COMMUNITY-ROOTED ECONOMIC INCLUSION A STRATEGIC ACTION PLAYBOOK

BROOKINGS



COMMUNITY-ROOTED ECONOMIC INCLUSION: A STRATEGIC ACTION PLAYBOOK

Hanna Love, Senior Research Analyst, Brookings Institution
Jennifer S. Vey, Senior Fellow, Brookings Institution
William Taft, Senior Vice President of Economic Development, LISC
Elizabeth Demetriou, Director of Economic Development, LISC

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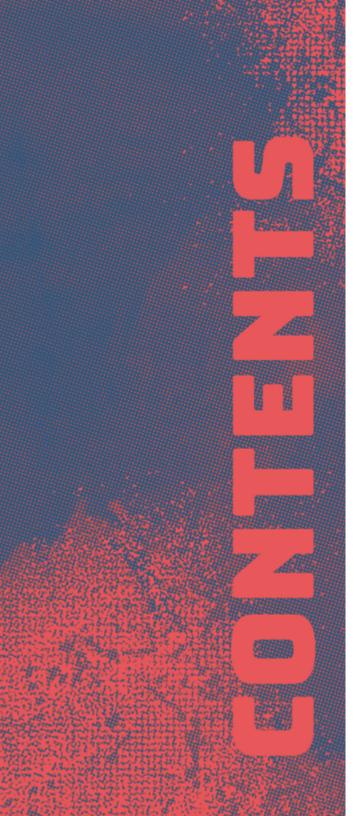
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INTRODUCTION

The United States is characterized by a persistent geography of racial and economic injustice, in which public policies and private actions-including segregation, redlining, destructive infrastructure, disinvestment, and mass incarceration-have kept people of color and low-income people concentrated in underinvested neighborhoods and systematically isolated from the resources, amenities, and opportunities needed to thrive.¹ Sustained over generations, these policies have nurtured an uneven and highly racialized landscape of inequity in which a person's ZIP code has the unjust power to shape their access to

opportunity, mobility, and even how long they live.²

These patterns have long been the status quo in the United States, yet to many, their impacts have only become more apparent—and increasingly dire—in 2020, as COVID-19, its economic ramifications, and police violence disproportionately devastated low-income and predominantly Black and Latino or Hispanic communities.³ These interlocking crises reminded the nation that place matters, and engendered a <u>call to action</u> to invest in communities that have long been overlooked and undervalued.



If local leaders are to change this status quo of inequity, they cannot afford to replicate the same revitalization policies and practices they have been trying for decades. Instead, they must grapple directly with the intersecting structural, relational, and market forces that render neighborhood poverty so stubbornly difficult to eradicate.⁴ These forces include: 1) discriminatory public policies and private actions that fuel racial and economic segregation; 2) market forces which exacerbate these patterns; 3) city and regional policies, practices, and investment structures that are agnostic to or worsen place-based inequities; and 4) a fundamental lack of alignment between those closest to place-based inequities and those with the institutionalized power to alleviate them. These forces are too entrenched and systemic for misaligned, siloed, and place-agnostic

structures and systems to overcome.

To this end, this playbook provides community, city, and regional leaders with a set of tools to create more just landscapes of opportunity through actionable, coordinated

A NOTE ON LANGUAGE

Throughout this paper, we avoid terms such as "distressed," "poor," or "struggling" to refer to places facing historic and contemporary structural inequities. Such terms obscure the root causes behind conditions of distress, which do not occur by chance or by the actions of residents, but as the result of discriminatory public policies and private actions. For a further explanation of the justification behind this language, please see the Bass Center's <u>commitment</u> to shifting language about place.

strategies that target these intersecting forces in tandem. We provide concrete guidance on how to implement a community-rooted approach to economic inclusion—one that can build wealth within underinvested communities, while reducing economic inequities within entire cities by connecting more people, places, and small businesses to regional economic opportunity. This approach has three distinctive features:

TARGETED, STRATEGIC

Community-rooted economic inclusion invests in select sub-geographies within cities that have the greatest potential to make a transformative impact in building wealth for underinvested communities, while reducing regional economic inequities.

B MULTIDISCIPLINARY, SYSTEMS-LEVEL SCOPE

Community-rooted economic inclusion breaks down siloes to integrate community development, economic development, workforce development, and capacity-building efforts within underinvested communities, while connecting these communities to regional economic opportunity.

B LEVEL OF INTEGRATION

Community-rooted economic inclusion mobilizes key holders of institutionalized power at the city and regional level in long-term partnerships with underinvested communities—making communityled priorities more achievable and impactful, and city- and regionled efforts more equitable and accountable to community interests. Economic injustice threatens not only the livelihood of underinvested communities, but the viability of entire city and regional economies—and ultimately, our nation as a whole.⁶ By implementing community-rooted economic inclusion, local leaders can not only enhance opportunity for people living in or operating a business within underinvested communities, but provide an entirely new way for city and regional leaders to drive economic growth that centers equity and inclusion at its core.

"COMMUNITY-ROOTED"

We use the term "<u>community-</u> <u>rooted</u>" rather than communitybased to reflect this approach's goal of valuing community expertise, building community power and ownership, promoting accountability across organizations, and advancing systems-level change.⁵





PLAYBOOK

PROJECT BACKGROUND

This playbook is derived from a pilot initiative implemented in Los Angeles, Indianapolis, and Philadelphia between fall 2019 and winter 2021. Supported by the **Local Initiatives Support Corporation** (LISC) and national and local funders, each city embarked on this community-rooted economic inclusion approach within a select set of underinvested districts. The initiative builds upon LISC's decades of experience working as a convener, investor, and capacity builder in 37 cities and rural communities across the country.

The cities' pilot geographies represent a diverse range of districts—including commercial corridors, industrial districts, and anchor institution hubs—meaning this guidance can be adapted to a range of district types and market contexts. Local LISC offices spearheaded the efforts—however, various organizations or coalitions can implement this model and adapt it to their unique contexts (See "Who can implement community-rooted economic inclusion?" on page 15).

In March 2020, when COVID-19 interrupted life across the globe, pilot communities were disproportionately affected by the virus due to high poverty rates, overcrowded housing, and high proportions of essential, low-wage workers. Rather than abandon the approach amid the shifting economic landscape, each city adapted to reflect the new economic hardships of COVID-19 and the new realities of community-based partners who were now on the frontlines of relief and recovery.

The Brookings Institution's **Bass Center for Transformative Placemaking** documented the process in each pilot community, conducting in-depth interviews with stakeholders and capturing the lessons and insights included in this playbook. In August 2020, we **published a paper** on Los Angeles' rapid shift and recovery action plan amid COVID-19. This playbook is a more comprehensive look at all three cities, providing concrete guidance for other places to implement the approach—not just as a recovery strategy, but as a mechanism for meaningfully reducing city and regional inequities in the years to come.

WHY IT'S TIME TO RETHINK THE ECONOMIC AND COMMUNITY DEVELOPMENT STATUS QUO

Despite billions of dollars spent on place-based initiatives over the past 25 years, the number of high-poverty neighborhoods in the U.S. doubled between 1980 and 2010—increasing even in the long period of interrupted national growth that occurred after the Great Recession.⁷ We argue that the persistence of neighborhood poverty can be attributed to four major barriers and the inability of our siloed and misaligned systems and structures to address them:

Discriminatory public policies and private actions created and continue to reinforce racial and economic segregation.

Neighborhoods of concentrated poverty aren't the products of "natural"

market operations, but were instead created by discriminatory policies and practices—including slavery, Jim Crow, redlining, stolen land ownership, predatory lending, and overpolicing, among others⁸—that confined Black Americans and other people of color into segregated neighborhoods and starved these neighborhoods of the resources communities need to thrive.⁹ Early efforts to "revitalize" urban areas through urban renewal-coupled with destructive highway building-deepened these inequities, concentrating residents of color into federal public housing in already isolated or "undesirable" areas.¹⁰ The ramifications of these policies continue today, as formerly redlined neighborhoods have higher rates of poverty, more pollution and

asthma, and higher rates of COVID-19.¹¹ The challenges wrought by disinvestment cannot be remedied by an infusion of capital alone—an oft-employed strategy that frequently leaves residents excluded from any economic benefits that may result.¹²

Market forces exacerbate patterns of segregation and place-based inequities.

In a capitalist system, market forces can exacerbate place-based inequities by further withdrawing investment, jobs, amenities, and resources from already disinvested communities leaving residents without access to banks, grocery stores, and opportunities to build wealth.¹³ Census tracts where the population is more than 80% Black, for instance, have less than half as many retail establishments per capita as tracts with a population that is less than 20% Black, regardless of income.¹⁴ These market inequities Place-based investments must benefit existing residents and small businesses, particularly those who have long been excluded.

engender severe consequences for the people and small businesses within disinvested places. Homes in majority-Black neighborhoods are devalued by an average of \$48,000 per home compared to neighborhoods with few Black residents—amounting to \$156 billion in losses for Black homeowners nationwide.¹⁵ Small businesses in majority-Black neighborhoods earn less revenue than businesses with similar customer ratings outside of Black neighborhoods, translating into a nationwide annual revenue loss as high as \$3.9 billion.¹⁶ The capitalist system **will** **always fail certain places**, producing winners and losers in the competition for jobs, investment, and people. Our cities and regions require coordinated public and private sector intervention to correct for these failures.¹⁷

City and regional policies, practices, and investment structures are often agnostic to—or exacerbate—place-based inequities.

City and regional economic development, land use, and transportation policies and investments aren't typically designed or coordinated to meet place-specific outcomes, let alone address the needs of underinvested places. This agnosticism to place means that many community challenges are not met with integrated and targeted solutions, leading to siloed interventions that fail to meet the needs of underinvested communities. When city and regional economic development practices and investment structures **do** focus on these areas, these efforts are often triggered by government or philanthropic programs (e.g., Enterprise Zones, Promise Zones, and Opportunity Zones), or by private firms, anchor institutions, and other organizations looking for a development site. Such efforts often fail to significantly benefit existing residents or businesses, and can actually deepen place-based inequities through overpolicing or displacement¹⁸ in low-income areas, and/or by encouraging development in places already experiencing growth and investment.¹⁹ Successfully alleviating place-based inequities requires city and regional investment structures to not only value place, but to prioritize place-based interventions that ensure residents and small businesses benefit, particularly residents of color and BIPOC-owned small businesses who have long been excluded from growth.²⁰

There is often a fundamental disconnect between those closest to place-based inequities and those with the institutionalized power to alleviate them.

Residents, community-based organizations (CBOs), and other placebased entities have been organizing to enhance opportunity in underinvested places for generations. And while they have garnered tangible successes, particularly in increasing housing, community-based efforts often have not had the resources, capacity, or degree of coordination with each other to connect residents to regional economic opportunity (say, through transit improvements, targeted workforce interventions, or coordinated service delivery).²¹ Moreover, community-based investments are not always attuned with the market realities of

the neighborhoods or the cities in which they are located.²² To ensure the greatest possible success, community-based efforts must be aligned with each other and with city and regional efforts-ensuring residents in underinvested neighborhoods witness improvements within their communities while having greater access to economic opportunities at the regional level.²³ This requires coordination across levels of governance, as focusing on changing dynamics within a single neighborhood cannot overcome the broader city and regional market forces, structural barriers, and policies that shape these neighborhood dynamics to begin with.²⁴

To make a dent in our nation's geography of inequity, the community and economic development fields must target these barriers in tandem (Figure 1).

