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Next Generation Community Revitalization:

A Work in Progress

By:
The Bridgespan Group

The Bridgespan Group

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Nan Stone and Rohit Menezes

A Note to Readers

Like the experience of community revitalization itself, the contents of this report are iterative. By this we mean that the overview presented in part one relies on and refers to details contained in the profiles presented in part two; while the choices each initiative has made—as captured in its respective profile— are illuminated and sharpened by the themes the overview calls out. We chose to put the findings and observations first, because we think they will be of interest to the greatest number of readers. Those eager for more detail, or unfamiliar with one or more of the initiatives, may prefer to review the profiles first.

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Executive Summary

A new generation of community revitalization initiatives is gaining momentum. Prominent among them are six nascent networks: Building Sustainable Communities, Choice Neighborhoods, Promise Neighborhoods, Purpose Built Communities, Strive and The Integration Initiative. These six networks have approximately 50 sites in planning or implementation already; and they aspire to grow to at least 120 sites over time.

These initiatives and the widespread energy they have unleashed are truly exciting. We see grounds for optimism on a number of dimensions about their potential to outperform their predecessors:

- They share a bias toward building on "what works"
- They are explicitly embracing key management principles and practices, including the importance of focus and the use of data to manage, measure, and improve performance
- They recognize that lasting change cannot be achieved without the re-creation of a robust civic infrastructure, within a target community and/or in the city or region of which it is a part
- Policy makers in several of the federal agencies most actively engaged in this work are playing a new, and markedly different, role
- There is a strong, if dispersed and incomplete, body of knowledge and experience on which this generation of leaders can draw

At the same time, there are also significant risks—many structural and addressable—that could cause these efforts to founder and fail:

- Funding that is largely short-term, fragile and opaque
- Leaders who are overstretched, with gaps in organizational capacity and capabilities such as managing accountable partnerships and collaborations
- An uneven commitment to resident engagement
- Unrealistic expectations about how much can be accomplished how soon
- Limited access to what works—or shows promise of working—in critical program areas
- Silo-ed thinking as initiatives pursue work and learning agendas, many of which overlap, separately from one another

Should this generation of efforts fail, today's positive momentum could quickly turn into tomorrow's disillusionment. For this work to take hold and grow, it needs the kind of credibility that comes from genuine success stories. Creating those success stories will demand the steadfast commitment of energy and resources, a passionate commitment to social justice, and the management acumen to overcome a set of barriers that are consistent across these six initiatives: gaps in practical knowledge; painfully over-stretched management teams; and plans that are insufficient to guide implementation.

Based on what we heard from people doing this work, as well as their advisors and supporters, and what we know about the field's collective capacity to address those needs, we believe some of the most useful next steps for maintaining momentum and strengthening the field would be:

- Accelerate learning and the acquisition of practical know-how
  Initiative and site leaders face two kinds of knowledge gaps: the need for technical resources, where tools and frameworks that can help decision makers already exist; and the need for new applied knowledge to inform decisions in areas where definitive answers are not yet known, or where there may never be "one best way." Providing additional resources to support the delivery of "known solutions" is an elementary way to fill the first gap. Rapidly developing and prototyping new applied knowledge and developing the connective tissue that will enable it to be shared across existing initiatives and communities of practice will be critical in filling the second.
- Build stronger, deeper management teams at initiative sites and at the centers
  Investing to develop cohorts of talented leaders, who would increase the capacity of the field overall as well as the specific initiatives with which they are involved, could be a particularly high impact opportunity for philanthropic funders
- Provide ongoing support and incentives for leaders at local sites to develop realistic operating plans that can be both funded and implemented

There are some sites which, by dint of previous hard work or more recent good fortune, have greater potential to deliver compelling results in the near term. National philanthropic leaders have a unique opportunity to help these sites break through as true success stories. Rather than "picking winners" an investment in these highest potential sites would truly be an investment in the entire field.

The stakes for this work are high. If these initiatives are effective and successful they alone could change the odds for hundreds of thousands of low-income people. The wherewithal to do this exists: the knowledge and experience base that success will require has been accumulating, community by community and initiative by initiative, for more than half a century. The question for this generation is whether community leaders and those who support them have the vision and will to come together to translate all our diverse experience and expertise into collective, concerted action. If the answer is "yes," committed citizens from every sector of the economy—government, business, philanthropy and the social sector—can turn today's hopes into tomorrow's reality.

Introduction

How can the complex problems created by concentrated poverty be addressed most effectively? Men and women of good will have been wrestling with this question in communities across the United States for nearly 50 years. Now a new wave of efforts to break the cycle of poverty and revitalize distressed communities is building and attracting interest, engagement and support from every segment of society.

Prominent among these emerging efforts are six nascent networks—Building Sustainable Communities, Choice Neighborhoods, Promise Neighborhoods, Purpose Built Communities, Strive, and The Integration Initiative—that are all developing national footprints. In the aggregate, they are seeking to improve the lives of hundreds of thousands of low-income families by 2015 and, ultimately, influence national policies. As their efforts gain momentum, they are attracting increasing attention from community and business leaders, public officials, and philanthropic funders across the country. To cite one small but telling example: when Strive announced a conference for communities interested in learning about its approach to achieving collective impact, representatives from more than 120 localities signed on.

As they pursue their ambitious goals, these networked initiatives are largely going about their work unconnected to one another. Given the unrelenting demands on their time, this heads-down approach is understandable. And yet an unintended consequence, we thought, might be missed opportunities—not only within these networks but also in communities outside them—to use scarce resources most effectively and to accelerate the pace of positive change through well-targeted investments and/or various sorts of collective action. Testing this hypothesis was proving difficult, however, because no-one (within the networks or among their funders and supporters) had a comprehensive enough understanding of what each of them was doing, how their models and approaches compared, or what sorts of support might actually be most valuable in helping them succeed.

To remedy this information gap, the W.K. Kellogg Foundation provided the Bridgespan Group with a grant to undertake a field-based research project focused on the six initiatives. The project's primary goal was to develop a common fact base that everyone in the field—the network organizers, funders, policy makers, community leaders, and researchers and other experts—could draw on to inform their understanding. Secondarily, we aimed to increase the level of understanding among these key players about how best to support these initiatives and to identify, where possible, potential opportunities for collaborative action (such as co-locating sites or sharing best-in-class expertise) that might be particularly rewarding in terms of accelerating progress on the ground.

The core of the research involved gathering critical descriptive information about each of the models or approaches and how it is being executed. Before beginning to collect this information, we interviewed each of the network leaders, as well as seasoned experts in the field of community change, to learn whether they thought such a project was worth pursuing. Those conversations yielded not only confirmation that this research could be helpful, but also the addition of Building Sustainable Communities to our master list.[1] Thus fortified, we met at length with the leadership and key staff of each of the networks and, when possible, visited local sites that had begun to apply their models. During these discussions, we were particularly attentive to the initiatives' commonalities, salient differences, opportunities, individual strengths, and needs. In addition, we engaged in an extensive series of interviews with 15 experts and practitioners, many of whom have multiple decades of community change experience to help establish context for our work.

"Next Generation Community Revitalization: A Work in Progress" presents the results of our research. As the title indicates, we believe that these initiatives do constitute a "next generation" of efforts to revitalize communities and break the cycle of intergenerational poverty. In part one of this report, "Findings and Observations," we lay out some of the shared dimensions on which they appear to differ from prior initiatives and some of the shared challenges we see them facing. As the profiles make clear, however, simple homogeneity is not one of their distinguishing characteristics. On multiple dimensions these six initiatives are going about their work by very different routes. That, in fact, is one of the reasons we think it might be useful to see them as constituting a set of real-time experiments, with the potential to inform one another's efforts as well as the progress of the field overall. It is also why we believe there is a strong argument to be made for funders to "double down" in particular communities, by aligning approaches and funding streams focused on different, but complementary goals and activities.

The data supporting these findings and observations come largely from the profiles. They were also informed by our site visits, interview with experts in the field, and more than a decade's-worth of experience with clients engaged in programs (many of them place-based) focused on youth, education and poverty alleviation.

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[1] We asked our expert interviewees whether they thought the set of initiatives we were proposing to study needed to be amended. A few potential candidates surfaced in these conversations; but Building Sustainable Communities, Local Initiatives Support Corporation's centerpiece strategy, was the only one mentioned by just about every interviewee. While we recognize that these initiatives are not statistically representative of the community revitalization work being conducted across the nation, we do think their opportunities and challenges are broadly emblematic of those faced by other efforts. Both the interviews and our reading of secondary sources reinforced this view.

We are keenly aware of how hard the work of community revitalization is, and how many different kinds of knowledge and experience are required to pursue it. What we at Bridgespan can contribute is our in-depth knowledge of management and broad practical experience helping nonprofit leaders make hard strategic and organizational decisions. We believe these contributions will be essential in helping this wave of community revitalization efforts succeed. We also recognize that the perspective our contributions reflect is only one piece of a much larger whole, and that we have much to learn from others who bring complementary bodies of knowledge and experience to this critical work. To that end, we welcome feedback and hope that this report will provide one of many platforms for shared learning going forward.

Part One

Findings and Observations

Framing the Challenge of Community Revitalization

The seven neighborhoods that make up the Parkside/Kenilworth community in Washington, DC began to go downhill in the 1950s, when construction of the Anacostia Freeway cut them off from the heart of the city to the west. The downward spiral accelerated as local industries closed their doors, and residents who were able to move out mostly chose to do so. By the 1980s and 1990s, a community which had once included one of the District's most sought-after residential neighborhoods for African-American professionals had become one of its most notorious drug havens.

The Parkside/Kenilworth community is now the focus of the DC Promise Neighborhood Initiative (DCPNI). We're on a bus, touring the area. Our guide Greg Rhett is a long-time community resident and activist, president of the Eastlake Garden Civic Association, and DCPNI's director of resident engagement. Throughout the drive, his commentary provides context for the promising and not-so-promising sights around us: The Chavez Parkside Middle and High School, opened in 2004, whose parent organization, Caesar Chavez Public Charter Schools for Public Policy, was the lead applicant on the Promise Neighborhoods planning grant. The derelict electric power plant, closed for environmental reasons, which borders the neighborhood on one side and is rumored to be under consideration for reopening. The vacant land in the middle of the neighborhood, slated for redevelopment as mixed and market-rate housing, where four units of devastated public housing have been torn down. The facility-less recreation area, created when an open trash dump was capped after the death of a child, where no-one dares build for fear the work might pierce the cap.

