhibit H-2 shows the results of three OLS regressions using only establishments that reported in both waves of the survey. The dependent variable is the *percentage change in the number of residents employed* between the two waves. Each model controls for zone, industry, ownership, primary location of suppliers, and primary location of customers, and utilization of one of the three financial incentives.¹ Model (1) shows a positive and statistically significant relationship between utilization of the EZ Wage Tax Credit in both

¹ Two dummy variables were added in each regression to reflect utilization. One dummy variable reflected whether the establishment reported using the incentive only in the second wave and one dummy variable reflected whether the establishment reported using the incentive in both waves of the survey.

waves and the percentage change in the number of residents employed. Model (2) shows no significant relationship between utilization of the Work Opportunity Wage Credit and the change in resident employment. Model (3) shows a positive and significant relationship between using the Section 179 Expensing Provision in both waves and the increase in resident employment.

Exhibit H-3. Two-Stage Least Squares Regression on Respondents of Both Waves

It is important to note that the positive relationship in Exhibit H-2 between the EZ Wage Tax Credit (EZWTC) and the change in resident employment does not determine the existence or direction of a causal relationship between the two. In other words, based on the OLS we cannot determine whether the act of using the EZWTC in both waves leads establishments to increase resident employment or whether establishments that were already increasing resident employment simply use the incentives more frequently. Therefore, in order to isolate the impact of using the EZWTC on the increase in resident employment, a Two-Stage Least Squares (TSLS) analysis was performed. In the first stage, instruments were used to predict utilization in both waves.² These predictions were then used in the second stage of the analysis to predict the change in resident employment. The coefficient on the predicted utilization variable in the TSLS presented in Exhibit H-3 suggests that utilization does, in fact, have positive and significant relationship impact on resident employment.

² The instruments used to predict utilization of the EZWTC were: the number of employees in Wave 2, the number of employees in Wave 2 squared, and whether the establishment was publicly held.

**Exhibit H-1
Ordinary Least Squares Regression Analysis**

Dependent Variable = Proportion of Employees Who Are Zone Residents
Weighted by Establishments

	(1)		(2)		(3)		(4)	
	Coeff	SE	Coeff	SE	Coeff	SE	Coeff	SE
At Least One Resident Owner	0.25	0.13	0.24	0.13	0.22	0.13	0.26	0.12
At Least One Minority Owner	0.24	0.13	0.24	0.13	0.23	0.13	0.13	0.13
Primary Suppliers in Zone	0.58	0.17	0.57	0.17	0.55	0.17	0.48	0.18
Primary Customers in Zone	0.49	0.15	0.49	0.15	0.49	0.15	0.50	0.16
Number of Employees	-	-	0.00	0.00	0.00	0.00	0.00	0.00
Been at Location for at Least 5 Years	-	-	-	-	-0.28	0.14	-0.20	0.13
Atlanta	-0.44	0.19	-0.42	0.19	-0.43	0.18	-0.45	0.19
Baltimore	-0.28	0.19	-0.27	0.19	-0.25	0.19	-0.18	0.20
Chicago	-0.25	0.20	-0.23	0.20	-0.20	0.20	-0.02	0.21
Detroit	-0.44	0.19	-0.42	0.19	-0.39	0.19	-0.33	0.20
New York	-0.11	0.20	-0.15	0.20	-0.10	0.20	0.01	0.20
Services	0.02	0.16	0.03	0.16	0.04	0.16	0.01	0.16
Manufacturing	-0.58	0.20	-0.56	0.20	-0.53	0.20	-0.48	0.21
FIRE	-0.29	0.20	0.03	0.20	0.03	0.20	-0.01	0.21
Transportation, Communication, Utilities	-0.57	0.39	-0.54	0.39	-0.58	0.38	-0.19	0.24
Construction	-0.85	0.30	-0.84	0.30	-0.80	0.29	-0.48	0.28
Wholesale	-0.44	0.20	-0.43	0.20	-0.39	0.20	-0.35	0.20
Miscellaneous Industry	0.73	0.20	0.74	0.20	0.84	0.22	1.23	0.32
Used EZWTC in Wave 2	-	-	-	-	-	-	-0.28	0.17
Used WOTC in Wave 2	-	-	-	-	-	-	-0.09	0.23
Used Expensing Provision in Wave 2	-	-	-	-	-	-	-0.29	0.27
Number of Observations	511		511		510		456	

Note: Due to left out dummy variables, the base case refers to retail establishments in Philadelphia/Camden; shaded coefficients are statistically significant at the 90 percent confidence level.