FIGURE 1

How community-rooted economic inclusion addresses systemic barriers to opportunity

A targeted, strategic scale that invests in select sub-geographies within cities that have the greatest potential to make a transformative impact in building community wealth, reducing economic inequity, and enhancing opportunity city- and region-wide.

Cumulative Solutions

Community, city, and regional leaders can build community wealth within underinvested place, reduce patterns of economic inequity citywide, and drive more equitable city and regional economic growth.

COMMUNITY-ROOTED ECONOMIC INCLUSION SYSTEMATIC BARRIERS TO OPPORTUNITY

City and regional policies, practices, and investment structures are often agnostic toor worse. exacerbateplace-based inequities.

Market forces

patterns of racial

investment, jobs,

and amenities

further from already-

communities.

underinvested

and economic

segregation, withdrawing

exacerbate

Status Quo

Without systemic action, the number of highpoverty neighborhoods will continue to grow in metro areas nation-wide.

> public policies create and reinforce racial and economic segregationisolating certain neighborhoods from the resources needed to thrive.

Level of integration: Mobilizes key holders of institutionalized power at the city and regional level together with communities directly impacted by structural inequities to develop shared priorities for placebased investment and economic development.

A multidisciplinary, systems-level scope that increases public, private, and civic sector investments within underinvested communities: integrates efforts in capacity-building as well as community, economic, and workforce development to connect underinvested communities to wealth-building opportunities; and reforms the systems, sectors, and actors that reinforce place-based inequities over the long term.

Discriminatory and private actions

Those closest

to place-based

inequities are

often disconnected

versa.

from those with the institutionalized **power** to alleviate

them, and vice

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COMMUNITY-ROOTED ECONOMIC INCLUSION:

An approach to build wealth in underinvested places, while driving more equitable city and regional growth

A community-rooted economic inclusion approach concurrently addresses the above-mentioned barriers through a combination of equity-focused structural changes (shifting policies, practices, and resource flows) and relational changes (shifting power dynamics) implemented at a distinct scale, scope, and level of integration (Figure 1).²⁵ This section expands upon these structural and relational changes and what sets them apart from previous efforts (Table 1).

TABLE 1

Defining community-rooted economic inclusion

TARGETED, STRATEGIC SCALE

MULTIDISCIPLINARY, SYSTEMS-LEVEL SCOPE

LEVEL OF

Unlike traditional city and regional economic development or community development, its **scale** focuses on investing in strategic sub-geographies which possess the following characteristics:

- Documented structural inequities
- Concentrations of often undervalued assets
- Assets at such a scale and complexity that they have the potential to generate economic benefit in and around the geography
- Community capacity and buy-in for coimplementing strategies

Investing limited resources at this scale has the transformative potential to generate significant economic benefits for underinvested communities while making city and regional economic development more equitable. The **scope** is more expansive than traditional community and economic development in that it:

- Coordinates the public, private, and civic sectors to correct for market failures within underinvested communities
- Integrates efforts in capacity-building as well as community, economic, and workforce development to connect people and small businesses within underinvested communities to their regional economies
- Reforms the systems, sectors, and actors that reinforce place-based inequities over the long term

This multidisciplinary, systems-level scope breaks down siloes to nurture long-overdue investment within communities, connect residents and small businesses to their regional economy, and enhance prosperity for those who have often been excluded.. The **integrated** nature requires the following key, often disconnected sectors to mobilize together in long-term partnership:

- City stakeholders with institutionalized access to power
- Regional stakeholders with institutionalized access to power
- Community stakeholders closest to—and with the greatest knowledge of—the issues at hand

This level of integration combines the deep knowledge of community-based organizations with the resources, capacity, and connections of city and regional economic development stakeholders, toward the dual purpose of enhancing the efficacy of community-led efforts while providing city and regional leaders with the community expertise needed for equitable impact. By embracing this distinct scope, scale, and level of integration, cities can build wealth within underinvested communities, reduce citywide patterns of economic inequity, and drive city and regional economic growth that is more inclusive and equitable.

WHO CAN IMPLEMENT COMMUNITY-ROOTED ECONOMIC INCLUSION?

This approach requires a trusted organization with grassroots and regional credibility to coordinate the effort from inception through implementation. A range of organizations can adopt this role, including intermediary organizations (like LISC), community-based organizations, foundations, and other place-based entities. In cities where clear intermediary organizations do not exist, place-based entities can adopt the approach as a new aspect of their organizational mission, a new initiative that attracts funding streams, or a way to formalize existing relationships into a new coalition. There are many examples of place-based entities working alongside community, city, and regional partners to accomplish similar efforts. In Washington, D.C., for instance, a coalition of place-based organizations partnered with national and local funders to launch <u>Thrive</u>, a <u>place-based</u> <u>cash relief pilot</u> in one of the city's most disinvested neighborhoods. Other placebased coalitions, including <u>Southwest</u> <u>Partnership</u> in Baltimore, work with city government, institutions, residents, and businesses to ensure community and economic development practices meet community needs.

TABLE 2

The value any leading organization(s) should bring to the table

Deep relationships with the community

Key relationships with citywide and regional partners (e.g., the ability to bring them to the table)

Established trust and credibility as a partner capable of balancing community, citywide, and regional interests

Capacity, funding, and time to take a coordinating role while also building others' capacity



A FIVE-STEP PLAYBOOK FOR STRATEGIC ACTION

This section presents five multifaceted steps community, city, and regional leaders can take to design and implement a community-rooted economic inclusion approach—interweaving concrete lessons gleaned from the three pilot initiatives throughout.

WHERE

П

Select sub-geographies with the potential to make a transformative impact on community, city, and regional economic inequities

Time to Complete Step: One to two months

Getting "the where" right is the first and perhaps the most critical step of the approach, as the geography will influence the coalitions and collaborations needed, as well as the investments and interventions implemented. Many past place-based interventions have been limited in success because they targeted the wrong places—either encouraging

investments in places where assets were already valued and would have experienced investment absent intervention, or by choosing places with steep and overlapping market obstacles and few opportunities to alleviate poverty.²⁶ This section provides guidance on how to select strategic sub-geographies with the potential to make a transformative impact on inequity, including:

- a) The necessary characteristics a sub-geography should possess
- b) The quantitative data needed to determine these characteristics
- c) The qualitative data and engagement needed to select the sub-geography

STEP 1A. What characteristics should a sub-geography possess?

The leading organization(s) should identify sub-geographies within cities where assets cluster and connect—but where the reach and impact of those assets have been limited by place-based challenges such as structural disadvantage, discrimination, and disinvestment (See Table 3).

Once sub-geographies are selected, it may be helpful to identify "sub-zones" within them based on district types (e.g., commercial or industrial districts) that will require different, tailored strategies.

Necessary sub-geography characteristics

TABLE 3

CHARACTERISTIC	EXAMPLES	
Demonstrated inequities	 To ensure inclusivity, sub-geographies should experience several inequities relative to their city/region. Examples include: High poverty rates High housing costs High unemployment rates Low educational attainment Limited access to broadband History of discrimination or disinvestment 	
Concentration of undervalued assets and strengths	 To ensure transformative impact, sub-geographies should have a concentration of assets that may be underutilized or undervalued. Examples include: Commercial corridors Industrial land Anchor institutions Good and accessible jobs Transit connectivity Civic organizations, coalitions, and networks Job training and adult education facilities Artists and arts and cultural organizations 	
(continued)		

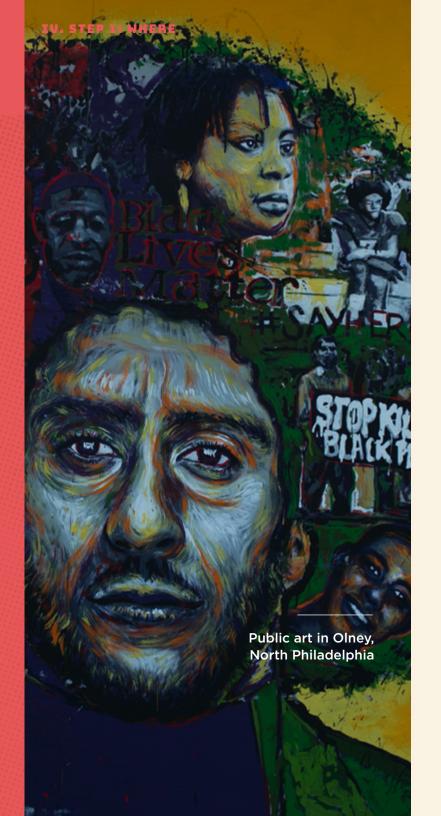
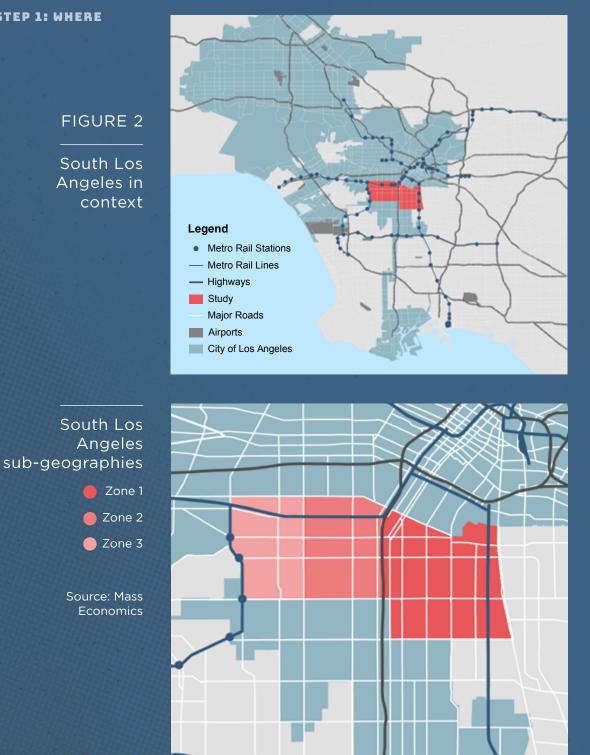


TABLE 3 (continued)

а

Regional significance	To ensure sub-geographies generate economic benefits for
Regional significance	 underserved communities and their city and region, they should: Stand out for the <i>scale</i> at which assets are concentrated and the <i>complexity</i> of the asset mix—in other words, they should not be dominated by a single land use (such as a mostly residential neighborhood) Have populations large enough to impact commercial and industrial districts as consumers and workers, while also playing a significant role in the city's workforce
Community capacity and buy-in	 Sub-geographies should have the presence of local organizations with capacity, trust, and buy-in to coordinate community-based actors in the process. Such local entities could include: Community-based organizations Neighborhood economic development organizations
	 Community development financial institutions (CDFIs) Networks or coalitions of community-based organizations





STORIES FROM THE FIELD

Understanding Los Angeles' sub-geography characteristics

LISC LA wanted to focus on the historically disinvested, predominantly Black and Latino or Hispanic region of South Los Angeles. South Los Angeles in itself, however, is a vast geographic area, so LISC narrowed down sub-geographies within South LA to maximize impact.