Through some well-placed questions, Rhett also draws our attention to what we don't see, basic amenities that the community lacks: a public library, a health center, a dry cleaner, a supermarket. The nearest grocery and drug stores, located about a mile and a half away, are dilapidated outposts of national chains situated across the Anacostia highway and hard to reach on foot—unlike the food marts and liquor stores that are conveniently close by.

Nevertheless, what we hear conjures up an active work-in-progress: from changes as big as the site where Educare has recently broken ground for a full-day, year-round school that will provide high-quality, research-based educational programs and care for 170 neighborhood children aged 0 to 5; to ones as small as the community efforts that have persuaded the local food truck to stock fresh fruit as well as

candy and chips. The sense of building momentum continues when we return to the middle school and join the Chavez Schools' founder, Irasema Salcido, in the library.

Salcido and Rhett have worked together for the past seven years. When Salcido first approached the neighborhood with the idea of opening a new charter school, the residents (Rhett included, he freely admits) were skeptical at best. They had seen too many reforms and reformers come and go over the years, leaving too little change in their wake. But after a year of relentless visiting throughout the community, coupled with the willingness of known leaders like Rhett to sign on, trust in Salcido began to build. And then, in 2008, all of the neighborhood's schools, Chavez included, were threatened with closure for poor performance. That could have been the final blow, except that neither Salcido, nor Rhett, nor the many others who had joined with them were prepared to back down. Instead, the threat became the catalyst for deepening their commitment, drawing in new partners (including the principals of the two elementary schools), and, in time, applying to become a Promise Neighborhood.

What we're seeing this morning is the strength of that commitment—on the part of DCPNI's leadership, its multiple partners, and the growing circle of residents willing to sign on to be part of the solution, for their children, themselves and their community. As Salcido puts it, summing up, "We understand that this is a 10 to 20 year project."

Walking away, it is impossible not to feel both cautiously optimistic about the changes already underway and deeply concerned about the magnitude of the challenges DCPNI is taking on. Will things be different this time around? If they are, what will explain the difference?

Community Revitalization in Context

Promise Neighborhoods, the path-breaking U.S. Department of Education initiative inspired by the work of the Harlem Children's Zone, may be the most prominent effort to break the cycle of poverty currently underway in the United States. But it is by no means the only one. In communities across the country, we are seeing a resurgence of public interest in improving opportunities and life prospects for poor children and their families. One expression of this growing momentum is the new wave of efforts profiled in this paper. (A summary overview of the six initiatives appears on the following page.) Others range from purely local endeavors, such as HOPE San Francisco/San Francisco's Communities of Opportunity, to regional initiatives, such as the Department of Housing and Urban Development's Sustainable Communities, to nation-wide efforts, such as the strategic decision taken by the United Way to transform its role in local communities from a re-distributor of funds to an agent of change.

Overview of Next Generation Community Revitalization Initiatives

	Building Sustainable Communities	Choice Neighborhoods	Promise Neighborhoods	Purpose Built Communities	Strive	The Integration Initiative
Launched	2007	2010	2010	2009	2008	2010
Catalyzing entity (funder and/or "hub")	Local Initiative Support Corporation (LISC)	U.S. Department of Housing and Urban Development	U.S. Department of Education	CS Foundation, The Robertson Foundation, Warren Buffett	KnowledgeWorks Foundation with dedicated national Strive staff	Living Cities
Antecedent	New Communities Project (Chicago)	HOPE IV experience (various)	Harlem Children's Zone (New York)	East Lake Foundation (Atlanta)	Strive Partnership (Cincinnati)	New Communities Project (Chicago) and Strive Partnership (Cincinnati)
Primary emphases	Built environment, education, economic development, health, and financial prosperity as prioritized by community	Built environment (esp. housing)	Cradle through college to career continuum with great schools at the center	Built environment (esp. housing) and education	Education	Open table of civic leaders
Current presence (July 2011)	30 LISC offices (varying adoption) affecting ~100 neighborhoods	17 planning grantees; ~5 implementation grantees	21 planning grantees	8 neighborhoods	5 cities	5 cities
Planned presence (varied dates)	30 LISC offices (varying adoption) affecting ~150 neighborhoods (no date targeted)	In total, 29 planning grantees; ~4 implementation grantees (2012)*	In total, 31 planning grantees; ~5 implementation grantees (2012)*	25 neighborhoods (2015)	25 cities (2015)	5 cities (2015)
Total funding per site by effort leader	Varies by site	To date, $250K for planning grants and ~$15M per implementation grant; in future, $300K for planning grants	~$0.5M planning grants; $4-6M for implementation grants	No formal commitments for grants; sites can access a low- or no- interest loan fund	To date, $100K; in future, no funding	$15-20M in commercial debt, low-interest debt, and grants

* We have not projected grantee numbers beyond 2010, as they will be determined by the annual federal appropriations process

The breadth of support for this work is equally striking. Philanthropists, nonprofit leaders, and community activists figure prominently among the ranks of leadership. But so do business executives, educators, and public officials at every level, from the mayor's office to the White House. Established players are assuming new roles and engaging in broad-based community collaborations. At the same time, a new generation of talented leaders is coming to the fore, committed to transforming broken schools and districts, reconnecting disinvested communities with wider economic opportunities, and redesigning government policies that throw roadblocks in the way of positive change.

This groundswell of enthusiasm for making grassroots change and for changing systems is exhilarating and heartening. It is also sobering. As a country, we have been here many times before. In fact, the first sustained efforts at alleviating neighborhood poverty date back more than a century to the efforts of the

progressive reformers and social activists whose settlement houses brought (and in many cases continue to bring) a variety of educational, vocational, and health programs to the urban poor.

More recently, there have been several generations of efforts, beginning in the 1960s, when changing patterns of urban employment, massive highway construction and "slum clearance," and the rise of the suburbs all combined to dislocate poor people and disproportionately re-locate them in racially segregated neighborhoods of concentrated poverty. The Ford Foundation's Gray Areas Program, a six-city pilot started in 1961 to increase opportunities for youth living in distressed neighborhoods between downtown and the burgeoning suburbs, was the first of the 1960s generation. It was followed by the federal government's initial entrants in the War on Poverty: the Community Action Program, modeled on Gray Areas; and Model Cities, which sought to combine redeveloped housing with social services and economic development. Despite some real innovations and gains (such as the introduction of early Head Start), none of these programs were able to affect the macro issues that were actually driving the increase in poverty: economic restructuring, structural racism and the movement of jobs out of downtown.

Federal funding for distressed communities fell during the 1970s and 1980s, while responsibility for distributing what funds there were shifted to local governments, which tended to pay more attention to sparking economic development than redressing social problems. At the same time, community development corporations (CDCs), which had initially focused largely on helping residents develop economic self-sufficiency, increasingly took on housing development as their primary activity. Support for social services that would supplement public funds increasingly fell to nonprofits and foundations, whose activities tended to focus on smaller scale programs which were designed to target specific issues. While new ideas and innovative practices emerged from these efforts, the results overall were sub-scale.

In the 1990s and 2000s, the pendulum began to swing back toward an approach that included social services, child care programs, and workforce development as well as housing. Community participation and capacity building figured largely in this generation of "comprehensive community initiatives" (CCIs), as did a preference for focusing on the community's assets (rather than its deficits) as a platform for change. Foundations that established initiatives during this period included Annie E. Casey, The California Endowment, Edna McConnell Clark, Ford, Hewlett, James Irvine, Lyndhurst, MacArthur, McKnight, Northwest Area Foundation, Pew Charitable Trusts, Robert Wood Johnson, Rockefeller, Skillman, Surdna, and W.K. Kellogg. The Aspen Institute estimates that philanthropic support for CCIs from 1990 to 2010 totaled at least one billion dollars.[1]

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[1] Kubisch, Anne, et.al. *Voices from the Field III: Lessons and Challenges from Two Decades of Community Change Efforts*. The Aspen Institute Roundtable on Community Change (2010).

At the federal level, the Clinton administration's most visible contribution was the Empowerment Zone and Enterprise Community (EZ/EC) program. The verdict on the program's performance is mixed. Some evaluations found little, if any, difference between cities that received funding and those that did not in terms of residents' economic well-being. Others found economic and educational improvements, but not necessarily ones that could be attributed to the efforts of the program rather than some other factor, such as gentrification.[2]

The track record of the philanthropic comprehensive community initiatives is similarly mixed. On the one hand, results at the community level were disappointing. Impoverished neighborhoods were not transformed, nor were the majority of their residents connected with larger, healthier economic, social and public systems. Unlike today, education (except for after-school programs) was largely missing from community change agendas. New generations of young people—with high school degrees or without them—left school unequipped to lead productive adult lives, further fueling inter-generational cycles of poverty. As one experienced philanthropic funder observed ruefully during our conversation, "When we look at the long history of urban redevelopment and, more recently, community change strategies, especially those focused on economically vulnerable and ethnically marginal populations, we have to acknowledge that they represent abundant evidence of failure."

On the other hand, these initiatives also registered real gains in the form of improved lives for some of the participants, the construction of new housing and commercial facilities, and, importantly, the creation of organizational and civic capacity. Today, participants in those programs occupy leadership positions in community-based organizations, government agencies and academic institutions as well as in business. This increased organizational and civic capacity—in the form of relationships, infrastructure and experience—may be one reason that some locations which previously engaged in CCIs are now successfully securing next-generation investments.

Boston's Dudley Street Neighborhood Initiative, for example, which emerged in 1984 as a response to the planning efforts of a local foundation, and subsequently participated in the Annie E. Casey Foundation's "Rebuilding Communities Initiative," is now a Promise Neighborhood planning grantee and part of its geographic footprint was the recipient of a Choice Neighborhood implementation award. Similarly, the Olneyville neighborhood in Providence, R.I. launched the Olneyville Housing Corporation, a well-respected CDC more than a decade ago, while three of the neighborhoods immediately adjacent to it

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[2] Mossberger, Karen. "From Gray Areas to New Communities: Lessons and Issues from Comprehensive U.S. Neighborhood Initiatives," prepared for "Neighborhood working: Where do we go from here? Towards a new research agenda," De Montfort University, Leicester, UK 7 May 2009; Revised February 2010.

comprised an Annie E. Casey Foundation "Making Connections" site. Olneyville is now a Building Sustainable Communities site as well as the recipient of a planning grant from Choice. Looking west, Chicago's Woodlawn neighborhood, the recipient of a $30 million 2011 Choice implementation grant, has been working with Chicago's New Communities Program since the early 2000s.

The long shadow cast by the past tends to be especially problematic in neighborhoods where the failure to deliver on ambitious promises, the divide between residents and reformers, and the top-down, non-inclusive way in which change initiatives were introduced and executed have left a wake of distrust with which new efforts have to contend. Distrust can be overcome, as we saw in the context of the DC Promise Neighborhood Initiative. But it takes time (often more time than initiative horizons or an impatient society are willing to allow), as well as superb leadership skills and a genuine commitment to authentic community engagement.

