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As we move toward implementation of the Empowerment Zones and Enterprise Communities, the issue of long-term federal support is a priority. The failure of former programs designed to promote neighborhood revitalization and community development (such as Model Cities) can largely be attributed to lack of sustained, coordinated attention as well as federal oversight. Our plan is to provide both.

Despite the best of intentions, however, it is quite clear that the federal government alone cannot provide the extensive and consistent support communities need in order to realize their strategic visions for change. Involvement of the private sector, in general, and the philanthropic community, in particular, is critical for a variety of reasons, some of which are listed below:

- . *The number of sites that could be reached would be expanded.*
- . *The pool of financial and expert resources would be increased and diversified.*
- . *It would provide an opportunity for foundations to work together with the federal government to support work in their "home" communities and in others in which they are already making an investment.*
- . *It would promote and enable collaboration and accountability between the federal government and the private sector.*

I. BACKGROUND

On October 14, 1994, we met with a group of representatives from the philanthropic community and other non-profit organizations regarding how they could assist us in our effort to provide support for the Empowerment Zones and Enterprise Communities. We all agreed that without some coordinated approach, there will inevitably be overlapping and duplicative technical assistance activities. Furthermore, coordination of efforts can generate technical support that is more efficient, effective and of higher quality. All agreed that it is worthwhile to examine how the capacity-building momentum engendered by the application process can best be sustained from the national level and how the federal government and foundations might collaborate to do so. Furthermore, the joint approach would maximize respective strengths of each of the partners.

While all applicant communities can benefit from any coordinated capacity-building efforts, there was consensus that

DRAFT

initial priority must be given to the designated communities. The longer-term objective is to provide assistance to all of the communities that have put forth an extraordinary effort to revitalize their neighborhoods.

At the October 14 meeting, those of us that attended reached the following decisions.

- . **FOUNDATION LEADERSHIP GROUP** - The foundation representatives present (Annie E. Casey and Danforth) agreed to contact some of their colleagues in the foundation community in an attempt to put together a "leadership group" to work with the federal government in developing a strategy for a joint approach to providing support.
- . **"FRAMEWORKS FOR PARTNERSHIP"** - The Domestic Policy Council agreed to drafting a prospective framework for collaboration between the federal government and foundations.

Since the October 14 meeting, we have made substantial progress. Janet Levy of the Danforth Foundation has taken a leadership role in contacting members of the philanthropic community. The Foundations have caucused and are in the process of making some decisions on how they may be able to assist us in our efforts. The Domestic Policy Council, in consultation with the relevant cabinet agencies, is moving forward on developing some Frameworks for Partnership.

II. AREAS TO PURSUE

After several discussions with individuals from different federal agencies and outside organizations, we have developed the following list of the types of support that are most likely to catalyze successful strategies in the designated EZs and ECs will most likely need over the next ten years. This is not meant to be a comprehensive list but simply some examples to illustrate the possibilities.

- . **FINANCING SUPPORT** - Assistance with overall cost and financing support. Types of support would include the dissemination of various finance models from around the country (e.g., Center for Social Policy discussion papers, J. Sugarman Consolidated States Plan), the provision of assistance from nationally recognized individuals, and the convening of financing seminars on a topical basis.