LISC LA identified three sub-geographies using quantitative data analysis (see Section 1b) and local knowledge. They are: Zone 1, the Crenshaw Corridor, often referred to as the "main street of Black Los Angeles" and home to projects such as Destination Crenshaw and a new transit project that will connect to the airport; Zone 2, which includes anchors such as the University of Southern California and Exposition Park; and Zone 3, which encompasses the Goodyear Tract, an industrial district with an array of good and accessible jobs.

STEP 1B. What initial quantitative data is needed to determine these characteristics?

To determine whether sub-geographies possess the before-mentioned characteristics, the leading organization(s) should conduct an initial high-level district assessment which examines the key indicators presented in Table 4. Note: This is just the first district assessment; after districts are selected, the leading organization(s) should conduct more in-depth district analyses detailed in Step 3.

Several states, cities, and regions are already standardizing data-driven place assessments to better prioritize economic development investments, social equity solutions, or transportation improvements. Brookings researchers have documented these <u>economic mapping</u> approaches, highlighting examples such as Oregon's <u>Economic Value Atlas</u> (a

TABLE 4

Potential indicators to analyze for high-level district analysis

ECONOMIC ASSETS AND POTENTIAL ASSETS

- Density of private sector jobs paying greater than \$40,000 a year
- Density of private sector jobs paying greater than \$40,000 a year held by someone without a bachelor's degree
- Zoning (generalized)
- Public transit availability (e.g., frequency of bus service)
- Working-age population, 25 to 64

POTENTIAL INEQUITIES

- Density of unemployed residents
- Residents with less than a bachelor's degree
- Density of population in poverty
- Minority population
- Households without a vehicle
- Housing-cost-burdened units

Note: These are relative indicators, meaning leaders should identify areas that are well positioned for this approach within their respective regions, rather than through an absolute threshold.

mapping tool and <u>interactive map</u> that examines neighborhoods' performance in 11 key measures) and Washington, D.C.'s <u>Place +</u> <u>Opportunity</u> report (which identifies emerging, regionally significant places and the interventions needed to improve them).

IV. STEP 1: WHERE

FIGURE 3

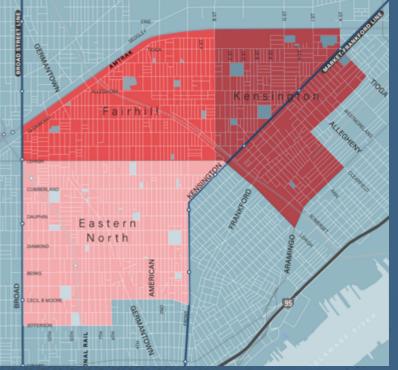
North Philadelphia in context

> Source: Interface Studio

Philadelphia sub-geographies

Source: Mass Economics





STORIES FROM THE FIELD

Philadelphia's site selection

LISC Philadelphia conducted high-level district analyses to identify three North Philadelphia districts with the before-mentioned inequities, as well as the economic assets needed to support wealth creation for underserved residents. The districts—Fairhill, Eastern North, and Kensington-together have much higher concentrations of people of color (86% compared to 65% citywide), higher unemployment rates (18% compared to 9% citywide), low educational attainment (93% of residents do not have a bachelor's degree), higher poverty rates (51% compared to 26% citywide), and other inequities such as high housing costs, low income levels, and limited access to broadband and vehicles. However, their economic assets include the presence of Temple University, industrially zoned land, higher job density rates than the city overall, and potential for employment in local health services and local hospitality establishments.



STEP 1C. What qualitative data and engagement is needed to finalize a selection?

Numbers alone are not sufficient to select a sub-geography—particularly when the aim is to strengthen and invest in assets that are often undervalued and overlooked by the public and private sector.

To determine whether sub-geographies possess the necessary characteristics for this approach, the leading organization(s) should conduct initial qualitative engagement activities (See Table 5). Note: This is just the first round of qualitative engagement; after districts are selected, the leading organization(s) should conduct more in-depth engagement to identify and inform strategies, detailed in Step 3. TABLE 5

Additional characteristics to be gleaned from information gathering and engagement

CHARACTERISTIC	EXAMPLES
Undervalued community assets that data may miss	 Community coalitions, networks, and other civic structures Arts and culture Community history and collective memory Social ties Entrepreneurial spirit Local workforce Community aspirations
Complex community challenges that data may miss	 Gentrification and displacement Language barriers Employer discrimination Concerns over safety and overpolicing A mismatch between services and community needs Exclusionary civic structures Lack of community capacity Community buy-in
Demonstrated interest from and in the sub-geography	 Ensure the following groups have interest in selecting the sub-geography: Community partners Community residents and small business owners City leaders Regional leaders Funders
Overlapping initiatives and projects	 Citywide economic development plans with a focus on geography Neighborhood plans Opportunity Zones Promise Zones Empowerment Zones Tax increment financing (TIF) districts Comprehensive Economic Development Strategy (CEDS) Economic improvement district

IV. STEP 1: WHERE

FIGURE 4

Indianapolis' potential districts

> Source: Mass Economics



EAGLE CREEK PARK

FIGURE 5

Indianapolis' district and impact area

> Source: Land Collective



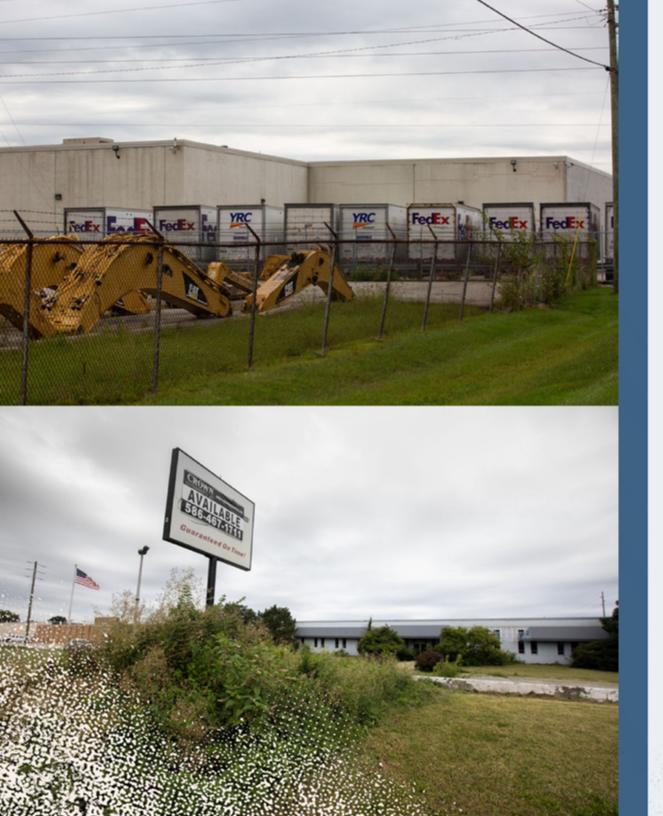
the final decision discussions with regional leaders strong interest to City and regional that the future of development in I a new focus on in those located in the possess unit and accessible jo recently built rel standing commu

STORIES FROM THE FIELD

Stakeholder input tipped the scales in Indianapolis

Using high-level district analyses, Indianapolis identified nine potential subgeographies (Figure 4) from which to focus. Several key factors served as a tipping point for their selection of the Far Eastside (Figure 5), including a combination of documented inequities and assets such as industrial, construction, and health care jobs and large employers including Finish Line, Community Hospital East, and Goodwill.

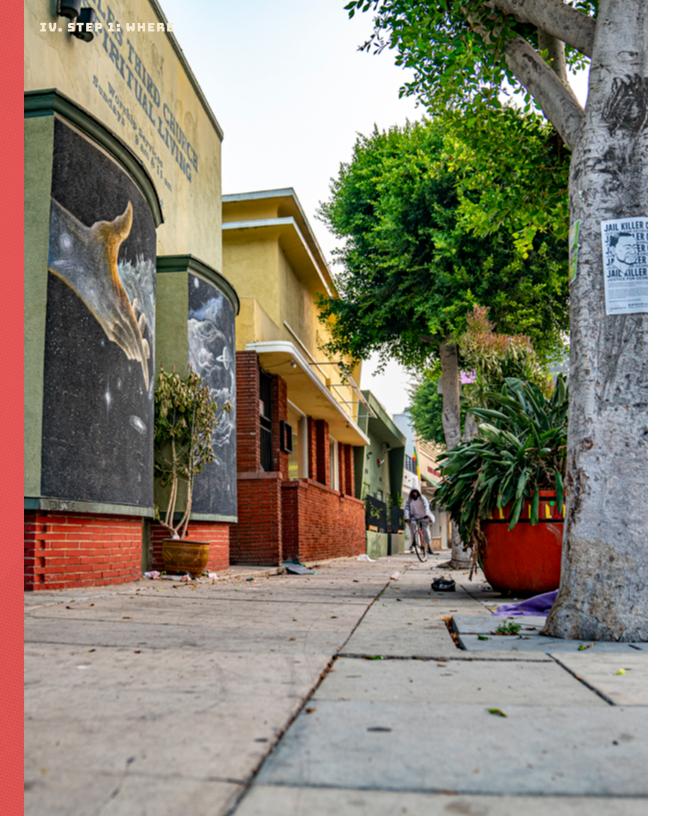
While these assets were compelling, the final decisionmaking came from discussions with community, city, and regional leaders in which there was a strong interest to focus on the Far Eastside. City and regional leaders recognized that the future of inclusive economic development in Indianapolis must include a new focus on industrial corridors like those located in the Far Eastside, as they possess unique potential for good and accessible jobs. Moreover, LISC had recently built relationships with longstanding community organizations—



including the <u>Community Alliance of</u> <u>the Far Eastside</u> (CAFE)—who had new leadership and demonstrated interest in partnering with citywide organizations to increase opportunity for residents.

Thus, city and regional interest, partnerships, funder alignment, and the convergence of several overlapping initiatives (including being recently designated a City Redevelopment Area and an Opportunity Zone) revealed the needed momentum and alignment to focus on the Far Eastside that data would not have otherwise revealed.

Far Eastside, Indianapolis



After following the guidance within Step 1, the leading organization(s) should have selected sub-geographies that have the potential to make transformative impacts in building community wealth, reducing economic inequity, and enhancing opportunity citywide and regionwide.