Ultimately, one of the most valuable legacies of these prior efforts may be the lessons learned about the complex challenges of transforming disinvested neighborhoods and the lives of the children and families who inhabit them. This body of knowledge exists in many places, including foundation reports and evaluations, scholarly studies, and after-the-fact reflections by thoughtful practitioners. Among the materials we were able to review, the work of the Aspen Institute's Roundtable on Community Change was particularly helpful.[3] Thanks in no small part to the Aspen leadership's ongoing commitment to this topic (demonstrated most recently by the publication of *Voices from the Field III)*, today's change-makers can access a wealth of information about the successes and failures of their predecessors. A number of the over-arching lessons learned appear to be informing some of the key design choices the leaders of these current initiatives and their supporters are making.

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[3] Aspen has published three volumes in a series called *Voices from the Field*. The most recent volume, which chronicles the lessons and challenges from the last two decades of community revitalization work, was published in 2010. Although we could not undertake a comprehensive review of all the literature in this field, we did our best to be intelligently selective.

Grounds for Optimism, Signs of Change

The existence of a strong body of accumulated knowledge is one reason for cautious optimism about the prospects for this new wave of efforts. Among the others are several recurring themes that show up across the six initiatives: a bias toward building on what works instead of re-inventing the wheel; the explicit incorporation of a managerial mindset; and the recognition that lasting change cannot be achieved without the re-creation of a robust civic infrastructure both within a target community (however that is defined) and beyond it.[4] Lastly, there is the impact of the new, and markedly different, role being played by policy makers in several of the federal agencies most relevant to this work. We'll look briefly at each of these in turn.

Building on What Works

None of these initiatives are starting from scratch. All of them are building—entirely or in large part—on the experience of an existing effort that has already shown it can deliver results or is in the process of doing so. In two cases—Strive and The Integration Initiative, and Choice and Purpose Built Communities—initiative leaders are drawing on the same basic model or approach.

The simplest and most straightforward example is Strive, whose collaborative approach to helping local leaders develop their own cradle-to-career civic infrastructure is rooted in the experience of the Strive Partnership of Cincinnati and Northern Kentucky. Participants in the five-year old Cincinnati partnership include early childhood advocates, school district superintendants, college and university presidents, community funders, business leaders, and service providers—all focused on improving the prospects for every child in the region. Although it is still early days, as the leaders of both the national organization and the Cincinnati partnership are quick to point out, the results to date look promising: recent reports in Cincinnati showed gains in 40 of the 53 student outcomes measured annually. Strive's approach to effecting change through broad cross-sector collaboration is not only infusing the design of its own network, but also informing the choices being made by other civic leaders and philanthropic funders.[5]

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[4] We found evidence of these themes in all six initiatives. Not surprisingly, we also observed significant differences in how fully they are being embraced and applied.

[5] For example, the White House Council for Community Solutions has made this sort of collaboration the centerpiece of its work and goals. In their article, "Collective Impact," published in *SSIR* (Winter 2011), John Kania and Mark Kramer featured The Strive Partnership as the lead example. The phrase "collective impact" clearly hit a nerve. The article has been circulating widely and is proving instrumental in drawing attention to the power of data-driven, collaborative approaches to pursuing and effecting social change.

One of those funders is Living Cities, a philanthropic collaborative composed of 22 of the world's largest foundations and financial institutions. Living Cities has both influenced Strive and been influenced by it. The support of the philanthropic collaborative has been instrumental in helping Strive's leadership expand its approach, first through an initial pilot with four urban-serving universities and now through its national expansion plans. In turn, the Cincinnati partnership's regional footprint and focus on sustainable, systems-level change are essential features of the Living Cities' Integration Initiative currently getting underway in five major urban areas. The goals of The Integration Initiative's participants differ from Strive's. But the design principles that infuse their work are fundamentally the same, including both the creation of "one table" around which key decision-makers from every sector can gather to discuss, plan, and implement strategies for change, and the over-arching goal of achieving a "new normal" by altering systems that perpetuate poverty and redirecting public and private resources to sustain change.[6]

Choice Neighborhoods, the U.S. Department of Housing and Urban Development's (HUD's) competitive grant program now entering its second round, and Purpose Built Communities (PBC) also share some DNA. In this case, it is the experience of HOPE VI, the HUD program established in 1992 in response to the recommendations of the National Commission on Severely Distressed Public Housing. As of 2009, HOPE VI had awarded more than $6 billion in grants, resulting in more than 100,000 new or renewed public housing units. Among the elements that characterized the most successful HOPE VI sites were the provision of funds (up to 15 percent of the total grant) for community and supportive services to promote upward mobility, self-sufficiency and an improved quality of life for neighborhood residents, and lessening the concentration of poverty in the neighborhood. Both Choice and PBC have incorporated these elements into the design of their models.

Choice (which is funded out of HOPE VI appropriations) builds on these success factors in two important ways. First, it doubles the percentage of funding (from 15 percent to 30 percent) that can be used for critical community improvements to promote economic development (such as improved transportation and community financial institutions). Second, although the program is anchored in the revitalization of HUD-assisted distressed housing, it expands the pool of housing eligible for redevelopment to include distressed or abandoned non-public housing units that contribute to neighborhood blight and crime.[7] Recognizing the role that good schools play in terms of improving students' prospects and attracting and stabilizing middle-income residents, Choice also prioritizes education-related improvements and goals in its scoring rubrics for prospective applicants.

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[6] Living Cities also cites the influence of Chicago's New Communities Project and the Kresge Foundation's portfolio-based work in Detroit on the design of The Integration Initiative.

[7] Choice also expands the prospective grantee applicant pool to include local governments, nonprofits and for-profit developers that agree to partner with a public authority.

Purpose Built Communities also bears the stamp of HOPE VI, not least because its own prototype, Atlanta's East Lake Foundation (ELF), was actually the third HOPE VI site in the nation. Started in 1995, ELF has transformed the severely distressed East Lake Meadows public housing complex into a thriving genuinely mixed-income community: today, half of East Lake's housing units are occupied by low-income residents; the other half are market rate and 90 percent occupied. In 1995, the crime rate was 18 times the national average, and the *employment* rate was 13 percent. The crime rate now is 50 percent lower than the rate for the rest of the city, and the employment rate for adults receiving public housing assistance is 70 percent. The local public school, re-launched as a charter, went from being the worst-ranked elementary school in Atlanta to the seventh highest of its 62 schools.

As a private philanthropic institution, ELF has many more degrees of freedom than a public agency would. But the principles behind the levers it has used to drive change are the same: essential services (especially education) that improve opportunities for residents and the de-concentration of poverty. The third lever that PBC adds to the mix, and which is likewise a required element for all new sites (along with a blend of subsidized units and market-rate housing and at least one high-quality, locally controlled school) is a strong, community-based and newly created lead agency.

Building Sustainable Communities (BSC) is the outgrowth of work begun in the mid 1990s by the Local Initiative Support Corporation (LISC) together with the MacArthur Foundation to improve the lives of residents in some of Chicago's most distressed neighborhoods. LISC was created by the Ford Foundation in 1980 to provide and aggregate financial support to community groups (chiefly community development corporations or CDCs) for affordable housing. Over time, however, its leadership came to realize that housing alone was insufficient to drive revitalization, and that sustainable gains required a more comprehensive approach encompassing economic development, income and wealth building, education, and health.

Chicago's New Communities Program (NCP), of which MacArthur is still an anchor supporter, was one of LISC's first experiments in pursuing this more expansive approach. Begun as a small, community building initiative in three neighborhoods, NCP expanded in 2003 to include 16 of the city's low-income communities. By 2005, its effectiveness from a community engagement perspective had become evident: some 3,000 people across the city had participated in NCP-sponsored meetings to create revitalization plans for their communities. In 2007, armed with early indicators of success in Chicago, the national LISC team expanded the BSC approach to a small cohort of ten local offices; and it is now in the process of socializing and supporting the new strategy throughout its network.[8]

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[8] An interim report by MDRC on NCP's impact, published in 2010, found that crime rates were generally falling in the neighborhoods, quality of life trends were consistently improving, and there was some early evidence of more trusting relationships among community organizations. *Creating a Platform for Sustained Neighborhood Improvement: Interim Findings from Chicago's New Communities Program*, MDRC (2010).

Last, but hardly least, is Promise Neighborhoods. The story has often been told about how then-presidential candidate Barack Obama was inspired to promise that if he were elected, he would replicate the Harlem Children's Zone in distressed neighborhoods around the country. Promise Neighborhoods, the result of that promise, reflects the influence of other place-based initiatives (such as San Francisco's Communities of Opportunity), as well as more than a decade's worth of work by education reformers. However, it is HCZ's defined neighborhood footprint and cradle through college to career continuum that give the program its identity and coherence. Moreover, Promise grantees have the considerable benefit of being able to draw on HCZ's decade-plus base of experience (along with that of PolicyLink and the Center for the Study of Social Policy) through the work of the Promise Neighborhoods Institute.

In addition to choosing a model or approach that has shown it can work, the leaders of these initiatives are seeking to build on success in a second critical way: that is, by selecting grantees or partners who have demonstrated that they have the capacity to deliver results. For example, HUD, the U.S. Department of Education (ED), and Living Cities all designed rigorous competitive selection processes, which put a high priority on a prospective grantee's capacity to deliver results. For Choice applicants, this means that 49 percent of the scoring points are based on evidence of existing capacity (primarily, and not surprisingly, in terms of prior success in developing housing). For Living Cities, key selection criteria were an applicant's capacity to deliver on the proposed strategy (as evidenced in existing momentum, capabilities and relationships among the partners) and collect and share data as well as the strength and experience of the CDFI signed on to its plan. (One of the more ingenious ways that Living Cities used to test for the requisite capacity—as well as for real commitment to the initiative—was imposing extremely tight deadlines, which served, in the words of one of the organization's leaders, "as a kind of stress test.")

While competitive bake-offs are not part of the process by which PBC selects new sites, the presence of a strong, committed lead organization with demonstrable access to capital and the ability to enlist and collaborate with cross-sector leaders is a non-negotiable. Similarly, local LISC offices probe both the capacity of a neighborhood's convening agency and what is already happening on the ground, in deciding where to locate new BSC initiatives.

A Management Mindset

Comparing Promise Neighborhoods to earlier community revitalization initiatives, Jim Shelton, Assistant Deputy Secretary for Innovation and Improvement at the Department of Education, called it "an improved management model." To greater or lesser degree, we think this description can fairly be applied to the other initiatives as well, in that each of them requires its sites or grantees to approach its work "planfully," be clear about its goals and focus, and use data to manage its performance and track and improve results.