DRAFT

- . **TECHNOLOGICAL SUPPORT** - Assistance in linking applicants to the information superhighway. These linkages would include providing access to: (1) the best ideas and programs developed by cities that participated in the EZ/EC program; (2) information on the range of relevant federal programs and funding opportunities; and (3) information on foundation resources, including financial resources, and successful foundation-sponsored community projects (e.g., Hands Net).
- . **STRATEGIC PLANNING SUPPORT** - Assistance in the formulation and clarification of goals and of outcome measures. Types of support would include the dissemination of various strategic planning models that have been implemented around the country (e.g., Oregon Benchmarks and Urban Strategies planning system), the provision of assistance from nationally recognized individuals, and the convening of strategic planning workshops on a region -- or state-wide basis.
- . **PROGRAM DESIGN SUPPORT** - Assistance in the exploration of (a) specific program design alternatives (e.g., early childhood services, public safety, child abuse prevention) and (b) service integration strategies and approaches. Types of support include the preparation and dissemination of summaries of relevant research and field experience, the preparation of options papers on specific policy topics (e.g., job creation, affordable housing), and the provision of assistance from community-based experts.
- . **TRAINING AND STAFF DEVELOPMENT SUPPORT** - The design, development and conduct of pre-service and in-service training for service providers, local agency staff, family advocates and resident participants. Types of support would include the preparation and dissemination of summaries of successful training strategies and curriculum, the preparation of options papers on specific training / staff development topics (e.g., cross disciplinary training, licensing and certification), and provision of scholarships to designated practitioner training programs.
- . **MANAGEMENT SUPPORT** - Includes technical support for: (a) the development and implementation of public / private collaboration agreements among government, non-profits and for-profit organizations, professionals and local stakeholder; (b) the formulation of policies to simplify current bureaucratic requirements to unify service eligibility requirements, and to increase service flexibility; (c) the use of management incentives (e.g., compensation and promotion strategies), regulations, performance measurement systems and management evaluation approaches; and (d) the design of monitoring, auditing, complaint investigation and non-discrimination systems.

Types of support include the dissemination of proven management models developed around the country, the provision of expert assistance and the convening of management workshops on a topical basis.

EVALUATION SUPPORT - Includes assistance in the design, development, and information of evaluation strategies that measure the investment (and return of investment) of human and financial resources.

The types of support that will be most valuable will vary from community to community and will change over time. The federal government is willing and able to provide a limited amount of that support. Therefore, the participation of the private sector will help round out our quest to provide communities with the capacity-building they will need in order to realize their visions.

III. AGENCY SUPPORT

To respond to these needs, the agencies represented on the Community Empowerment Board have been asked by Assistant Secretary Andrew Cuomo to put together a list of federal resources that will be available to the communities. For example, HHS is prepared to provide support on anything having to do with primary health care and poverty-related health problems (e.g., maternal health, indian health, etc...). HUD has indicated that their regional offices will be engaged in providing assistance for community planning and for services related to the development and creation of affordable housing. The regional offices of the Department of Agriculture will also be involved in outreach and technical assistance for the rural zones and communities.

Each agency will publish priority notices that will permit it to give preference to zones and communities. In some cases, they have already been published in the Federal Register. Due to statutory constraints, Empowerment Zones and Enterprise Communities interested in receiving funds under these programs must apply in the regular competition. However, the chances of their obtaining funding will be greatly enhanced by the competitive priority they will receive.

Within 10 weeks of the announcement, we will host a meeting for two representatives from all (those designated as well as those that were not designated) applicant communities. This meeting - to be held here in Washington - will be an opportunity for all the communities to receive information about federal programs available to them. The attendees will include the Mayor of each applicant community and one staff member.

Attached
book collecting
program committee

As part of
publication of
notices

Each
Agency has
A DIFFERENT
APPROACH

IV. WHITE HOUSE SUPPORT

Upon the recommendation of the Vice President, a small team of agency representatives will be established to work full-time on the Empowerment Zones and Enterprise Communities. The team -- to be comprised of representatives from HUD, USDA, HHS, Justice, Education, Labor and Transportation -- will work out of the White House and will report to the CEB and the Vice President. Their primary responsibilities will be to promote the program, oversee agency implementation, act as ombudsmen for the designated zones and communities within the Federal Government, and to work with HUD and USDA in their ongoing efforts to provide technical assistance and support. The team will also facilitate inter-agency coordination and cooperation, particularly in the area of program support and waiver requests.