Exhibit H-2
Ordinary Least Squares Regression Analysis

Dependent Variable = Percentage Change in Resident Employment Between Two Survey Waves						
Weighted by Establishments, Only Establishments Responding to Both Waves Are Included						
	(1)		(2)		(3)	
	Coeff	SE	Coeff	SE	Coeff	SE
At Least One Resident Owner	0.30	0.15	0.33	0.16	0.31	0.18
At Least One Minority Owner	0.21	0.15	0.15	0.14	0.26	0.15
Primary Suppliers in Zone	-0.10	0.20	-0.09	0.20	-0.26	0.22
Primary Customers in Zone	-0.08	0.16	-0.11	0.16	-0.02	0.15
Been at Location for at Least 5 Years	0.11	0.15	0.15	0.14	0.41	0.29
Atlanta	-0.36	0.23	-0.41	0.24	-0.35	0.26
Baltimore	0.16	0.24	0.16	0.23	0.17	0.27
Chicago	-0.17	0.19	-0.12	0.18	-0.18	0.20
Detroit	0.04	0.21	0.04	0.19	-0.15	0.22
New York	0.25	0.23	0.28	0.24	0.22	0.25
Services	0.35	0.17	0.32	0.18	0.18	0.18
Manufacturing	0.17	0.19	0.16	0.17	0.38	0.20
FIRE	0.04	0.26	0.02	0.26	0.17	0.26
Transportation, Communication, Utilities	0.14	0.25	0.28	0.23	0.50	0.26
Construction	0.14	0.33	0.16	0.34	0.24	0.37
Wholesale	0.10	0.18	0.26	0.19	0.27	0.19
Miscellaneous Industry	(dropped)	(dropped)	(dropped)	(dropped)	(dropped)	(dropped)
Used EZWTC in Wave 2 Only	-0.18	0.21	-	-	-	-
Used EZWTC in Both Waves	0.56	0.21	-	-	-	-
Used WOTC in Wave 2 Only	-	-	-0.02	0.39	-	-
Used WOTC in Both Waves	-	-	0.92	0.73	-	-
Used EXPNZ in Wave 2 Only	-	-	-	-	-0.09	0.35
Used EXPNZ in Both Waves	-	-	-	-	0.48	0.20
Number of Observations	202		202		165	

Note: Shaded cells represent significance at the 90-percent confidence level. Due to left out dummy variables, the base case refers to retail establishments in Philadelphia/Camden.

Exhibit H-3
Two-Stage Least Squares Regression Analysis

**Dependent Variable = Percentage Change in Resident
Employment Between Two Survey Waves**
Weighted by Establishments, Only Establishments Responding to Both Waves
Are Included

	(1)	
	Coeff	SE
At Least One Resident Owner	0.27	0.16
At Least One Minority Owner	0.50	0.24
Primary Suppliers in Zone	-0.20	0.27
Primary Customers in Zone	-0.03	0.18
Been at Location for at Least 5 Years	-0.04	0.29
Atlanta	-0.21	0.30
Baltimore	0.05	0.31
Chicago	-0.54	0.31
Detroit	-0.33	0.34
New York	0.30	0.26
Services	0.40	0.19
Manufacturing	-0.53	0.48
FIRE	-0.08	0.31
Transportation, Communication, Utilities	0.21	0.31
Construction	-0.04	0.34
Wholesale	-0.44	0.43
Miscellaneous Industry	(dropped)	(dropped)
Used EZWTC in Both Waves	2.89	1.13
Number of Observations	202	
Instruments: employees, employees-squared, publicly held		

Note: Shaded cells represent significance at the 90-percent confidence level. Due to left out dummy variables, the base case refers to retail establishments in Philadelphia/Camden.

Appendix I

Universe Analysis — Outputs for Active Projects in 18 EZ/EC Intensive Study Sites

(Source: FY2000 PERMS Reports)

**Exhibit I-1
Projected and Actual Outputs for Workforce Development Activities by EZ/EC Category
(Active Projects)**

ACTIVITY CATEGORY Output Measurement Category Output Measurement	Active Projects					
	6 EZ Study Sites		12 Non-EZ Study Sites		54 Non-Study Sites	
	Projected	Actual	Projected	Actual	Projected	Actual
WORKFORCE DEVELOPMENT						
Number of training programs	210	156	77	152	281	337
Number of EZ/EC residents trained in training programs	14,193	2,398	14,359	8,279	64,421	36,774
Number of EZ/EC resident trainees placed in jobs	7,645	829	5,958	3,257	32,077	14,922
Ave. number of placements per training program	36.4	5.3	77.4	21.4	114.2	44.3
Job Match						
Number of job match programs	42	69	26	28	94	54
Number of EZ/EC residents placed in jobs through job match	8,178	2,115	8,975	5,949	29,603	4,404
Ave. number of placements per job match program	194.7	30.6	345.2	212.5	314.9	81.6
Job Fairs						
Number of job fairs	44	89	94	47	135	106
Number of EZ/EC residents attending	421	346	8,202	6,237	17,439	14,250
Number of EZ/EC residents placed in jobs through job fairs	173	103	1,676	1,270	3,889	2,229
Ave. number of placements per job fair	3.9	1.2	17.8	27.0	28.8	21.0