The centrality of formal planning is one expression of this mindset. Each of these initiatives requires its local sites or prospective sites to embark on some sort of intentional planning exercise, ranging from the comprehensive documents required to apply for the federal programs' planning and implementation grants, to the resident- and local-stakeholder-led Quality of Life plans that constitute the central operating document for Building Sustainable Communities. Even more striking, however, is the fact that all of these initiatives have clarified and been explicit about their definition of success (what in the profiles we call their intended impact) and what will be required to achieve it (their theory of change). In addition, almost all of them have identified the outcomes they and their sites will use to help them assess their progress and improve their performance over time.[9] Purpose Built Communities illustrates the way these pieces come together.

PBC's over-arching goal—its definition of success—is to break the cycle of systemic poverty in one generation by fostering a safe, thriving community with high employment, increased incomes, increased property values, new middle-income families, new retail investment, and 100 percent of high-school graduates prepared for post-secondary education that will ultimately lead to living wages and better jobs. Its theory of change for achieving this intended impact is shown below, as are the outcomes its leadership will use to manage its own performance and that of its sites. Currently active in New Orleans and Indianapolis, and with several other sites in early stage planning and development, PBC aspires to build a nation-wide network of 25 communities. At that scale, PBC estimates it could achieve "permanent change" for some 15,000 low-income children and adults and generate $1 billion in new residential and commercial investment. Its leadership expects that results like these could also influence discourse about policy decisions and funding choices at the state and national level, as well as inspire and serve as a model for others' efforts.

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[9] The need for this kind of managerial clarity and specificity was foremost among the lessons learned that the Aspen Institute Roundtable on Community Change lays out in summing up the work of the comprehensive community change initiatives of the 1990s and 2000s, noting that community change makers need to adopt comprehensiveness as a principle not a goal. (*Voices from the Field, III*, pp. 120-137.) The intended impact and theory of change for each of these initiatives appear in its profile.

Purpose Built Communities' Theory of Change

IF:

A targeted neighborhood...

- Creates high quality mixed income housing at a sufficient scale and enforces management and policy standards within that housing
- Develops a cradle to college education pipeline focused on a specific neighborhood and anchored by direct, local control of schools
- Delivers best in class support services, especially workforce development, to low-income families
- Offers high quality amenities and commercial services, such as green space, that enhance the overall quality of life for residents
- Has the work led by a new community-based organization that has talent, access to sufficient resources, and ability to engage community stakeholders

THEN:

The targeted neighborhood becomes...

A safe, thriving community with high employment, increased incomes, increased property values, new middle-income families, new retail investment, and 100% high school graduates prepared for post-secondary education that will ultimately lead to living wages and better jobs.

Purpose Built Communities Measurement*

	Community level metrics		PBC level metrics
	Output	**Outcomes**	
Education	• No. of students • Student demographics • % of neighborhood children served by school	• No. of children ready for K • School test scores • High school graduation rate • Post-secondary graduation	• Number of children in high performing schools • Number of children meeting and exceeding standards • Overall high school and post-secondary grad rates
Housing	• No. of housing units • Mix of unit types • No. of low income families and individuals impacted	• Employment rate • Household incomes • Crime rate	
Facilities +programs	• No. and type of services • No. of residents using services offered • Occupancy and turn-over on market units	• Resident satisfaction ratings • Property values • New commercial and residential investment	
Lead org.	• No. of employees • Annual budget • Funds raised for the revitalization	• Overall economic impact analysis for community • "Social return on investment"	• No. of network members • No. of lives impacted

* PBC metrics are still under development and subject to change

Accepting the discipline of focus is another area where we see evidence of a management mindset at work. The leaders of these initiatives understand that lasting community revitalization will ultimately require change along multiple dimensions. Unlike their predecessors, however, they are each quite clear about the goals that will define success, or, if the choice is left up to each site, how those goals will be chosen. Some (like Strive with education and Choice with housing) make the focus crystal clear for everyone. Others allow the sites to establish their own emphases; but they both require them to choose and prescribe the vehicle for doing so.

In the case of The Integration Initiative, the focus at each site reflects an important issue around which there is already some momentum, and where a group of committed and influential leaders gathered around "one table" has the capacity to effect change. BSC, in contrast, requires neighborhood residents to create their own Quality of Life plans through a grass-roots process in order to establish the priorities for change. The two approaches could hardly be more different; and yet they seem to share a basic belief in the potential for truly local agenda-setting to be more effective than external, a priori prescription in achieving change for low-income communities.

Finally, we see evidence of a management mindset in the fact that while initiative leaders are clear about the goals that sites must achieve, they give local leaders flexibility to adapt their approaches and choose programs that fit with their community's circumstances and strengths. For example, Promise is clear about the indicators it expects grantees to track for both academic and family and community support outcomes, and their program choices must be based on the best available evidence. But unless a neighborhood's school falls into the persistently low-performing category, it does not specify the programs its grantees must use.[10] Site leaders in all of the initiatives are free to import programs that have shown they can deliver results elsewhere: as noted earlier, Educare will be opening an early-learning center in DCPNI. For the most part, however, there seems to be a managerial mindset among the initiatives' leaders toward starting with existing local programs and relying on rigorous data collection and analysis to monitor how well those programs are performing and where they need to improve—or be replaced. This combination of flexibility and focus on what is working is at the heart of good management.

A Vibrant Civic Infrastructure

One of the most intriguing features of these initiatives is the extent to which they are animated by the idea of recreating a vibrant civic infrastructure that extends beyond the boundaries of the neighborhood *per se*.

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[10] To deal with persistently low-performing schools, Promise Neighborhoods can choose among four pre-approved intervention models identified by the U.S. Department of Education in its Race to the Top grant program: turnaround, restart, closure, or transformation.

The creation of partnerships or other collaborative relationships is one of the ways in which this idea is manifest. Several of these initiatives create space within their models for other players or initiatives. This is most conspicuous in the Federally-sponsored programs, which have designated some of their funding for neighborhoods that have already received a grant from another department. For example, in Atlanta and San Antonio, lead organizations received both Choice and Promise Neighborhoods planning grants to focus on the same neighborhoods. But it would not be surprising to see other pairings of complementary approaches emerge (for example, Promise and Strive, or PBC and Choice).

Reintegrating the communities which are the focus of their efforts into larger, healthier systems (social, economic and political) that surround it is at the heart of The Integration Initiative's theory of change (and the inspiration for its name). It is also a basic principle for Choice and PBC, which not only seek to attract the middle class into the neighborhood, but also to draw those who are already residents into existing civic organizations and decision structures.

The idea of explicitly engaging with and connecting a given community to the larger systems that surround it is present throughout the profiled initiatives, even in one as fundamentally place-based as BSC. The BSC model is profoundly focused on resident engagement and relies on neighborhood leaders to establish the priorities for the community's work. At the same time, BSC also emphasizes the need for each neighborhood to build a strong cross-sector civic partnership (or "platform" in LISC's terminology) to help attract resources into the neighborhood from the wider community which surrounds it. The idea of building a robust civic infrastructure is most conspicuously present, however, in the work of Strive and The Integration Initiative, where such an infrastructure is expected to be the primary agent of change.

In sum, there appears to be a new energy and willingness on the part of many people to come together to help reinvigorate civic leadership by engaging local leaders from multiple sectors in collective action for the common good. The hope is that the new networks and collaborations being created will not only address specific challenges facing low-income, often isolated communities, but also reconnect them to functioning systems with wider sets of opportunities. These efforts are a far cry from the communal barn raisings that so impressed Alexis de Tocqueville, when he toured America in the 1830s. But it may not be altogether fanciful to think of them as a 21st century analogue.

The Federal Government is Re-engaging

In 1990, 10.3 million people lived in neighborhoods with a poverty rate of 40 percent. By 2000, that number had fallen by almost one-quarter, only to soar back up—to 10.6 million—in 2010.[11] These figures underscore why it is so important that the federal government has become actively re-engaged in community revitalization, and that transforming distressed neighborhoods into neighborhoods of opportunity is a central pillar of the Obama administration's urban policy. In the words of one respected expert, whose experience in this realm dates back more than 40 years, "We have been waiting many years for the federal government to show up. Now they are finally here."

Place-based initiatives, such as Promise and Choice, are one manifestation of this reinvigorated federal presence, and they appear to be emboldening people across the country to re-engage as well. When the Department of Education asked prospective applicants to indicate their intent to apply for one of the initial Promise Neighborhood planning grants, they received 941 replies. Many of those respondents opted not to follow through, as the rigor of the competitive application process became evident. But the final number (339) was still remarkably high, given the small number of grants ultimately awarded (21) and the significant effort required to complete the application.

The Obama Administration's creation of the Neighborhood Revitalization Initiative (NRI), which brings policy makers together to identify opportunities for inter-agency collaboration and to develop strategies to make it easier for local leaders to work effectively with the federal government, is both another example of the Federal government re-engaging and an expression of its desire to change the terms of engagement.[12] The NRI has not only been playing a key role in developing the administration's

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[11] These figures were cited in the presentation given by five, cross-agency participants in the Obama Administration's Neighborhood Revitalization Initiative (NRI) at the National Revitalization Conference presented by United Neighborhood Centers of America in Washington, D.C. on July 21, 2011.

[12] NRI's membership includes representatives from the White House Domestic Policy Council, the White House Office of Urban Affairs, and the Departments of Housing and Urban Development, Education, Justice, Health and Human Services, and Treasury. Tellingly, at the recent conference organized by United Neighborhood Centers of America, representatives from the five departments all sat at the same table and presented from the same PowerPoint presentation. Beyond a handful of city-led efforts to coordinate funding for particularly distressed communities, we do not know of parallel efforts at other levels of government.

centerpiece programs (like Promise, Choice, and the U.S. Department of Justice's Byrne program[13]), but also behaving in ways that seem to reflect a mindset which conceives of government as facilitating the work of citizens rather than getting in their way, and as being one player among many rather than the unquestioned lead.

There are many small but resonant signals of this different mindset: for example, key policy makers involved with these initiatives have gone out on cross-country listening tours to solicit feedback from applicants and grantees about what, specifically, their agencies could do to help them be more effective. They have also begun putting mechanisms in place to make government data more easily accessible and transparent and to coordinate inter-agency data bases. Federal agency collaboration—a seemingly rare occurrence—has also been woven into the guidelines for Promise and Choice in a variety of ways, including aligning funding from various sources against common goals, awarding points to applications that include activities for which funding will have to come from other agencies, requiring local partnerships and significant contributions from local funders (in effect, seeing philanthropy as the vehicle for leveraging government dollars rather than the other way round), and holding slots in competitive grant processes for communities that have already received related funding. (For example, two of the 17 Choice Neighborhoods planning grantees for FY2010 are also Promise Neighborhoods grantees.)