Crenshaw Corridor, South Los Angeles





WHO

Organize a cross-sectoral coalition of city and regional stakeholders alongside directly impacted communities to co-own place-based investment strategies within sub-geographies

Time to Complete Step: One to two months to recruit members; three years to convene

After selecting sub-geographies, the leading organization(s) should organize a cross-sectoral coalition that brings holders of institutionalized power together with communities to make place-based investments feasible, sustainable, and accountable to underinvested communities. The success of this approach hinges upon forming lasting, trusting relationships between community, city, and regional organizations and actors that are typically siloed or out of alignment, so the importance of this step cannot be underestimated. Below, we detail:

- a) The key purposes and functions a coalition should take on
- b) Who should be in a coalition
- c) How to build buy-in, trust, and sustainability among coalition members

STEP 2A. What key purposes and functions should a coalition take on?

Coalitions should function by fostering shared responsibility for fulfilling the purposes outlined in Table 6, ensuring that no one organization, sector, or stakeholder type is responsible for everything— but rather, everyone plays an integral role in strategy development, implementation, and sustainability.²⁷

TABLE 6

Coalition purpose and function

Bridge disconnects by:

- Connecting communities with access to city and regional resources, institutions, and investments they would not have otherwise had, ultimately making community-led efforts more effective and impactful
- Connecting city and regional stakeholders with community knowledge and relationships they would not have otherwise had, ultimately making city and regional efforts more equitable and aligned with community priorities

Reorient city and regional structures, practices, and interactions to:

- Prioritize place-based investments that benefit underserved residents and small businesses
- Integrate efforts in capacity-building as well as community, economic, and workforce development to connect underserved communities to regional opportunity

What are the coalition's key functions?

What are the

coalition's key

purposes?

Facilitate shared responsibility by:

- Identifying shared priorities for place-based investment and capacity-building interventions
- Strategizing policy and practice shifts to address these priorities
- Codifying policy and practice shifts into a shared action plan
- Dividing implementation responsibilities
- Leveraging relationships and fundraising for financial sustainability
- Developing shared accountability mechanisms

STORIES FROM THE FIELD

How the cross-sectoral coalitions came together

The composition, structure, and dynamics of coalitions will vary based on local context and community relationships. Here, we detail how each site brought their coalitions together.

Los Angeles

LISC Los Angeles already had strong ties to South LA and relationships with leaders at multiple levels of governance, which were essential in facilitating multisectoral participation in their coalition. Working with local planning consultant Estolano Advisors, LISC Los Angeles convened their coalition with the primary roles of contributing knowledge, strategizing priorities, vetting and refining the action plan, and serving as implementation partners. LISC Los Angeles fundraised for implementation grants, from which coalition members could apply to be implementors on various strategies.

Philadelphia

LISC Philadelphia also had close relationships with their communities, as well as city and regional partnerships. Working with local organizations Coalition for Racial Justice (Corajus) and Interface Studio as well as ethnographer Susannah Laramee Kidd, they structured their coalition in two parallel tracks: a "Stakeholder Committee" comprised of communitybased organizations and city and regional stakeholders, and a "Resident Advisory Committee" comprised of residents. LISC Philadelphia convened each committee to have complimentary roles of establishing shared priorities, creating a pipeline for investments, and strengthening an enabling environment.28

Indianapolis

LISC Indianapolis selected a community which they had less experience working in, and spent extra time building trust with community organizations to assemble the necessary coalition. They partnered with the Community Alliance of the Far Eastside (CAFE) to take a place-based leadership role, as well as hiring local consultants Engaging Solutions to conduct additional community engagement. LISC Indianapolis worked with national consultants HR&A Advisors to convene their Advisory Committee of community-based partners, Resident Connectors (see page 32), and city and regional stakeholders as informants and implementation partners, asking each participating organization to opt in to aspects of the process to implement and own. In the years to come, they envision CAFE or another place-based organization taking a more leading role to ensure community ownership.

TABLE 7

STEP 2B. Who should be part of the coalition?

Coalitions should generally consist of three key groups: 1) representatives of the communities most affected by the place-based inequities; 2) representatives of institutions/structures with the power to influence policy and practice at the city level; and 3) representatives of institutions/structures with the power to influence policy and practice at the regional level (see Table 7).

The coalition should consist of approximately 15 to 25 key partners from these categories. However, other stakeholders will be engaged throughout the process that may not have the time to be part of the coalition (see Step 3).

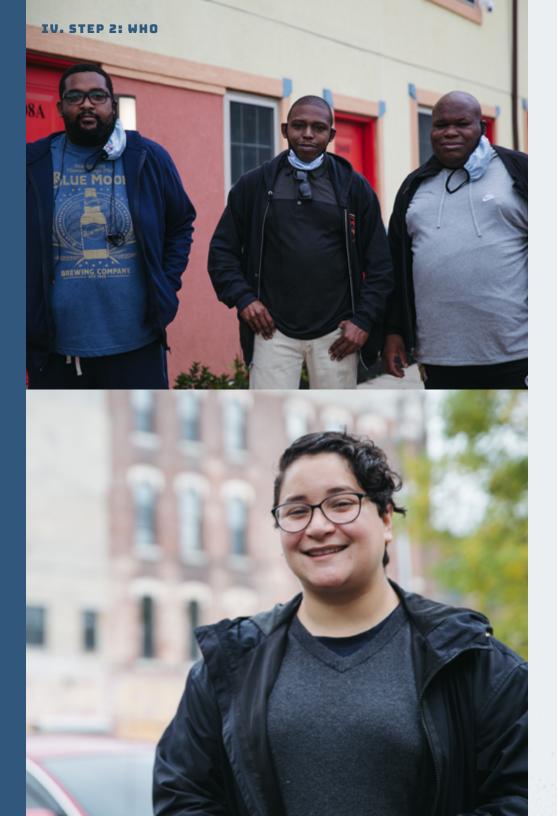
Who should be part of the cross-sectoral coalition?

Community stakeholders closest to the issues at hand	 Community-based organizations (at various capacity levels) Residents Neighborhood groups CDFIs/other small business lenders Housing organizations Arts organizations/cultural institutions at the neighborhood level Youth organizations Churches Local businesses/employers
City stakeholders with the institutionalized power to shift policy and practice	 Elected officials The public sector Labor organizations Citywide businesses/employers located in the area Arts/cultural stakeholders at the city level
Regional stakeholders with the institutionalized power to shift policy and practice	 Funders Anchor institutions Regional economic development organizations Chambers of commerce Workforce groups Tourism boards Regional businesses/employers located in the area
	DDOOU/



Some coalition members may require greater capacity-building supports to participate in the coalition than others. Residents and community-based organizations, for instance, may be asked to participate outside of or in addition to normal work hours, whereas other stakeholders may be able to participate and receive compensation as part of their traditional job duties. The leading organization(s) should allocate resources accordingly to ensure equitable participation among coalition members.

Village of Arts and Humanities workshop in Philadelphia



STORIES FROM THE FIELD

Valuing community knowledge through Resident Connectors

To ensure equitable community participation, Philadelphia and Indianapolis hired Resident Connectors. These are individuals with local knowledge and neighborhood connections hired to be an equal part of the coalition or planning process.

Resident Connectors can accomplish a range of tasks, including increasing the reach of community input and jump-starting implementation on strategies. In Indianapolis, for instance, Resident Connectors were hired to create a community resource guide, identify residents' needs during COVID-19, connect with populations underrepresented in planning processes, and participate in a roundtable with employers. In Philadelphia, Resident Connectors were hired as part of the parallel committee track, with the job duties detailed in "Stories from the field: How the cross-sectoral coalitions came together" on page 29.

For the hiring process, the leading organization(s) should create job descriptions with qualifications, expectations, and compensation. Resident Connectors should be fairly compensated, and the positions should be made available to people with a range of qualifications, skill sets, and knowledge outside of traditional educational requirements.

Resident Connectors in Philadelphia

STEP 2C. How can the coalition build trust, buy-in, and sustainability among members?

When bringing together representatives from different institutions, communities, and sectors—particularly those that may have been complicit in place-based inequities—it is imperative to devote significant time to building trust, buy-in, and sustainable relationships among coalition members (see Table 8).

After following the guidance within Step 2, the leading organization(s) should have assembled a cross-sectoral coalition of those closest to place-based inequities and those with the institutionalized power to alleviate them to share responsibility for developing, implementing, and owning strategies that promote community opportunity and equitable economic growth.

TABLE 8

Strategies for supporting long-term partnership

How can the coalition build trust between members?	 Be clear about roles, expectations, and resources from the outset Dedicate financial resources, staff time, and meeting time to trust-building Hire a community organizer to engage residents as equal partners in the process Clearly acknowledge the inequities and power structures that exist within coalitions Facilitate meetings in a manner that allows for
How can the coalition secure buy-in amongst members?	 equal participation and power-building Offer honorariums/compensation Ensure someone with trust and legitimacy acts as a facilitator Embed capacity-building investments within the coalition process Facilitate connections which members desire and benefit from
How can the coalition keep members invested to sustain long-term partnership?	 Encourage partners to take ownership over key aspects of process Offer implementation grants and opportunities to coalition members Allow for change, flexibility, and adaptation



STORIES FROM THE FIELD:

All three pilot communities had been overplanned without many meaningful changes to their living conditions producing a rightful distrust among many residents.

This was especially true in Indianapolis' Far Eastside, which had long been abandoned by the public and private sector—most recently through the closure of a public school and the only supermarket in the area. When LISC first engaged residents there, they were met with a lack of faith that this effort would be any different. Their community partner, CAFE, leveraged relationships to bring LISC to the table, and LISC engaged residents through Resident Connectors but even then, residents and some community organizations were rightfully skeptical.

Olney, North Philadelphia

Building trust

There are no quick answers for solving these challenges. LISC Indianapolis' primary strategy was to consistently show up and demonstrate commitment through following through on promises and increasing resources to the community. They prioritized Far Eastside small businesses in their COVID-19 relief grants, conducted direct outreach with small business owners, and incorporated existing Far Eastside efforts as key aspects of their approach.

In Philadelphia, LISC had deeper ties to the communities, but still needed to be intentional about trust-building. They chose to do so through their community engagement, in which they employed an explicitly <u>anti-racist</u> and traumainformed lens, and designed sessions with residents to provide them with the resources and tools to build individual and collective power. Amped Kitchens, South Los Angeles

WHY

E

Analyze market opportunities and undervalued strengths within geographies—as well as barriers residents face in benefiting from them—to determine necessary policy and practice shifts

Time to Complete Step: Six months

After selecting the sub-geographies and bringing together the necessary coalition, the bulk of the research, analysis, and planning work can begin. Here, we detail the activities needed to identify the "why" behind eventual policy and practice shifts. We provide insight into how to:

- a) Identify market opportunities and residents' barriers to accessing them
- b) Identify communities' undervalued strengths and barriers to benefiting from them
- c) Know what policies, practices, and plans have—and have not worked to identify what needs to change

STEP 3A. How can coalitions identify community, city, and regional employment opportunities as well as residents' barriers to accessing them?