**Exhibit I-2
Projected and Actual Outputs for Business Assistance Activities by EZ/EC Category (Active Projects)**

ACTIVITY CATEGORY Output Measurement Category Output Measurement	Active Projects					
	6 EZ Study Sites		12 Non-EZ Study Sites		54 Non-Study Sites	
	Projected	Actual	Projected	Actual	Projected	Actual
BUSINESSES ASSISTANCE						
Business Assistance Programs						
Number of EZ/EC businesses receiving financial assistance	1,362	902	1,343	1,229	17,214	15,229
Number of EZ/EC businesses received TA	8,289	7,158	1,543	1,843	5,397	3,879
Number of non-EZ/EC businesses receiving assistance	6,865	2,533	3,608	4,081	9,042	2,468
Number of jobs created or retained by assisted businesses	10,849	1,832	1,378	1,107	25,827	20,670
ACCESS TO CAPITAL						
Loan Pools						
Number of loans closed	2,259	2,090	2,538	1,511	2,491	1,325
EZ/EC resident jobs created from loans	3,023	1,141	2,993	949	10,949	3,416
Ave. number of jobs created per loan	1.3	1.8	1.2	0.6	4.4	2.6
Other Capital/Credit Access Programs						
Number of credit/capital access programs	130	6	30	28	77	50
Number of businesses served	621	18	2,479	3,439	4,064	2,228
Number of EZ/EC residents hired	1,842	12	446	259	5,692	1,943
Ave. number of residents hired per business served	3.0	0.7	0.2	0.1	1.4	0.9

Exhibit I-3**Projected and Actual Outputs for Housing Activities by EZ/EC Category (Active Projects)**

ACTIVITY CATEGORY Output Measurement Category Output Measurement	Active Projectss					
	6 EZ Study Sites		12 Non-EZ Study Sites		54 Non-Study Sites	
	Projected	Actual	Projected	Actual	Projected	Actual
HOUSING						
New Housing Construction Projects						
Number of new units started	1,203	194	1,987	1,331	4,797	3,415
Number of new units built	991	152	2,570	1,110	5,786	3,394
Housing Rehabilitation Projects						
Number of rehab units started	1,988	131	2,519	1,811	10,922	8,742
Number of rehabilitated units completed	612	143	2,582	1,292	12,604	10,634
Homeownership Programs						
Number of homeownership programs	23	12	39	30	147	231
Number of EZ/EC resident served	10,164	2,537	2,605	1,543	52,857	11,426
Ave. number of EZ/EC residents served per homeownership program	441.9	211.4	66.8	51.4	359.6	49.5
Homeless Housing						
Number of homeless programs	1	0	6	6	156	29
Number of homeless served	150	0	7	1	3,144	1,555
Lead-Based Paint Abatement						
Number of homes inspected	245	245	0	0	110	190
Number of homes remediated	245	222	0	0	400	411

Exhibit I-4**Projected and Actual Outputs for Public Safety Activities by EZ/EC Category (Active Projects)**

ACTIVITY CATEGORY Output Measurement Category Output Measurement	Active Projectss					
	6 EZ Study Sites		12 Non-EZ Study Sites		54 Non-Study Sites	
	Projected	Actual	Projected	Actual	Projected	Actual
PUBLIC SAFETY						
Public Safety Programs						
Number of Public Safety programs	38	31	17	10	825	126
Number of EZ/EC residents served	325,539	174,879	199,297	198,905	270,431	225,870
Ave. number of EZ/EC residents served per public safety program	8,566.8	5,641.3	11,723.4	19,890.5	327.8	1,792.6
Crime Prevention Programs						
Number of Crime Prevention programs	22	15	29	20	1,242	220
Number of EZ/EC residents served	270,125	58,920	203,719	200,230	277,633	225,569
Ave. number of EZ/EC residents served per crime prevention program	12,278.4	3,928.0	7,024.8	10,011.5	223.5	1,025.3

Exhibit I-5**Projected and Actual Outputs for Infrastructure Activities by EZ/EC Category (Active Projects)**

ACTIVITY CATEGORY Output Measurement Category Output Measurement	Active Projects					
	6 EZ Study Sites		12 Non-EZ Study Sites		54 Non-Study Sites	
	Projected	Actual	Projected	Actual	Projected	Actual
INFRASTRUCTURE						
Number of streetscape improvement programs	16	6	19	12	486	434
Number of transportation programs	2	1	17	7	18	13
Numbers of parks/playgrounds built or rehabilitated	45	23	20	14	128	74
Number of new facilities constructed	1	0	5	0	25	21
Number of facilities rehabilitated	0	0	3	2	55	37

Exhibit I-6**Projected and Actual Outputs for Health-Related Activities by EZ/EC Category (Active Projects)**

ACTIVITY CATEGORY Output Measurement Category Output Measurement	Active Projects					
	6 EZ Study Sites		12 Non-EZ Study Sites		54 Non-Study Sites	
	Projected	Actual	Projected	Actual	Projected	Actual
HEALTH						
Health-Related Programs						
Number of health-related programs	21	9	15	6	659	738
Number of EZ/EC residents served by health programs	114,506	50,466	60,800	15,000	622,096	345,053
Ave. number of EZ/EC residents served per health-related program	5,452.7	5,607.3	4,053.3	2,500.0	944.0	467.6
Health Care Facilities						
Number of new health facilities opened	3	3	11	6	23	22
Number of rehabilitated health facilities opened	2	0	2	1	4	4