The Federal government's willingness to double down and target investments to communities where limited resources are likely to have the greatest impact is another indicator of change. Consider the contrast between Community Development Block Grants, which are distributed nationwide, on the basis of community need indicators such as poverty rate, population and age of housing stock, and Promise and Choice grants, which are not only highly competitive but also emphasize an applicant's demonstrated capacity to deliver effective programs in their scoring. NRI's Building Neighborhood Capacity program is establishing a technical assistance resource which will work in up to five targeted cities, with the goal of helping them develop the capacity they will need to apply for competitive funding grants.[14] NRI is also expecting to provide flexible funding to five to seven neighborhoods to fill program gaps and support capacity building through neighborhood revitalization grants. The recipients will be able to use the funds

[13] This program, which expands on the Department of Justice's weed and seed program, seeks to control and prevent violent crime, drug abuse, and gang activity in designated high crime neighborhoods across the country. Its core approach is to provide funding to support partnerships between law enforcement agencies and community-based organizations.

[14] At the end of September, the Department of Justice and its partner agencies selected the Center for the Study of Social Policy as the Training and Technical Assistance Coordinator for this program. CSSP will also establish a web-based resource center to provide guidance and resources that any community can access. The Office of Economic Opportunity took a similar approach in the mid-1960s, when it sent federal interns to the 300 poorest counties in the U.S. to assist them in applying for Head Start funds.

(projected to be $3 to $5 million each) as they think best, as long as they meet certain agreed-upon performance metrics.

How deeply these changes will penetrate the Federal bureaucracy, and how long they can be sustained, given the current political and economic environment, is anyone's guess. For the moment, at least, they are clearly helping to build momentum around the work of community revitalization and to underscore the importance of targeting resources toward demonstrated capacity and need.

Grounds for Concern, Consistent Challenges

The willingness to acknowledge and face up to hard realities is what differentiates optimism from wishful thinking. With all the reasons for cautious optimism, there are also important reasons for real concern. Chief among them are structural issues related to sustainable funding and organizational capacity, two problems that perennially bedevil social sector initiatives. Uneven commitment to resident engagement, unrealistic expectations about the speed of progress, and a tendency toward thinking in silos are also causes for concern.

Funding is Mostly Short-Term, Fragile and Opaque

There are few commonalities in the funding each initiative has committed to its sites, except for the fact that it is mostly short term. The sums vary widely, from zero (Strive) to $15 to $20 million (The Integration Initiative). The purposes for which the funding can be used also vary; and they appear to reflect both real constraints and the perspective of the initiative's leadership as to where it perceives the most significant market failure vis-à-vis community revitalization to be.

For example, Living Cities begins with the premise that there is not nearly enough philanthropic money to solve large complex problems like urban poverty. Instead, its members seek to create ways to stimulate market-driven funding, such as supplying risk capital to reassure commercial lenders that their investments in regional improvements designed to address these problems will be protected. To this end, Living Cities has designed an innovative and sophisticated approach to "stacking" capital that includes:

- Three-year philanthropic grants that each site can use for management, staffing, coordination, and other planning and operational needs
- Ten-year loans from its own Catalyst Fund, which can be used for initiative specific programs
- Five-to-eight-year commercial debt, which can be blended with Catalyst Fund investment

The funds that PBC and LISC provide to their sites are basically accelerators, designed to maintain momentum on the ground. PBC's experience in Indianapolis offers a good example. Site leaders there had succeeded in raising $13 of the $17 million they needed to build a new community health and wellness facility, and they felt confident they could raise the remaining funds from local philanthropists. However, they also knew it would probably take another 18 months to do that. So PBC's board approved a loan that will allow the project to move ahead and break ground more quickly. LISC uses its modest funding in a similar way, to build the capacity of indigenous nonprofits in its BSC sites and to enhance the community's sense of efficacy. For example, its Providence office provided the funding for a local arts organization to engage neighborhood residents in cleaning up a riverside park and repainting a graffiti-layered wall in their Woonsocket, Rhode Island community.

Finally, Choice and particularly Promise appear to be using their funding as catalysts, to rally public will. Thus far, the majority of the grants Choice and Promise have awarded (though not the majority of the dollars) have been for planning grants, with the explicit requirement that matching—and ultimately far more than matching—funds be provided locally. The scoring for awarding grants is significantly affected by the total funds applicants are able to show they can leverage. Like the initiatives that were part of earlier, foundation-funded community change efforts, Promise is billed as a demonstration project. This time around, however, the expectation about whose funds will be leveraged has been reversed.

Choice and Promise are also prime exemplars of the fragility of much of this funding. The difference between what was requested for these programs, when Administration budgets were sent to Congress, and what was ultimately approved is telling: In 2010, the Administration sought to replace HOPE VI with Choice and to divert all of its funding to the new program. Congress declined to abolish HOPE VI but did allocate roughly one-third of its funding ($65 million) to Choice. In 2011, Choice was again given $65 million in funding against a request for $210 million. Although Promise's funding was similarly reduced in 2011, with a request for $250 million becoming an appropriation of $30 million, it is still a three-fold increase over the program's first year.[15]

The BSC funding model is largely an extension of LISC's historic grant funding model in that the vast majority of the funds are expected to be locally sourced. Grant monies typically flow from local funders to the LISC office (for staff capacity), to the designated lead agency for BSC, and then to members of the civic and community partnership that are implementing the work. In what might be another indicator of

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[15] In the midst of a deep recession, when many federal programs are facing elimination, increasing or maintaining funding has to be considered a win. It is also noteworthy that the Promise Neighborhood legislation introduced in the Senate would allow for 10-year grants, a clear recognition (and rare in Congress) of the long-term nature of the work.

communal willingness to pull together around initiatives like these, LISC's Vice President of Sustainable Communities noted that local offices that have fully embraced the BSC model tend to be far more successful in their fundraising.

The prospects for truly long-term funding (i.e., more than 10 years) of any of these initiatives are opaque and particularly worrisome given that the recent failure of the congressional "super committee" to reach agreement on a deficit reduction plan will trigger what are likely to be drastic cuts in funding for many of the programs that are at the heart of these initiatives. There appears to be a widely shared expectation that sustainable funding will materialize through the reallocation of existing funding streams (primarily but not exclusively government dollars) to organizations that can show evidence of improved results. Some public and philanthropic funders endorse and support such a shift. For example, evidence-based programs are a key piece of both the Choice and Promise theories of change (with the latter requiring not only evidence, but the "best available" evidence). Similarly, a number of Cincinnati's philanthropists and foundations engaged in education reform have declined to support organizations unless they are participating in the Strive Partnership there.

More such behavior on the part of funders could be a consequence of the ongoing recession: in part because everyone (even the deepest-pocketed philanthropists) will want to get "more bang from the buck"; and in part because budget cuts could give politicians air cover for defunding programs and organizations that perform poorly. Nevertheless, decision making in both the philanthropic and political realms is still far more apt to be influenced by relationships and personal preferences than by evidence of results. The move toward objective, evidence-based funding will require a sea change in behavior that is likely to take both time to percolate and considerable external pressure (so far as government funding flows are concerned) to help internal advocates overcome the inertia of the practical and political handcuffs of existing relationships.

The initiative that may prove to be most financially sustainable—whatever the economic climate, but particularly when there is precious little new money and known sources are uncertain or declining—is Strive. On the theory that the behavior required to support its community-wide collaborative approach cannot be bought, Strive has chosen to provide strategic assistance to its sites rather than money. Moreover, the work of its national office, which provides this assistance and serves as the essential infrastructural "backbone" for the sites, currently costs about $500,000 per year. While this figure will undoubtedly rise as the network grows, it is still likely to represent an astoundingly good "deal," given the potentially wide applicability of the Strive approach.

Leadership is Over-Stretched with Gaps in Management Capacity and Capabilities

Over the past decade, Bridgespan has repeatedly encountered what we have come to call the "nonprofit starvation cycle."[16] Wary of supporting "overhead," the great majority of public and private funders direct most, if not all, of their funding to programs. Unable to invest sufficiently in their own infrastructure, most nonprofits (even the best-resourced among them) are unable to fund essential management roles (such as a chief operating officer or director of learning and evaluation) or to build their management bench strength. By definition, this lack of management capacity means that essential skills are also missing in their organizations. (The absence of good performance management practices and the dearth of people with strategic management and resource-allocation skills are common examples.[17]) The result of the starvation cycle is a widespread need for both skilled capacity and skill building. The profiled initiatives are no exception, as conversations with initiative leaders make clear.

One set of concerns focuses on data. Given the crucial role that performance metrics play in all these initiatives, the need for good data systems and for people who know how to use the information they generate is incontrovertible. On balance, however, there appears to be more talk about the importance of using data than there is capability on the ground to do so.

In context, this shortfall shouldn't be surprising. Not so many years ago, U.S. businesses were equally data-challenged, in that they had reams of financial data but little or none that related to the quality of the goods and services they were providing. They could tell whether they had succeeded (insofar as financial performance was a register of success). But until pressure from competitors forced them to begin adopting performance management tools like six sigma, they had no visibility into where—or how—they needed to improve the quality of their operations. As the focus on social-sector performance shifts from outputs to outcomes, nonprofit organizations are now facing the same imperative, with some additional challenges that businesses typically do not have to face (the lack of funding for infrastructure, for instance, and the complex and often long-term nature of the outcomes that signify true success). In one example, to address these challenges, the Promise Neighborhoods Institute has purchased a longitudinal data system for use by the communities in its network and developed a scorecard of results which will allow comparisons across the communities that choose to use it. The next step in this journey, as we have learned time and again in working with organizations that are instituting data management systems, is helping people learn how to integrate them into their work to inform their decision-making and improve results. In addition to tracking organizational performance, data can get everyone on the same page—or

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[16] Ann Goggins Gregory and Don Howard, "The Nonprofit Starvation Cycle," *Stanford Social Innovation Review* (Fall 2009).

[17] A number of federal policy makers reported seeing a widespread need at the site level for help developing sound theories of change and strong business plans (including sustainable funding).

surface critical points of disagreement—by providing a common language which cuts across differences of race, class and perspective (business versus nonprofit, for example). Strive's experience illustrates the way this common language can work.