V. PRIVATE SECTOR

The participation of the philanthropic community will help to round out our quest to provide what the designated zones and communities will need in order to realize their visions. There will, however, still be a need for other private sector involvement. Insurance companies, pension funds and community development institutions can also play a critical role in developing and implementing a strategy of technical assistance. Following are some examples:

Stan Karson, the current Executive Director of the Center for Corporate and Public Involvement, a membership organization comprised of the American Council of Life Insurance and Health Insurance, has expressed an interest in working with the us on developing a strategy to support the EZs and ECs. Individual companies are already involved in specific projects.

While pension funds do not have a definitive umbrella organization, the Center for Policy Alternatives has the most information about the range and types of pension funds. The Center's goal is to help increase the flow of capital into communities through ETIs (Economically Targeted Investments). They estimate that "if only 2% of pension funds were invested in ETIs, it would yield \$90 billion worth of investment capital needed to create jobs and growth in capital starved neighborhoods." There are several federal agencies - DOL, HUD, EPA, SBA, Agriculture, and the National Economic Council - that are already working with pension funds.

The National Association of Community Development Loan Funds, a membership organization of 41 loan funds targeted to housing lending and small business lending. These loan funds serve as intermediaries for larger pension funds, mutual funds and foundations. They can play a critical role in getting capital into distressed communities.

- . **FINANCING SUPPORT** - Assistance with overall cost and financing support. Types of support would include the dissemination of various finance models from around the country (e.g., Center for Social Policy discussion papers, J. Sugarman Consolidated States Plan), the provision of expert assistance from nationally recognized individuals, and the convening of financing seminars on a topical basis.
- . **TECHNOLOGY SUPPORT** - Assistance in linking up applicants to the information superhighway. These linkages would include: (1) access to the best ideas and programs developed by cities that participated in the EZ/EC program; (2) access to information on the range of relevant federal programs and funding opportunities; and (3) access to information on foundation resources, including financial resources, and successful foundation-sponsored community projects.
- . **STRATEGIC PLANNING SUPPORT** - Assistance in the formulation and clarification of goals and outcome measures. Types of support would include the dissemination of various strategic planning models developed around the country (e.g., Oregon Benchmarks and Urban Strategies planning system), the provision of expert assistance from nationally recognized experts, and the convening of strategic planning workshops on a region -or state-wide basis.
- . **PROGRAM DESIGN SUPPORT** - Assistance in the exploration of (a) specific program design alternatives (e.g., early childhood services, public safety, child abuse prevention) and (b) service integration strategies and approaches. Types of support include the preparation and dissemination of summaries of relevant research and field experience, the preparation of options papers on specific policy topics (e.g., job creation, affordable housing), the provision of expert assistance from nationally recognized experts and the convening of policy seminars and briefings.
- . **TRAINING AND STAFF DEVELOPMENT SUPPORT** - The design, development and conduct of pre-service and in-service training for service providers, local agency staff, family advocates and resident participants. Types of support would include the preparation and dissemination of summaries of relevant training activities and field experience, the preparation of options papers on specific training / staff development topics (e.g., cross disciplinary training, licensing and certification), the provision of expert assistance from nationally recognized experts, and the convening of topical policy seminars and briefings.
- . **MANAGEMENT SUPPORT** - Includes technical support with respect to: (a) developing and implementing agreements for cooperation and collaboration among government, not-for-

profit and for-profit organizations, professionals and consumers; (b) the formulation of policies to simplify current bureaucratic requirements, unify service eligibility requirements, and increase service flexibility; (c) the use of management incentives (e.g., compensation and promotion strategies), regulations, performance measurement systems and management evaluation approaches; and (d) the design of monitoring, auditing, complaint investigation and non-discrimination systems. Types of support include the dissemination of various management models developed around the country, the provision of expert assistance and the convening of management workshops on a topical basis.

- . **EVALUATION SUPPORT** - Includes assistance in the design, development, and information of evaluation strategies that effectively measure the investment of human and financial resources.