This approach must be strategic in identifying good and accessible employment opportunities within the community, city, and region that can be leveraged for broad-based economic benefit—as well as the structural barriers and market failures that prevent residents from accessing them.²⁹ Here, we show how the leading organization(s) can accomplish this by:

Analyzing opportunity industry clusters to identify good and accessible jobs that can support wealth creation for residents: The leading organization(s) should expand upon the high-level district

Cluster Selection Metrics Cluster Growth U.S. Job Growth % (2010-2018) City/County Job Growth % (2010-2018) Projected Regional Job Growth % (2018-2028) Absolute Projected Regional Job Growth (2018-2028) Urban Contribution City/County Location Quotient (2018) City/County Location Quotient Growth (2010-2018) City/County Employment (2018) Projected Ratio of City/County-to-Regional Jobs (2028) Percent of Cities/Counties Outperforming Region (2010-2016)* Job Quality National Average Wage (2018) Average Wage in the core County for those with < a Bachelor's Degree (2018) City/County to U.S. Wage Differential (2018) Percent of Jobs Providing Medium- to Long-term On the Job Training (2018) Job Accessibility Percent of jobs requiring <= a High School Diploma (2018) Percent of Jobs requiring < a Bachelor's Degree (2018) Source: Mass Economics

assessments conducted in Step 1 to identify opportunity industry clusters within regions. If organizations do not have research capacity, they can work with local consultants, universities, or researchers to undertake this work.

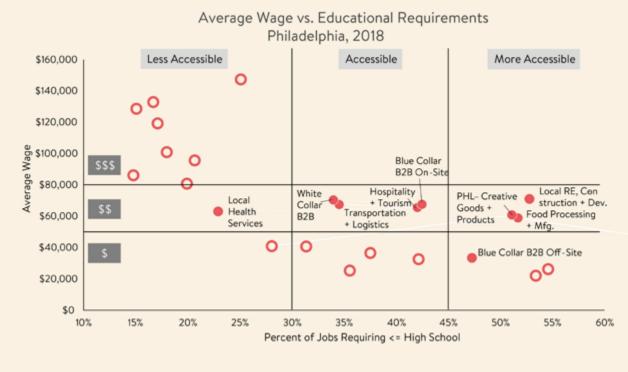
One method to identify opportunity industry clusters is by evaluating the

metrics in Table 9. Cluster Selection Metrics. In the three pilots, LISC's office worked with consulting firm Mass Economics to analyze these metrics. Mass Economics prioritized select metrics within these categories through a weighting process (red metrics in Table 9 reflect weighted metrics). Figure 6 demonstrates the nine opportunity industry clusters identified in Philadelphia. Over onethird of jobs in each cluster (except for local health services) are accessible to those with a high school diploma or less, and all opportunity clusters offer at least \$16 per hour (\$33,400 annual) average wages.

Once leading organization(s) identify opportunity clusters with the potential to maximize economic opportunity for the widest range of skill sets, they should consult with the coalition to provide local insight on priority clusters, as well as conduct

FIGURE 6

Overview of wages and education requirements for opportunity clusters in Philadelphia



Source: Mass Economics

engagement to identify the structural barriers that prevent residents from accessing these opportunities (detailed below). Moreover, they should ensure that the data analysis is made accessible for community-based organizations to employ in their everyday work to tailor efforts to strategic, research-informed insights.

Engaging residents, workforce development organizations, and



employers to understand structural barriers preventing access to opportu-

nity: The leading organization(s) should supplement opportunity industry analyses with engagement to identify the barriers that prevent residents from accessing economic opportunity (See Table 10). For instance, in Indianapolis, despite the fact that 80% of jobs in the Far Eastside are "accessible," 93% of Far Eastside residents commute outside the neighborhood for work, and 99% of those employed in the Far Eastside are not residents (Figure 7).

Many of the barriers uncovered through community engagement may not be traditionally thought of as related to workforce development, such as overpolicing, street conditions, or racial discrimination. This highlights the importance of mobilizing a cross-sectoral coalition that transcends policy domains to ensure the critical mass of knowledge and resources to address residents' multifaceted concerns.

TABLE 10

Understanding	employmen	t disconnects
---------------	-----------	---------------

ENGAGEMENT ACTIVITY **IDENTIFY INSIGHTS SUCH AS:** Experiences with discriminatory hiring practices Focus groups/individual interviews with residents Hiring barriers related to criminal records Feeling unsafe walking to/from job Realities and perceptions of crime Transit needs Child care needs Lack of outreach/awareness of opportunities Lack of access to certification/training programs Mismatch between workforce services offered and residents' needs Mismatch between employment opportunities and resident aspirations (such as desire for entrepreneurship, arts and cultural opportunities, etc.) Limited broadband access to apply for opportunities Discrimination/poor treatment once hired that may lead to turnover Employer willingness (or lack thereof) to participate in inclusive hiring Focus groups with employers Willingness (or lack thereof) to provide transportation to employees On-the-job training and skills programs offered or in the works • Training programs Focus groups with workforce development organizations and related Outreach practices workforce partners (local colleges, job ^COllaboration among workforce providers training programs, etc.) Availability of centralized resources for neighborhood workforce resources

FIGURE 7

Challenge: Disconnect with Opportunity

Almost all of those employed on the Far Eastside commute from outside the community, and most Far Eastside residents have to leave their neighborhood to find work.

82%

of all district jobs do not require a bachelor's degree

86%

of all district jobs do not require pervious work experience

76%

of all district jobs provide onthe-job-training

and yet...

93%

of employed residents commute outside the neighborhood for work

99%

of people employed in the neighborhood commute from outside the Far Eastside

STORIES FROM THE FIELD

Employer and resident disconnects

Both Indianapolis' and Los Angeles' sub-geographies have high concentrations of good and accessible jobs. However, data reveals disconnects between these opportunities and resident employment.

In **Indianapolis**, Far Eastside resident engagement revealed discriminatory employer practices, lack of access to transportation, and unsafe streets acting as barriers to employment. Workforce development provider roundtables revealed no avenue to coordinate efforts or know what services other organizations were providing. Employer roundtables demonstrated a desire to hire from the community, but challenges with recruitment and turnover. These sometimes contradictory insights

Source: Mass Economics

revealed the need for tailored strategies, including activities such as sensitivity training for employers and coordination with the city for infrastructure improvements.

In **Los Angeles**, community engagement revealed that the Goodyear Tract had "historically been in the community, but not of the community"—creating tensions between property owners, employers, and residents, as well as a hesitancy for many traditional communitybased organizations to engage with the Goodyear Tract. Rather than write off the opportunity-rich district, these insights prompted ideas around community ownership and tactics to connect residents to jobs in the diverse industrial district.



STEP 3B. How can coalitions identify communities' strengths and barriers to benefiting from them?

The previous section focused on connecting residents to good and accessible employment opportunities that may exist within the community, city, or region. But underinvested communities are also home to their own diverse strengths and opportunities within neighborhood boundaries—such as arts and cultural assets, community-based networks, and entrepreneurial spirit—and have often experienced disinvestment, devaluation, and discrimination that prevent them from building upon and benefiting from these strengths. Table 11 presents guidance on ac-

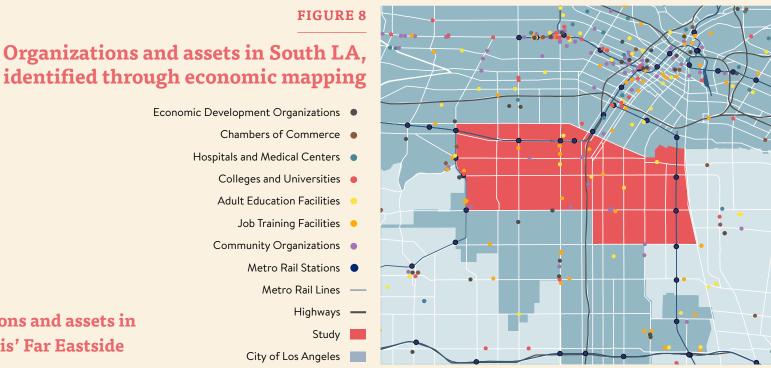
Crenshaw Metro, South Los Angeles tivities the leading organization(s) can employ to identify communities' assets and barriers to realizing them. It is important to note that different engagement activities can uncover different kinds of assets—as demonstrated through Figures 8 and 9 below—and therefore, efforts must employ many, if not all, of these activities.

> Underinvested communities are home to their own diverse strengths and opportunities within neighborhood boundaries.

TABLE 11

Activities to identify community strengths and barriers

ACTIVITY	IDENTIFY ASSETS SUCH AS:	IDENTIFY BARRIERS SUCH AS:
Build upon economic mapping/ activity cluster analyses (presented in Step 1, Table 4)	 Major rail lines/stations Job density Regional anchor institutions Industrial land Population characteristics Educational and training facilities (See Figure 8) 	 Lack of vehicle access Lack of transit access Unemployment rates Poverty rates Housing cost burdens Education attainment
 Engage residents and small businesses through activities like: Qualitative asset-mapping Focus groups Community events Direct outreach to hard-to-reach populations Resident Connector activities 	 Strong network of community-based organizations Grassroots coalitions Small business community Entrepreneurial spirit Community-driven investment strategies Civically engaged residents Placemaking projects Arts and cultural assets History and collective memory (See Figure 9) 	 Lack of capacity and financial resources among CBOs, coalitions, and arts and cultural institutions Diminished access to capital Lack of technical assistance to grow or scale business Lack of succession planning Inability for small businesses to access city/ regional markets Predatory lending Exploitative industry practices Racism Overpolicing Unsafe street conditions Gentrification and displacement
 Engage institutional stakeholders with activities like: Surveying coalition members SWOC analyses with coalition members Qualitative interviews with additional stakeholders 	 Anchor institutions with potential to create opportunity for residents Location assets that are attractive to employers Citywide and/or regional economic development plans Transit-oriented development (See Figure 9) 	 Siloed grant structures Underutilization of city resources and programs Economic development efforts that prioritize profit over community benefit Understaffed and underpaid workforce development organizations





Organizations and assets in Indianapolis' Far Eastside

Source: Mass Economics

Identified through resident and coalition engagement

- Circle City Prep 1.
- 2. Mt Paran Church
- Boys & Girls Club 3.
- 4. Cafe, La Plaza
- 5. The Success Center
- Plaza Urbana 6.
- Fervent Prayer Church 7.
- 8. Pathways Resource Center
- Tindley Summit Academy 9.
- 10. Dubarry Park
- Caring Place 11.
- 12. The Excel Center
- 13. Eastern Star Church

Identified through employer engagement

- Planned Transit Improvements 1.
- 2. Rail Access
- 3. Airport Access via I-70
- Interstate Access 4.



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STORIES FROM THE FIELD

Identifying often overlooked assets

In Philadelphia, Resident Connectors conducted "Neighborhood Scans" in which they mapped out community strengths that may not be reflected in data (such as community gathering spaces, service providers, and art). They then participated in focus groups to discuss these strengths, what supports are needed to build upon them, and why certain strengths are valued within their communities.