In its work to date, Strive has found it hard to engage either residents or its regional partners around the goal of building a civic infrastructure, which comes across as theoretic and insufficiently tangible. Engaging them around specific student outcomes, such as graduation rates, has been extremely successful, however. In these instances, data has provided the focal point and lingua franca that binds the interested parties together. In contrast, Strive leaders report that when they briefly lost their focus on data, the momentum and progress of the partnership lagged.

Lack of capacity and expertise related to data will not only limit progress for individual initiatives and their sites, but also for the field overall. If there were a practical set of common metrics for outcomes that are being widely adopted (children's readiness for kindergarten or high school, for example, or gains in family income) it could speed up the pace of learning across these efforts and the field more broadly. Determining what the "right" metrics are is a critical task that private funders and expert researchers are uniquely well-suited to take on, as is socializing them once they have been identified.

Managing accountable partnerships is the second area that initiative and local site leaders point to when they are asked what kinds of assistance would be most helpful. All of these initiatives include multiple partners and require a high degree of collaboration, which is both a challenge in its own right and a source of added managerial and organizational complexity. Collaboration and the coordination required to keep it going smoothly don't just happen. They require an infrastructure backbone of some sort, which need not be enormous (a staff of seven provides the backbone for the Cincinnati Strive Partnership, for example), but does need people with critical skills (for example, the ability to build trusting relationships, facility with data), personal qualities (a manageable ego, for instance) and dedicated time for communication and relationship building.

The fact that there is no "best" or "better" organizational model for structuring these partnerships adds to the complexity of the leadership challenge at both the national and the local site levels. Bringing key sets of leaders together (what one initiative leader called a "network of networks") so that they can compare notes and learn from one another's experiences might not result in one "best" practice. But it could probably generate a number of better practices, given that some lively experiments are currently underway—with respect to both the role of the lead agency (if any) and how accountability should flow within a given model. For example, PBC not only puts a great deal of control in the hands of a local lead agency, but also makes the creation of an independent organization to fill that role a non-negotiable.

The logic here is that the work is so arduous that if the organization leading it knows it has an out (in the form of a parent to which it can return if things go wrong) it may be tempted to give up prematurely. The lead organization is then accountable for results across all the measures that relate to housing and to education.

In contrast, the Strive Partnership in Cincinnati has no lead agency, nor does it have an organizational hierarchy or a traditional legal structure. Instead, it is a voluntary partnership composed of hundreds of organizations, complemented by a nucleus of committed leaders and a small, dedicated staff. The leaders, who come from every sector, help populate and drive the overall agenda, which is set by a 30-member Executive Committee. The voluntary partner organizations do the work, through issue-focused collaboratives, while the staff supports and facilitates the work of the collaboratives as well as that of the Executive Committee. Accountability is to the collaborative and enforced by the collaborative, with the common language of shared goals and data-driven decision making serving as the glue that holds the partnership together. The phrase Strive has coined to describe this system is "shared accountability, differentiated responsibility."

In addition to the hunger for practical know-how related to the specific challenges of managing these initiatives (like the two cited above), we uncovered a widely felt need for help with leadership development. Initiative leaders talked about the need to develop their own skills and capabilities; to build bench strength, by deepening the capacity of others in their organizations and at their sites; and to make sure they are developing the next generation of leaders, by authentically engaging them in the initiative's work. How such efforts could be organized, where the time and money would come from, and what the "curriculum" would be are all important questions with no obvious answers. Looking at the current generation of leaders, we can see that the work requires both a high IQ and a high EQ. But the job description that would put specifics under those broad rubrics has yet to be written.

An Uneven Commitment to Resident Engagement

Resident engagement is one of the thorniest issues in community revitalization for several reasons, not least the fact that resistance from within the community has often been a key dynamic when an initiative goes off the rails. And resistance, not surprisingly, tends to crystallize the more neighborhood residents perceive themselves to be excluded from decision making.

Lack of clarity about the purpose and role of resident engagement is one complicating factor. Resident engagement can be viewed as a means to an end (for example, getting input from the community on redevelopment plans). It can be an end in its own right (for example, developing local leaders, building social capital, strengthening local organizations, and empowering the community to advocate for change). Or it can be both a means and an end (for example, mobilizing residents so that they will take on

leadership roles and continue to push for needed changes long after the initiative has ended). The choices that the leaders of the profiled initiatives have made reflect a range of perspectives on the appropriate role for resident engagement.

The most common purpose for engaging residents is to get their input, and the most common platform for doing this is holding neighborhood meetings and/or creating advisory committees. For example, Choice requires its grantees to hold at least one meeting with residents of the target housing to get feedback on the revitalization plan, and at least two (with attendees from the broader community as well as from the target housing unit) to provide input on the plan's development. Choice also prioritizes involving those who are usually marginalized, and awards points for engaging residents and conducting a neighborhood needs assessment in its scoring.

Promise's commitment to community outreach and engagement goes beyond what Choice requires in several ways. For example, the creation of a neighborhood needs assessment is a "must have," not a "nice to have." Applicants must also demonstrate that they are representative of the geographic area to be served, and that residents play an active role in decision making: for example, at least one-third of the neighborhood's governing or advisory boards must be composed of residents, low-income residents from the surrounding area, and/or public officials (or some combination of the three). In communities that appear to have considerable forward momentum (such as DCPNI and Dudley Street) it is clear that local leaders have embraced the spirit of these requirements, and not just the letter of the law.

PBC also considers resident engagement and support a vital precondition for its work. But it uses one-on-one interviews and small group meetings to gather feedback and input instead of holding large-scale community gatherings. PBC also prefers to rely on the traditional structures of a healthy middle-income community to bring people together around common issues; and it discourages the creation of organizations that might serve to heighten differences among the residents. The Villages at Eastlake have a neighborhood association, which is open to all the residents, for example, but not a tenants' association limited to those who live in the public housing.

For BSC, community engagement is an absolute priority and an essential operating principle. LISC leaders believe that every community understands its own needs best, and they have developed carefully thought out processes (including interviews of neighborhood residents by school children) to collect the data that ultimately go into creating the agenda for change. Residents are encouraged not only to get involved in establishing the priorities set out in the Quality of Life plan, which embodies that agenda, but also to get involved in implementing it. This involvement, in turn, is what facilitates the emergence of a new generation of community leaders. In short, for BSC, resident engagement is both an input to and an output of the initiative's theory of change.

Living Cities' Integration Initiative offers a decided contrast to BSC's grass-roots approach. The creation of the "new normal" that the Initiative seeks hinges on the power and influence of the government, philanthropic, business, and financial interests who have convened to support it. The power of the Initiative resides with these senior leaders and with the political credibility and depth of community buy-in they and their institutions bring to the table. Living Cities' staff leaves the scale and scope of resident engagement to local site leaders, with the assumption being that the "one table" the Initiative has created is aggregating social capital and community vision as well as financial capital. When this is not the case, sites are working to develop complementary ways of engaging residents to shape and authenticate the work. For example, in Cleveland, local leaders have adopted a strategy of network organizing, modeled on the one used by Lawrence CommunityWorks in Lawrence, MA.

In developing its approach to community engagement, Strive has leveraged the experience of the Partnership in Cincinnati and Northern Kentucky. Strive leadership in Cincinnati learned firsthand the challenges of engaging residents around the civic infrastructure as a concept. Rather than enliven people's interest and participation, it simply overwhelmed them. What has proven much more effective is mobilizing parents' and citizens' involvement around specific outcomes for students. For example, the Partnership has launched a mini-campaign in Cincinnati with parents and providers in the schools around a particular form of tutoring that has been shown to be effective in improving student performance. Similarly, a broad network of community leaders at all levels helped to ensure that data-driven recommendations focused on specific student outcomes were incorporated in the city's new teacher contract. In many people's view, this advocacy work was instrumental in leading to the development of a contract that is one of the most progressive in the country and was embraced by both the teachers and the school department.

We spent many hours listening to initiative leaders and experts in this field talk about resident engagement. One of the things that struck us most forcefully was that although issues of race and power often seemed to be a subtext in these conversations, they were rarely surfaced. The inability to address them head-on reflected not only an active recognition of the limits of our own knowledge and experience to effectively press the point; but also the way in which our own identities as interviewers and our relationship to funders may have been perceived. These limits make us acutely aware of the need for more pro-active discussion of how race and power—and the inability to effectively engage the subject— inhibits the development of strategies that authentically reflect a community's desires and needs. Actively engaging race and power is made all the more important by the fact that some of the initiatives run the risk of inadvertently reinforcing historic patterns, since their leadership (at least at the network level) is predominantly white, while residents and many community leaders are largely black and Hispanic. Many organizations—particularly PolicyLink and the Aspen Roundtable on Community Change—have pushed

for promoting candid conversations about race and power across initiatives and geographies. The need to build on and extend their efforts seems, to us, to be enormous.

In the course of the project, we also observed or learned about several non-traditional ways of engaging and empowering residents that could be relevant for many community focused initiatives within and beyond the six profiled initiatives. One is the customer satisfaction initiative led by Phyllis Brunson at the Center for the Study of Social Policy, which encourages agency clients to apply a consumer's mindset— and critical evaluations—to the provision of social services. Another is the adoption of leading-edge technologies to encourage civic participation and amplify community members' voices. One such example is Boston's Citizen Connect, a mobile application launched in fall 2011, which enables Boston residents to call, email, text, and Tweet the city with items needing attention such as potholes or graffiti. The application logs and tracks reports, and automatically notifies residents when their concerns have been addressed.

The work of Maurice Lim Miller's Family Independence Initiative (FII) offers a third innovative approach, Currently operating in San Francisco, Oahu, Oakland, and Boston, the initiative enables low-income families, working in cohorts, to receive small monetary rewards and access to networks for making progress on self-chosen goals. (Common goals include increasing household income, accumulating savings and improving student grades.) Participants track and report their own progress and rely on family, friends and social networks for motivation and guidance. They cite FII's hands-off approach as empowering and a primary reason for their success. Focused research in this area might well uncover other innovations worth sharing.

Unrealistic Expectations about How Much Can be Accomplished, How Soon
As noted above, with only a few exceptions, five years is the farthest out the funding plans for these initiatives reach—an unrealistic horizon from the perspective of achieving sustainable results. We are reminded of Irasema Salcido at DCPNI, measuring the time line of her organization's work in decades. Even without the example of such community change initiatives as Annie E. Casey's Making Connections or the MacArthur Foundation's support for the New Communities Program to underscore her point, the models that are at the core of the current initiatives would do so. The East Lake Foundation, which gave rise to Purpose Built Communities, has been at work since 1995. According to PBC's Greg Giornelli, if you'd looked at East Lake three years in, or five, or seven, or even ten you might well have called it a failure. The Strive Partnership of Cincinnati and Northern Kentucky has been in operation for five years, and its leadership is far from claiming success. Even Harlem Children's Zone, whose cradle-to-career pipeline has probably inspired more communities than any other single model for change, spent almost a decade putting the pieces of what is still a work in progress in place, before it was catapulted onto the national stage.

Establishing milestones and early catalytic wins, which is what all these initiatives are doing—or trying to do—is a terrific way to demonstrate that progress is being made. But the movement overall needs more public discussion of what mostly gets said in private: it will take a decade or more to start to unwind problems that have been decades in the making. There is a fundamental disconnect between the traditional horizons of public and private funding (and public will) and the needs of these initiatives; and once again it is largely going unaddressed.

Unhelpfully Silo-ed Thinking

One of the things that struck us most forcefully in our initial interviews was the degree to which the leadership of these initiatives (and many experts) focused far more on what differentiated their efforts than on what they had in common. Although they were uniformly intrigued by the prospect of getting clarity about what each of the others was up to, they were also mostly agreed that the only thing likely to be "generational" about them was the timing of their initiatives: the fact that they were all launching their work or expanding from their initial sites within roughly the same short time frame. The way they are approaching knowledge sharing is likely to reinforce this kind of silo-ed thinking and sense of difference between them. While all of them have, or plan to have, some platform for sharing best practices and experiences, each of them is also working on its own, with its own network of sites. (One notable exception to this is the Promise Neighborhood Institute, which aspires to work with grantees from several Federal programs focused on community revitalization,)

The appeal of this approach is easy to understand, given the number of fundamental differences in design and focus that characterize these initiatives. As their profiles make amply clear, there are significant differences among them, including the scope of the geographies in which they are working; whether they see programs or processes as the fundamental driver of change; the role of resident engagement; the scope and role of a lead agency; and the kinds of funding the work requires. But they are also facing a set of common management and leadership challenges, as well as applying and testing key lessons learned from earlier efforts. That is why we see real potential in conceiving of them as a generation, engaged in a set of de facto experiments that can help build collective knowledge about how to make revitalization work.

On balance, the field appears to know a great deal more about what doesn't work than what does. Figuring out ways to help leaders break out of their silos and share their experiences and practical expertise across their initiatives—in real time rather than ex post—could be one way to help identify what works, generate successes more expeditiously, and push the whole field forward. Doing so, moreover, could be pushing on an open door: Leadership can be lonely. Virtually all of the initiative leaders we interviewed expressed a hunger for practical know-how and opportunities to share experiences with others who are wrestling with the challenges of this complex and urgently needed work.

Maintaining Momentum, Strengthening the Field

In November 2009, the Harlem Children's Zone and PolicyLink drew nearly a thousand community leaders and activists to New York for a two-day session on "Changing the Odds" for all the country's children. People who hadn't been able to register tried sneaking in. Secretary Duncan and Marian Wright Edelman were among the keynote speakers. At each session, folks were standing in the aisles, eager to learn more about what their peers around the country were doing to improve their schools and create opportunities for their communities' children.

Fast forward to Washington, D.C. in July 2011 where 110 degree temperatures didn't dampen the enthusiasm of the attendees at the Neighborhood Revitalization Initiative conference, sponsored by the United Neighborhood Centers of America. The event brought together several hundred men and women united by a shared passion for ending the cycles of disinvestment and disadvantage that have left too many Americans trapped in poverty. A conference its organizers initially thought might attract 100 people was, as it turned out, massively oversubscribed. And the same thing happened again, a few months later, when PolicyLink hosted its Equity Summit in Detroit, where there was a profound and palpable sense that something bigger than the sum of the participants was continuing to unfold.

A window of opportunity has opened which, as a country, we are better equipped to take advantage of than ever before. We have the benefit of learning from previous generations' efforts, thanks to a rich store of sophisticated knowledge and lessons learned. We have a growing body of knowledge about "what works" or what's promising for achieving outcomes in a number of critical programmatic areas. Public and private sources have dedicated funding to support the initiation of this next generation of community revitalization initiatives. Perhaps most important, there is a broad constituency for change, in the form of the attendees at these conferences—and their peers in communities across the country—men and women with a hunger for connection, a hunger for practical know-how, and a shared sense of purpose and possibility.

Keeping this window open, however, will depend on delivering results. Without a sufficient number of success stories that can inspire and validate this work, today's promise risks becoming tomorrow's disillusionment. We have heard first hand from a number of initiative leaders (including some who are often held up to others in the field as exemplars) about the sense of urgency they feel. They know that people are watching, and that both they and others will have to achieve real gains relatively quickly, lest the lack of progress strengthen the hand of naysayers and erode both public will and private support. The pressure has only been heightened by the ongoing failure of our nation's leaders to develop a unified approach to investing in our future while reducing the national debt. The recent failure of the

congressional deficit reduction "super committee" raises the very real specter of severe cuts in the very programs that are core to these initiatives' work.

The success stories we need won't just happen. They will require continued tenacity complemented by the management acumen to overcome a set of barriers that are consistent across these six initiatives: gaps in practical knowledge, painfully over-stretched management teams, and plans that are insufficient to guide implementation. What follows is our summary of what we've heard from people doing this work about their needs, what we know about the field's collective capacity to address those needs, and what we believe some of the most useful next steps might be to maintain momentum and strengthen this expanding field.

A Need for Practical Know-how

When we asked initiative and site leaders about the challenges they were wrestling with, a relatively predictable set of management and program-related knowledge gaps surfaced repeatedly. On the management side, the most prominent and pervasive challenge was managing accountable partnerships and collaborations. Other critical issues included: identifying, collecting and using data to manage and improve performance; building strong backbone organizations; strategically and practically sequencing activities and programs; and authentically incorporating community engagement, resident voice and the dynamics of race and power in the initiative's strategy and work. On the programmatic side, the primary need was for help in identifying "what works" or shows promise of working in critical program areas, such as addressing the needs of disconnected youth, identifying the best early childhood supports, or battling obesity.

These knowledge gaps fall into two categories. The first is the need for technical resources, where tools and frameworks that can help decision makers already exist. (Data systems that draw information from several different data bases are one example; protocols to sort out organizational decision making are another.) Site leaders are hungry for access to these tools and for instruction on how to use them effectively. The tools may need to be adapted to fit local circumstances; but the underlying know-how has been codified and is readily available.

The longitudinal data system and results scorecard that the Promise Neighborhoods Institute (PNI) has acquired for use by all its members are excellent examples of this kind of practical knowledge—and knowledge sharing. In a similar vein, the Department of Justice and four partner agencies chose the Center for the Study of Social Policy to provide training and technical assistance for their Building Neighborhood Capacity Program. Providing additional resources that will enable the delivery of "known solutions" is an elementary next step that would be welcome by leaders on the ground.

The second category is the need for knowledge that can inform decisions in areas where definitive answers are not yet known, or where there may never be "one best way." Designing programs where there are not yet proven approaches, choosing the optimal sequence for revitalization activities (for example, do you start by rehabilitating housing or improving the neighborhood schools), managing the tension between authentic community engagement and the prescriptions of strategic focus, and managing collaboratives and complex partnerships are all places where this second kind of adaptive knowledge is needed.

Expertise on these subjects exists in many forms, ranging from the wisdom and thoughtful practice of experienced community leaders, to foundation-funded evaluations of previous community change initiatives and individual programs, to comprehensive studies by respected researchers and academics. The challenge—from a management perspective—lies in the need to make this rich descriptive material actionable by translating it into approaches that community leaders can prototype and evolve in real time to inform their decision making.

The launch of communities of practice is a practical and valuable response to this need for adaptive learning. LISC, Living Cities, Purpose Built Communities, and Strive have all established learning communities for the sites in their networks, while PolicyLink has created a learning hub at PNI for Promise Neighborhood communities. The Aspen Roundtable on Community Change is continuing to host a long-standing community of practice, which regularly brings together a diverse group of experts and supporters of this work. All of these efforts will need the support of philanthropy to enable their communities of practice to be rich venues for learning and community building, so that they can accelerate learning and fill knowledge gaps. There is a "watch out" to consider, however: without the development of some sort of connective tissue they risk reinforcing the silos that currently inhibit the rapid exchange of lessons learned across initiatives and between experts and leaders on the ground.

To this end, we believe new structures and approaches that involve actors from across the field will be required to rapidly develop and prototype new applied knowledge. There is much to be gained—in terms of time saved and dollars leveraged—by working jointly, across existing initiatives and communities of practices. Initiative leaders need to agree to the most urgent barriers to success and set priorities among them in order to create a shared learning agenda. Those in the knowledge business need to engage in rapid prototyping against this agenda: identifying "better" practices, synthesizing frameworks and management briefs, testing them out in the field, and improving them based on the results. Communities of practice need to focus on structuring processes for rapid prototyping and sharing their knowledge beyond their members as well as among them. Respected intermediaries with proven track records need support—in the form of both funding and thought-partnership—for this work, which would not only help to

accelerate learning and create connectivity across the field, but also help to establish common standards for practices that could be tested and refined over time, one of the defining features of a strong field.

A Need for Management Capacity and Capability

We heard a widespread recognition that this generation of efforts is starving for more leaders (capacity) and more managerial skills (capability), at individual sites as well as at some of the centers. The immediacy of these needs was brought home to us sharply when we visited with members of the core team of a Georgia-based initiative. It would have been impossible to find a more committed, passionate group of people. But it appeared that only one of them could actually devote himself full time to the work of enlisting partners, coordinating the efforts of multiple private and public agencies, developing a plan and raising funds.

This example of what Bridgespan colleagues call "the nonprofit starvation cycle" is undoubtedly at the far end of a spectrum of possibilities. But in our experience, even the best-equipped efforts tend to be badly over-stretched in the face of management challenges more complex than any we have heretofore seen in the nonprofit sector. They need more staff with functional management knowledge in arenas like operations, fundraising, and evaluation/learning. They also need the resources and technical assistance to train and develop existing staff members, so that they can use new management systems effectively and step up to new leadership opportunities. The need for talent and the need to develop talent are not new issues for nonprofits or their funders; but they are no less urgent for being familiar, and they are a more acute barrier for these initiatives that need to implement quickly and deliver success stories.

Leaders of this work, both at the center and at the sites, are hungry to develop their own management and leadership skills. When we asked them about their own challenges: leaders talked about having to learn how to hold partners and colleagues accountable for their performance, for example, and how to develop talented younger people within their own organizations. They also talked about the constant demands on their time, the lack of time for learning or reflection and the absence of peers from whom they could learn.