In Indianapolis, Resident Connectors conducted individual outreach to "special populations" that are underrepresented in planning processes, including: Haitian residents, Latino or Hispanic residents, young adults, faith-based leaders, and residents of apartment communities. "Special population" engagement revealed undervalued strengths among many residents, including high levels of education from their countries of origin (which are often unrecognized), strong networks between neighbors, and significant entrepreneurial spirit. However, it also revealed the need for greater supports in language access, legal services, safe places to gather, access to fresh food, and child care.

STEP 3C. How can coalitions know what policies, practices, and plans have—and have not—worked, and understand what needs to change?

After identifying communities' market opportunities, strengths, and barriers, it is imperative to know what policies and programs have tried (or are trying) to enhance opportunity, and with what results. This is particularly important within underinvested communities, which have often been overplanned with few tangible benefits.

The leading organization(s) should conduct a review of previous economic development and planning documents (see Table 12) and conduct interviews to understand the effectiveness of these efforts. While this step may not be glamourous, it is important for understanding how city and regional structures—such as transportation, economic development, and land use policies and investments—have focused on "place" in the past, and whether underresourced residents and small businesses have benefited.

After following the guidance within Step 3, cross-sectoral coalitions should have a firm understanding of regional and citywide market opportunities, community strengths, and structural barriers, as well as the policies and practices that may need to shift to enhance opportunity.

TABLE 12

EXAMPLES OF PREVIOUS DOCUMENTS

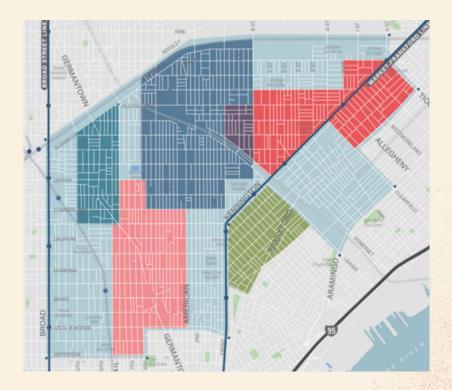
- City/regional economic development plans
- Neighborhood development plans
- Workforce development trends
- Small business growth and preservation plans
- Community-led/ people's plans
- Documents produced by other placebased initiatives, like Empowerment Zones and Promise Zones

QUESTIONS TO CONSIDER

- Who: Who is the target population? Who are the entities responsible? Should the involved parties be engaged?
- What: What are the relevant recommendations? What else could they have addressed?
- Where: Where does it interact with the sub-geography? Where does it interact with priority zones within the subgeography?
- When: When was timeline for implementation? When will outcomes be realized?
- Why: Why is this important? Are there identifiable outcomes? Are there challenges/gaps?
- **How**: How can we build upon successes? How can we address failures?
- **How** can we coordinate to maximize impact?

FIGURE 10

Previous plans impacting Philadelphia's sub-geographies



- Heart of Kensington Collective Impact
- North of Lehigh Neighborhood Revitalization Plan
- The Goodlands 2025 Neighborhood Plan
- Along The Avenue
- Eastern North For Everyone
- E. Kensington Transportation & Community Development Plan



WHAT

Commit to a concrete action plan that leverages place-based investments for community benefit and integrates community, economic, and workforce development efforts within underinvested communities to connect them to their regional economies

Time to complete step: One to two months to codify plan

This section provides guidance for translating the insights gleaned in Steps 1 through 3 into a coordinated, cross-sectoral action plan. By following the first three steps, this plan will correct for the limited successes of many previous placebased efforts by: being strategic about the "where" (targeting the right interventions to the right places, at the right scale), assembling the "who" (building a cross-sectoral coalition consisting of institutionalized power brokers and directly impacted communities), and appropriately addressing the "why" (targeting structural inequities and market failures with community-defined, market-informed strategies). In this section, we detail:

- a) Practical considerations to guide action plan strategies
- b) How to structure an action plan, and what kind of strategies to include

STEP 4A. What are key practical considerations to guide strategy development?

In the long history of community and economic development planning, plans often fall short of their goals either overpromising and underdelivering, targeting the wrong strategies in the wrong places, or ignoring the deep needs of underinvested communities in favor of citywide and regional growth priorities. To ensure that this action plan does not fall into these failures, we've included here practical guidance that should inform strategy development.

The action plan itself will commit to concentrating public, private, and nonprofit sector *place-based investments* within sub-geographies, while *integrating efforts in capacity-building as well as community, economic, and workforce development* to connect sub-geographies to their regional economies. The specific action items included within a plan will vary, but here are important practical considerations to ensure they are successful:

PRACTICAL CONSIDERATIONS TO GUIDE STRATEGIES

Credible coordinating organization The leading organization(s) with grassroots and regional credibility should coordinate the process from inception and strategy development through implementation.

Designate lead implementors

To ensure follow through, each action item should have a designated organization responsible for implementation, co-fundraising, and accountability (see Step 5).

Align with resources

Strategies must be aligned with resources or attached to a specific funding plan. Ambitious strategies without a chance of funding will mislead residents and further instill distrust by failing to deliver.

Attach clear, achievable outcomes

Strategies should be attached to clear, achievable outcomes that prioritize racial equity (see Step 5) and are visible to residents within a reasonable time frame.

Stagger timelines

Given the varied nature, scope, and visibility of strategies, they should be divided into realistic implementation periods—such as short-term, medium-term, and long-term strategies.

Build in iteration

Build in a certain level of flexibility so strategies can iterate to community's shifting priorities and realities. For this reason, coalitions should continue meeting and build in designated points in time to update plan strategies (see Step 5).

STEP 4B. How can coalitions structure an action plan, and what kinds of strategies should they include?

There are many different investments and interventions that could accomplish the stated goals of the approach—all of which must be tailored to places' distinct realities.

Drawing from the Bass Center for Transformative Placemaking's <u>the-</u> <u>ory of change</u>, we suggest organizing action plan strategies into the four categories presented in Figure 11: investments and interventions to support place's economic ecosystem, built environment, social environment, and civic infrastrucCommunityrooted economic inclusion functions by coordinating these strategies in tandem to produce largescale, transformative change.

ture. In line with <u>LISC's theory of</u> <u>change</u>, it is critical that each action item be designed for the benefit of people and small businesses within underinvested places—which, in turn, can benefit entire city and regional economies.

STORIES FROM THE FIELD

Identifying funding

Much of the groundwork for identifying funding should have occurred through assembling the cross-sectoral coalition. It is important to note that because this approach seeks to break down siloes in funding structures—moving away from project-based grants into coordinated, largescale change—and enhance the capacity of community-based organizations, the leading organization(s) should have dedicated resources from the outset to provide initial startup funding for projects across organizations, as well as to support more grassroots CBOs in taking on key roles. In Los Angeles, for instance, LISC LA leveraged resources from large private funders and anchor institutions to offer implementation grants, providing organizations with the startup capital needed to raise additional funds.

Throughout the resourcing process, it is critical that larger, more resourced organizations ensure that outside funds are raised equitably and used in support of grassroots organizations. As an example, in Indianapolis, LISC decided not to go after a large grant there and instead support a coalition of community-based partners in applying for it.

FIGURE 11 Framework for structuring action items

ECONOMIC ECOSYSTEM

investments and interventions to: 1) connect residents to quality employment in their neighborhood, city, and region; 2) connect small businesses and entrepreneurs with the capital, +CONOMIC ECOSYSTEM market information, and assistance needed to launch or expand their business, as well as with the connections to regional markets and supply chains to help them grow; and 3) support the creativity, idea exchange, and innovation among residents and small businesses.

CIVIC INFRASTRUCTURE

investments and interventions to: 1) support place governance structures with funding, expertise, and partnerships; 2) advance new networks and organizations within the community; and 3) encourage transparency and fairness in decisionmaking.

Who benefits?

CULICITIERASTRUCTURE People and small businesses within underinvested placeswhich, in turn, benefits city and regional economies.

BUILT ENVIRONMENT

investments and interventions to: 1) provide residents with access to affordable transportation; 2) provide small businesses affordable, flexible spaces to launch and grow; and 3) support residents' health, BUILT ENVIRONMENT resiliency, and safetyproviding the foundational quality-of-life amenities and well-maintained environment to support greater access to opportunity.

SOCIAL **ENVIRONMENT**

Contenue NIRPONMENT investments and interventions to: 1) promote trust among residents, workers, and business owners within the community; 2) reflect the cultural and historical identities of communities; 3) provide residents and small businesses with a dynamic, activated, and welcoming public realm.

Table 13 shows how all cities' action items fit into this framework. To refer to the specific action plans themselves, please see the plans published on LISC Los Angeles', Indianapolis', and Philadelphia's websites. Following Table 13, we take a deeper dive into a select few of the action items from the table.

It is imperative to note that none of these strategies alone can produce

transformative impact—instead, community-rooted economic inclusion functions by coordinating these strategies in tandem to produce large-scale, transformative change.

TABLE 13

Action plan strategies from Indianapolis, Los Angeles, and Philadelphia

SHORT TERM (1-3 MONTHS)

MEDIUM TERM (1 YEAR)

LONG TERM (1-3 YEARS)

Indianapolis and Los Angeles Indianapolis • Neighborhood small business recovery fund • New neighborhood financial institution • Leverage of incentives • New educt • Reoccurring community job fairs • New educt

Indianapolis

- Targeted, low-cost technical assistance (TA) for neighborhood small businesses
- Community job board with highquality opportunities

Los Angeles

- Worker recovery fund
- Neighborhood small business directory and "buy local" campaign

Los Angeles

Training programs for health care and technology jobs

Philadelphia

- BIPOC business fund
- Youth apprenticeship programs

- Leverage city's place-based criteria to prioritize incentives in neighborhood
- New education and certification programs

Los Angeles

- Legacy Business TA Fund
- Employee Ownership TA Fund
- TA for succession planning
- Local procurement strategies with large anchors
- Targeted recruitment for green infrastructure jobs

Philadelphia

- Community Benefit Agreements to hire local
- Cooperative businesses

(Continued)

TABLE 13 (Continued)

Built environment Indianapolis and Philadelphia Indianapolis Indianapolis Community-led crime prevention Install bus shelters along local routes Support resident-led neighborhood planning Increase Wi-Fi access Restore vacant properties Philadelphia Real estate space "atlas" Philadelphia Los Angeles and Philadelphia • • Leverage Opportunity Zones for • Strategic acquisition of commercial and industrial community benefit properties Business expansion into storefronts Philadelphia Master Lease Program for potential tenants with poor credit • Zoning reform to diversify allowable business types Social environment Philadelphia Philadelphia Los Angeles • Share community stories to improve the • Fund placemaking efforts New venue/art space • perception of "risk" Engage youth in opportunities at the intersection • • Deploy arts and cultural programming as of virtual tech, design, and entertainment anchor for corridors Creative entrepreneur strategies **Civic infrastructure** Los Angeles Indianapolis Los Angeles • New robust support system for • Leadership development and succession planning Resiliency Fund for CBOs underrepresented residents and in the community development sector Indianapolis businesses • New neighborhood business Philadelphia association Los Angeles Permanent mechanisms for Resident Connectors • Coordinate existing mutual aid networks New workforce provider to lead action items to launch Resiliency Hub • TA-focused collaborative of local organizations collaborative association Comprehensive community resource guide



ECONOMIC ECOSYSTEM

Each pilot city sought to coordinate place-based investments and integrate workforce, economic, and community development interventions to connect residents and small businesses to economic opportunity. However, the market conditions of the three communities varied considerably, necessitating distinct variations in strategies.

INDIANAPOLIS

In Indianapolis, two core economic aims were to connect residents to the good and accessible jobs in the Far Eastside and support a robust network of minority-owned small businesses. However, Far Eastside residents and entrepreneurs struggle to have even basic needs

El Sabor de Maria, Philadelphia

met-lacking critical infrastructure such as banking institutions and transit access to participate in their region's economy. For this reason, many of the Far Eastside's strategies center on building infrastructure and capacity, such as financially supporting an effort to **establish** the neighborhood's first credit union, as well as facilitating partnerships between existing banks and CDFIs. in addition to infrastructure improvements (outlined in the built environment section). These capacity-building strategies are critical to the success of their larger workforce development strategies and efforts to provide funding and technical assistance to small businesses.



LOS ANGELES

In Los Angeles, economic ecosystem strategies focused on several community priorities: 1) ensuring the survival of minority-owned small businesses; 2) leveraging anchor institutions to benefit small businesses; and 3) connecting residents to promising industries. To accomplish the first aim, they included strategies to provide technical assistance to small businesses. facilitate employee ownership, and promote succession planning to ensure locally owned businesses stay in the hands of residents. To leverage the anchor institutions, they focused on local procurement strategies-creating databases of locally owned small businesses, establishing local procurement pledges, and providing TA to small businesses to be com-

Goodyear Tract, South Los Angeles petitive. To connect residents to promising industries, they focused on developing **health career workforce training programs** and **connecting residents to green infrastructure jobs**, as well as providing vulnerable workers with direct cash assistance.

PHILADELPHIA

In Philadelphia,³⁰ economic strategies sought to improve minority-owned small businesses' access to capital with **BIPOC business funds** and support the **formation of cooperative businesses** and **community benefit agreements** to hire local residents—in addition to an array of real estate and community ownership strategies (see the built environment section) designed to leverage community assets for local benefit.



BUILT ENVIRONMENT

The three pilot communities had long legacies of disinvestment, leaving them without adequate public infrastructure and amenities like grocery stores. Action plans attempted to address some of these inequities through interventions to ensure residents had access to necessary transit, real estate, and quality-of-life amenities to access opportunity.

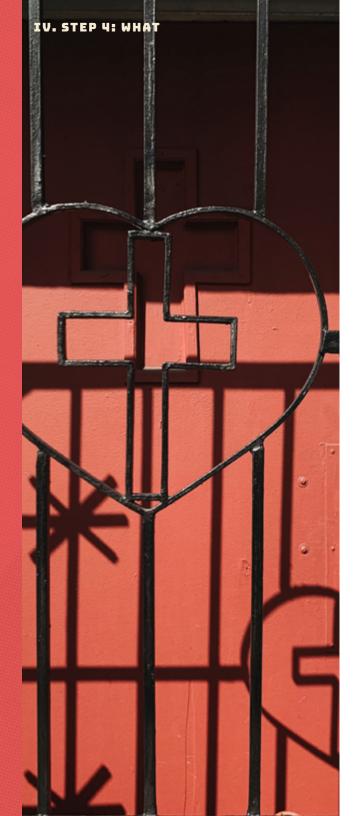
INDIANAPOLIS

Indianapolis' action plan includes installing bus shelters along transit routes to ensure residents can access key employment hubs, increasing access to Wi-Fi, conducting a needs assessment to launch a

N 5th St, Philadelphia program to **revitalize vacant spaces** for productive use, and supporting resident-led advocacy to redevelop vacant sites for **community-serving uses** such as a grocery store, affordable nonprofit space, and public recreation space.

PHILADELPHIA

Philadelphia identified an array of built environment and real estate strategies, including **securing commercial and industrial land** for new business activity, developing a **"whitebox" fund for ready-togo commercial spaces**, creating a **"real estate atlas,"** and **organizing Opportunity Zone investors** to better leverage investment for community benefit.



LOS ANGELES

In Los Angeles, built environment strategies centered on leveraging real estate assets for community benefit by supporting CDFIs and community-based organizations to strategically acquire commercial and industrial properties—ensuring community control and preserving the vitality of small, local businesses.

SOCIAL ENVIRONMENT

Each pilot community navigated different challenges and opportunities related to their social fabrics and community identity. Los Angeles and Philadelphia, for instance, were both wrestling with gentrification, and implemented strategies to value the distinct cultural, historical, and artistic strengths of the community.

LOS ANGELES

Los Angeles made supporting <u>Des-</u> <u>tination Crenshaw</u> (a placemaking project to celebrate the Black community in Los Angeles) a key part of their strategy—allocating funding to **placemaking and legacy business development** efforts along the Crenshaw Corridor. Another key strategy was to coordinate efforts to connect youth to **arts and cultural industries** in the region, including design, entertainment, and virtual tech.

PHILADELPHIA

Philadelphia focused on **expanding opportunities for artists and art-based entrepreneurship**, and sought a strategy to **leverage arts**



and storytelling to shift media narratives and perceptions of the sub-geographies, which are often deficit-based and focused on drug use and crime rather than community value.

INDIANAPOLIS

In Indianapolis, efforts to bolster social cohesion and value community identity were primarily focused on ensuring robust support systems and networks for Black, Latino or Hispanic, and Haitian residents (see the civic infrastructure section).

CIVIC INFRASTRUCTURE

All of the pilots were, at their core, about investing in civic infrastructure, as they embed capacity-building supports to community-based organizations throughout. However, in all three sites, agendas also focused on supporting the expansion or creation of new civic structures with funding, expertise, and partnerships.

LISC walking tour with Resident Connectors in North Philadelphia

LOS ANGELES

Los Angeles' action plan seeks to establish a "Crenshaw Corridor Resiliency Hub" which would formalize networks between mutual aid groups to support Crenshaw businesses. They also allocate resiliency funding for existing community-based organizations and plan to provide leadership transition and succession planning to community-based nonprofits.



INDIANAPOLIS

Indianapolis' plan supports the development of a **new support system for Latino or Hispanic and Haitian residents, employees, and businesses**, building on work already being undertaken by the Haitian Association of Indiana. Additionally, their plan supports the development of a new business association and workforce development provider in the community.

PHILADELPHIA

Philadelphia plans to build civic capacity by formalizing mechanisms for the coalition to align resources and shift policy, and to create **permanent mechanisms for Resident Connectors to lead action items**.

After following the guidance within Step 4, coalitions should have committed to an action plan that coordinates place-based investments in strategically selected sub-geographies; integrates capacity-building and community, economic, and

Aerial view of Crenshaw, South Los Angeles workforce development interventions to connect these sub-geographies to their regional economies; and has buy-in from the actors needed to reform the systems, sectors, and actors that fuel placebased inequities in the long term.



Develop shared mechanisms for sustainability, accountability, and shifting the power balance in the long term

Time to complete step: Three years

The structural inequities that underinvested communities confront were created and exacerbated over generations, and it will require a long-term commitment from regional, city, and community actors to alleviate them. This section provides guidance on how to implement concrete action plan strategies over a three-year period and ensure coalition members

Leimert Park, South Los Angeles build upon local successes to advocate for larger-scale change.

This includes:

- a) How to promote sustainability with designated implementors
- b) How to develop equity-focused metrics for accountability
- c) How to lay the foundation for long-term power shifts

STEP 5A. How can coalitions promote sustainability with designated implementors?

Key to implementation success is the dedicated lead organization that convenes actors and champions the action plan throughout the threeyear period. As we explained in Step 4, however, coalitions should also designate lead implementors for each action item from the outset, with implementors drawn from the pool of cross-sectoral stakeholders in the coalition and supplemented with other organizations as additional partners.

Cities' specific tactics for connecting implementors with action items will vary. In Los Angeles, for instance, the local LISC office created RFPs for implementation strategies and prioritized coalition members in the selection process. In Indianapolis, LISC asked coalition members to "opt in" to implementation as they were drafting the action plan. Regardless of the recruitment strategy, implementors should be clearly designated in writing, with commitments, roles, and expectations formalized early.

To ensure sustainability, it is critical for the leading organization(s) to convene implementors regularly as a group in well-facilitated meetings. The first reason for meeting is simple: Community realities and needs shift rapidly-particularly amid economic crises-and meeting is necessary for coalition members to remain in close connection and ensure that the approach is aligned with current realities. The second reason speaks to the impetus behind the larger approach: It is imperative to stay in close partnership to ensure that these strategies remain cohesively together and part of a large-scale theory of change rather than piecemeal projects or siloed initiatives. Only if these strategies are part of a collective whole can they begin to make a dent in economic injustice.

STEP 5B. How can coalitions develop equity-focused metrics?

As we described in Step 4, all strategies must be attached to equity-focused metrics (See Table 14). To ensure metrics are aligned with community realities, it is imperative to consult community members about what "success" looks like and be intentional that shared metrics do not privilege traditional data collection for and by those in positions of power.³¹ Coalition organizations should agree upon a shared list of indicators and use these indicators to keep efforts aligned, hold each other accountable, and learn from each other's success and failures.³²

TABLE 14

Equity-focused Metrics

SELECT STRATEGIES FROM INDIANAPOLIS' PLAN	EXAMPLE METRICS	
Increase access to capital	No. of credit union members (total, Black, Latino or Hispanic) No. of bank accounts opened (total, Black, Latino or Hispanic) Community wealth invested (total, Black, Latino or Hispanic)	
Support resident-led advocacy in neighborhood planning	No. of CBAs formally secured No. of community-serving uses developed Percentage of new square footage built that is for community-serving uses No. of local hiring jobs created (total, Black, Latino or Hispanic) No. of land use improvements implemented No. of transit improvements implemented (miles of sidewalks installed, streets paved, etc.)	
Develop a robust support system for Latino or Hispanic and Haitian residents, employees, and businesses	No. of ESL class graduates No. of Haitian residents connected to support programs and opportunities No. of immigrant residents connected to employment opportunities that reflect their skills and education No. of businesses participating in immigrant skills transfer programs	
Increase access to Wi-Fi	No. of hotspots installed No. of daily users (total, Black, Latino or Hispanic, people with low incomes) Percentage increase in daily users over time No. of households now connected to the internet (total, Black, Latino or Hispanic, people with low incomes)	
Support a formalized Far Eastside business association	No. of businesses recruited No. of business-community partnerships formed Resident perception of community accountability	



STEP 5C. How can coalitions shift the power balance in the long term?

While this process embeds power-building strategies throughout each step, it is critical to be intentional about community leadership, iteration, and larger-scale policy change throughout the three-year implementation period. Initial ways to do so include:

Build community leadership throughout implementation: This approach requires a "lead" or coordinating organization with the capacity to convene the coalition throughout implementation. However, the community must be the true leader of the approach over the long term. Once implementors for each strategy are identified, the lead organization(s)—if not part of the community already, such as a placebased entity or coalition—should work closely with community-based partners to ensure community co-ownership and the funding needed to achieve it. For instance, the leading organization(s) could provide a grant to key coalition-based partners, or the effort could plan to support the creation of a new place-based organization with the capacity and city and regional relationships needed to be successful.

Iterate on strategies: The need for iteration and flexibility cannot be overstated. By convening regularly—and ensuring that community stakeholders remain core partners in the coalition—implementing organizations can adapt to communities' current realities and the shifting economic landscapes of the cities and regions in which they are located (particularly as industries experience shocks and recover amid



COVID-19). In addition to convening regularly, coalitions should designate points in time to conduct additional engagement activities (adapted from Table 10) to check in on the progress and success of strategies.

Translate local successes into larger-scale change: This approach is about reorienting practices, relationships, and investment structures on the ground to generate tangible improvements over a relatively short period of time. However, too many place-based efforts have fallen short of transformative impacts by stopping at the programmatic level³³—treating the symptoms of inequity through interventions like job training programs or siloed building rehabilitations³⁴—

Crenshaw Blvd., South Los Angeles rather than targeting the root drivers of inequity.³⁵ It is critical that the coalition builds upon local successes and leverages its cross-sectoral partnerships to advocate for policy reforms at the municipal, state, and even federal level.

After following the guidance within Step 5, the coalition should have committed to an action plan that is sustainable, accountable, and dedicated to shifting power over the long term. Then, the true work of community-rooted economic inclusion can unfold, as community, city, and regional leaders work together over the three-year period to transform their traditional ways of operating and ensure more just landscapes of economic opportunity.



CONCLUSION

As our nation reckons with the increasingly perilous consequences of neighborhood poverty amid COVD-19, one thing is clear: No path forward should lead us back to the status quo.

Long-standing inequities—including racial and income segregation,³⁶ disparate access to food and health care,³⁷ and the concentration of lowwage workers in underresourced communities³⁸—are all converging to literally kill Black, Latino or Hispanic, and other people of color because they live in the "wrong" place. Our economy is systematically failing certain neighborhoods, too, with communities of color experiencing the highest rates of job losses, disproportionate small businesses closures,³⁹ and housing insecurity.⁴⁰

In this time of heightened economic injustice—in which extreme inequality is expanding before our eyes—there has never been a greater urgency to advance bold, equity-focused solutions. Traditional community and economic development are not cut out for eradicating deeply entrenched place-based inequities even in the best of times, and they certainly cannot meet the growing challenges communities confront today.

Instead, it will take integrated, multidisciplinary, and systems-level action—co-created and co-implemented through sustained partnerships between communities and city and regional actors—to connect



under-invested places with the resources, opportunities, and power from which they have too long been denied. Combining the deep knowledge, trust, and priorities of community-led efforts with the resources, capacity, and connections of city and regional economic development efforts can not only ensure that often-excluded communities have access to economic mobility and wealth-building opportunities, but can make entire cities and regions more equitable, prosperous, and resilient.

Throughout this playbook, we have provided local leaders with the tools to accomplish this feat through community-rooted economic inclusion. The stakes for doing so couldn't be higher. An economy in which entire communities are systematically excluded is not sustainable, and the fate of our cities—and our nation—depends on creating equitable landscapes of opportunity where more people, small businesses, and places can thrive.

APPENDIX A. ADDITIONAL RESOURCES

"Where" resources:

On selecting sub-geographies within cities that have the potential to maximize transformative impact.

How we define 'need' for placebased policy reveals where poverty and race intersect, Brookings Institution: Examines eight national classifications of "high-need" neighborhoods to demonstrate how the scope of place-based inequality impacting American communities varies depending on how "places in need" are defined.

<u>The future of the inclusive econo-</u> <u>my is in activity centers</u>," Brookings Institutions: Offers local leaders guidance on how to identify activity centers within their regions—and then target economic development, infrastructure, and placemaking resources in ways that strengthen these centers, support their growth and development in more equitable ways, improve connectivity within and between them, and ensure that existing residents and businesses benefit from new investment."

'Economic mapping' can help cities target the best places for density and growth, Brookings Institution: Provides national examples for state, regional, and local leaders to identify, support, and grow concentrations of economic activity to guide economic development and land use decisionmaking.

Announcing the Economic Value Atlas: A new approach to regional transportation and land use planning, Brookings Institution: Presents Oregon's tool to align economic development, regional planning, and infrastructure investment in support of regional economic goals. (See <u>interactive map</u> that examines neighborhoods' performance in 11 key measures).

"Who" resources:

On building, structuring, and facilitating cross-sectoral coalitions to co-develop and co-own place-based investment strategies.

How do you build the "right" cross-sector partnership to implement collective impact approaches?, Living Cities: Offers seven principles for selecting, structuring, and facilitating more effective cross-sectoral partnerships to serve communities. Build core functions for the collaborative based on equity and justice, Collaborating for Equity and Justice Toolkit: Provides guidance and tools for sustaining more equitable coalitions that build member ownership and power.

<u>A playbook for inclusive placemak-</u> ing: <u>Community process</u>, Project for Public Spaces: The first in a four-part series which provides placemakers and practitioners with guidance for facilitating equitable, community-powered engagement processes.

Community Investment: Focusing on

the system, Center for Community Investment and Lincoln Institute for Land Policy: Presents a systems approach to establishing shared priorities, building a pipeline, and creating an enabling environment for community investment. (Philadelphia used these principles to structure their coalition's priorities.)

"Why" resources:

On analyzing market opportunities, community strengths, and structural barriers facing residents and small businesses in underinvested places.

Preparing a commercial district diagnostic, LISC: Provides local practitioners with a comprehensive methodology for diagnosing commercial district needs and defining strategic, market-based investment strategies informed by community perspectives.

<u>Asset-Based Community Devel-</u> <u>opment Institute resources</u>: Select resources to assist community and economic development practitioners in identifying and building upon places' assets. Opportunity Industries: Exploring the industries that concentrate good and promising jobs in metropolitan America, Brookings Institution: Examines the presence of occupations and industries in the nation's 100 largest metropolitan areas that either currently or over time provide workers access to stable middle-class wages and benefits, particularly for the 38 million prime-age workers without a bachelor's degree.

<u>Clusters, Equitable Economic De-</u> <u>velopment Framework for St. Lou-</u> <u>is</u>: Identifies neighborhood- and metropolitan-serving opportunity clusters that are important for contributing to growth and equity, and lays a framework for equitable firm and employment growth organized around clusters. Project Story Map, LISC Philadelphia: Links to an interactive, webbased story map reflecting Resident Connectors' experiences identifying the people, places, and spaces that would serve as reference points in the development of the community-based economic inclusion plan.

"What" resources:

On identifying actionable investments, interventions, and strategies to benefit underinvested communities and connect them to regional economies.

Transformative placemaking: A framework to create connected, vibrant, and inclusive communities, Brookings Institution: Provides an adaptable, holistic framework for investing in places' economic ecosystems, built environments, social environments, and civic infrastructure to benefit more people in more places. <u>Catalyzing opportunity framework</u>, LISC: Offers a vision to catalyze opportunity for residents and communities by investing in people, places, and small businesses.

<u>Connecting local people to the</u> <u>prosperity of place</u>, LISC: Reviews emerging strategies to connect industrial district revitalization to local workforce efforts and presents more extensive case studies of work in three districts in New York City and Michigan.

Commercial district recovery

guide, LISC: Provides place-based organizations and community economic development partners with a roadmap to address the needs of businesses during both immediate response in the aftermath of the pandemic and recovery. Industrial district revitalization in three cities, LISC: Examines how to revitalize industrial districts in an equitable way—bringing benefits to surrounding low-income communities and without triggering displacement of long-term businesses—using case studies in Duluth, Minn., Indianapolis, and Jacksonville, Fla.

Tactical Guide: Inclusive Small Business Support, LISC: Offers strategies to support small businesses, which are minority- or women-owned, or located within low-to-moderate income communities.

Anchor institutions' contributions to building inclusive small business ecosystems, LISC: Explores how different types of anchor institutions are leveraging their unique assets and place in their communities to foster an environment in which small businesses—especially woman- and minority-owned businesses—can grow and thrive.

More than storefronts: Insights into creative placemaking and community economic development, LISC: Examines how local efforts to invest in artists, arts-related businesses, and arts and cultural organizations can help advance community economic development, and what it takes to connect arts and culture as an economic strategy with simultaneous efforts to strengthen the social fabric in the community and advance class, racial, or cultural equity.

No more status quo: A community-led action plan for addressing structural inequity during COVID-19 recovery, Brookings Institution: Provides guidance for community, city, and regional leaders to support community-led COVID-19 recovery strategies that address persistent structural inequities and build upon undervalued community strengths, using South Los Angeles as a case study.

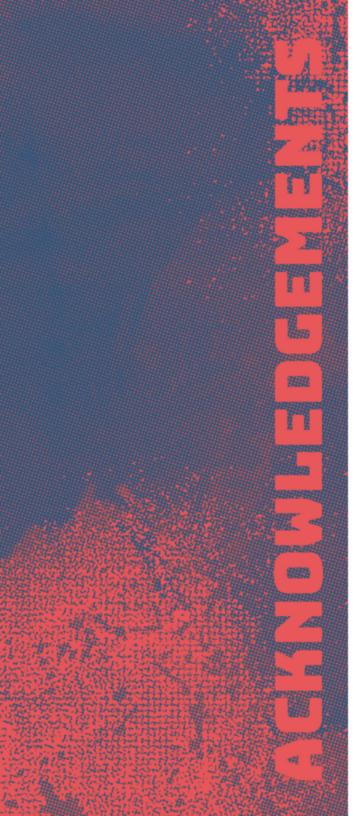
"How" resources:

On developing mechanisms for sustainability, accountability, and shifting the power balance in the long term.

<u>Collaborating for equity and justice:</u> <u>Moving beyond collective impact</u>, Nonprofit Quarterly: Presents principles to facilitate successful cross-sector collaboration that explicitly lifts up equity and justice for all and creates measurable change.

Equitable development toolkit, PolicyLink: Includes 27 tools to help reverse patterns of segregation and disinvestment, prevent displacement, and promote equitable revitalization. The tools encompass four broad issue areas: affordable housing, economic opportunity, health and place, and land use and environment.

Building inclusive cities: A framework and lessons for local leaders, Brookings Institution: Based on experience working with leaders in Indianapolis, Nashville, Tenn., and San Diego, this series provides a framework for cities to expand access to opportunity for more communities, and explains how economic development organizations—most often focused on regional economic health—can take part in the development of local coalitions dedicated to inclusive economic development.



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