Investing to add talent in key positions at both the sites and the centers is a clear need, as is the funding for leaders to come together to share experiences and learn from one another or to visit one another's sites (a need the communities of practice are seeking to fill within their initiatives). We also see a unique and potentially very high impact opportunity for one or more funders to invest in developing cohorts of talented leaders to strengthen this field. Such an effort would identify the highest potential leaders, with common functional responsibilities, placed in or drawn from sites across the initiatives. In essence, it would be analogous to programs like those in the field of education, where the Broad Foundation is developing cohorts of education reformers at both the district leadership and school board levels, and the

Bill & Melinda Gates Foundation has enlisted, developed, and funded a cohort of data gurus for school districts. One of the most respected youth-development leaders we know has coined the phrase "passionate professionalism" to describe what it takes to drive change in his field. We believe it is just as applicable—and necessary—here.

A Need for Stronger, More Implementation-Focused Plans

Although planning figured prominently in the application processes used by many of these initiatives to select sites, both initiative and site leaders nevertheless voiced a strong need for operating plans that can help guide implementation of their strategies. For instance, we heard a consistent acknowledgement that Promise Neighborhood and Choice Neighborhood plans were being designed more with an eye toward "winning" a spot in the program than providing a clear and realistic logic for "what to do, come Monday morning" once the grant has been received. These leaders need the deeper level of detail and realism of operating plans in order to implement the programs, engage the communities, and build the organizations essential for delivering success stories.

Network organizers and funders need to provide ongoing support and incentives to their sites for operational planning. They will need to accept that commitments made in initial plans will be revisited and revised with experience. Site leaders need to be prepared to sequence their work and carefully build their organizations lest they swamp out their efforts and prematurely expend precious resources. Advisers need to bring the hard-won lessons and tools of effectively managing large change efforts in nonprofit and for profit organizations to these community revitalization efforts. And, funders need to have patience and understanding; it will take time for sites to implement the ambitious agendas they have set for themselves and they will need latitude to adjust course as they learn.

Doubling Down on the Few to Benefit the Whole

Accelerating learning, building strong and deep management teams, and developing implementable plans across this emerging field will be daunting, expensive and critically important. Without these barriers being overcome, success stories will not emerge, and the passion and energy released by this generation of efforts will be lost. That said we believe more will be needed for a sufficient number of successes to emerge quickly.

National philanthropic funders who care about this field have a unique opportunity. There are some sites, which, by dint of previous hard work or more recent good fortune, have greater potential to deliver compelling results in the near term. We believe that investing in these efforts could enable them to break through as true success stories. For this reason, we think it is imperative that national funders come together, pool resources, and invest in a small number of the highest potential sites to assist them in

delivering the results that the whole field needs for learning and to build momentum. Rather than "picking winners," we believe that an investment in these highest potential sites is truly an investment in the entire field.

The stakes for this work are high. If these initiatives are effective and successful they alone could change the odds for hundreds of thousands of low-income people. The wherewithal to do this exists: the knowledge and experience base that success will require has been accumulated, community by community and initiative by initiative, for more than half a century. The question for this generation is whether community leaders and those who support them have the vision and will to come together to translate all our diverse experience and expertise into collective, concerted action. If the answer is "yes" committed citizens from every sector of the economy—government, business, philanthropy, and the social sector—can turn today's hopes into tomorrow's reality.

Part Two

Profiles of Next Generation Community Revitalization Initiatives

To make it as easy as possible to understand—and compare—what each of these initiatives is setting out to achieve and how its leadership is approaching key implementation issues, we developed a consistent format for their profiles. Each one includes: an introduction that contextualizes the initiative; a statement of its primary goal or goals and its high-level strategy for achieving them (characterized here as its intended impact and theory of change); its program model; its approach to performance measurement; its organization; its economic model; its approach to resident engagement; and its stance with respect to learning and sharing the lessons learned.

Our goal in drafting the profiles was to be as objective, comprehensive and detailed as possible given the truly early-stage nature of most of these enterprises. (The subtitle of this report, "A work in progress," was not chosen lightly!) As a check that we had listened carefully and understood rightly, we asked the senior leadership of each of the initiatives to review and comment on the accuracy of its profile. Where errors were noted, they were corrected; and where real-time changes were underway, we updated the content (insofar as possible) to reflect current realities. Whether readers of this report agree with our findings and observations or differ strenuously, we hope that everyone who consults it will find in these profiles the "common fact base" we set out to create.

Building Sustainable Communities

Introduction

Launched in 1980 with $10 million from the Ford Foundation, the Local Initiatives Support Corporation (LISC) was established to identify and provide financial support to community groups, chiefly neighborhood-based CDCs (community development corporations). Since its founding, LISC has served as a financial intermediary, galvanizing stakeholders in multiple sectors to provide communities with financial investments in the form of loans and grants, technical assistance and policy support for affordable housing and economic development in low-income communities.

To date, LISC has aggregated and invested more than $7.8 billion in equity, loans and grants, which has leveraged nearly $20 billion for development projects and programs directed at lower-income communities. These investments have led to the financing of over 215,000 affordable homes and apartments and 30 million square feet of retail and commercial space, including space for educational and social programming. Currently, LISC has operations in 30 cities and serves 36 rural communities.

Traditionally, the primary focus of LISC's local offices was to improve access to affordable housing units and make other investments in urban commercial real estate for the benefit of low-income people, with CDCs being the primary vehicle for change. LISC's emphasis on housing was stoked, in part, by the availability of funds driven by the Community Reinvestment Act of 1977. It was further fuelled by other changes in Federal policy, principally the advent of the Low Income Housing Tax Credit in 1986. LISC has viewed housing as a platform for low-income family opportunity that provides families with a good-quality and affordable home, thereby reducing the stress on family budgets. And given LISC's community revitalization objectives, upgrades to housing—the predominant physical stock in residential neighborhoods—is an obvious strategy to improve the physical environment in low-income areas.

Following more than two decades of housing-centered activity, LISC's local and national leadership teams increasingly came to the realization that housing alone is insufficient to achieve sustainable community revitalization. Based on their experiences in the field, LISC leadership began to explore broadening the organization's focus to include economic development, education, and the creation of healthy environments. Chief among these experiences was the New Communities Program (NCP) begun in Chicago in 1995 together with the MacArthur Foundation.

Initially focused on three Chicago neighborhoods, NCP expanded in 2003 to include 16 of the city's low-income community areas. By 2005, NCP's effectiveness in terms of community engagement was evident—a total of 3,000 people across the city had participated in NCP-sponsored meetings in order to create revitalization plans for their communities. A report published in February 2010 by MDRC

reviewed NCP's progress and found results indicating, among other things, that quality of life trends were consistently improving and crime rates were generally falling in NCP neighborhoods. The report also noted some early evidence of institution-building, citing more trusting relationships among community organizations.[1]

In 2007, armed with early indicators of success in Chicago, the national LISC team launched Building Sustainable Communities (BSC), which represents a significant departure from past initiatives. For example, with BSC, LISC aims to affect results that reflect the vitality of an entire community, not simply physical indicators such as the number of new housing units. As a result, BSC requires LISC to be involved in all sectors of community development (not just housing) as well as in relationship brokering among community leaders and residents, rather than project-based financial transactions and organizational capacity building alone.

The adoption of BSC began with a small cohort of ten local offices, which were each seeded with $100,000 from the LISC national office. The intention was to begin small and eventually have the approach adopted by all LISC sites and become the framework for the way the entire organization does its work. However, because LISC has a locally oriented culture, despite being a single national organization, the effective adoption of the approach across the network is largely dependent on the willingness of individual local office leaders to change. For this reason, the LISC national team has identified and is tackling significant change management challenges as local offices transition to the BSC approach. These challenges include the re-skilling of current staff and the addition of staff with new skills in areas such as community organizing and coalition-building.

The BSC approach has potential for tremendous scale: at present, it is active in or intended for 107 neighborhoods, with the potential to grow to as many as 150 neighborhoods by some estimates. BSC operates in neighborhoods where LISC already has an office presence. [2]

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[1] *Creating a Platform for Sustained Neighborhood Improvement: Interim Findings from Chicago's New Communities Program*, MDRC (2010).

[2] It is important to note that most local offices apply the BSC approach in multiple neighborhoods.

Intended Impact

Targeted neighborhoods will be good places to live, do business, work, and raise families due to the broader and more rewarding participation of lower-income households in the marketplace, as indicated by higher incomes, accumulation of financial assets, participation in community arts and cultural life, and other measures of well-being.

Theory of Change

The BSC theory of change hinges on community leadership, a comprehensive approach and systemic supports, as captured in Exhibit A. While this theory of change is expected to be reflected in the work of local LISC sites, it is not officially prescribed.

Exhibit A
BSC Theory of Change

With LISC support, BSC target communities:

IF:

- Engage consistently and effectively with residents throughout the planning and implementation phases
- Are led by effective community leadership that includes a strong indigenous lead agency* that stewards a functional cross-sector Civic Infrastructure
- Implement a comprehensive set of programs and strategies in the targeted domains of housing, economic development, income and wealth-building, and education and health, embodied in neighborhood quality-of-life plans and supported by small confidence-building project grants
- Are supported by a committed local LISC office that galvanizes community-level political and financial supports across relevant domains as well as makes direct supportive investments

THEN: Targeted neighborhoods will be good places to live, do business, work and raise families due to a broader and more rewarding participation of lower-income households in the marketplace, as indicated by higher incomes, accumulation of financial assets, participation in community arts and cultural life, and other measures of well-being.

*Although the lead agency appears to be the preferred model, some of the communities have chosen a community partnership model where no single agency is responsible for the leading role.

There will likely be a network level theory of change for BSC as it relates to LISC as an entity with national scale. That theory has not been articulated.

Program Model[3]

There are several ways to consider the BSC program approach. (Note: LISC prefers the term "program approach" to "program model" since BSC does not insist on a single template for all places, given the great variation in the economic and social circumstances in the areas where LISC works.)

First, BSC has been designated as the core strategy for LISC and therefore is the heart of the overall organization's work. In the words of LISC senior executives, the BSC framework is "a systemic shift" that is expected to subsume all of LISC's activities. The transition from traditional LISC work to BSC-centric work is underway and progress has been mixed across the LISC network of offices.

Second, BSC has specific goals that suggest a clear program content focus: physical development of the built environment; financial prosperity of families; local economic vitality; access to quality education; and healthy environments and lifestyles. However, BSC stops short of prescribing programmatic content for how local offices should achieve those broad goals.

Third, and most importantly, BSC has eight features that it believes BSC sites reflect in their work. While these are not shared across all sites, these features are reflected in a sufficiently great number of sites to be enumerated as strongly recommended building blocks of the BSC approach (see Exhibit B).

The centerpiece of a BSC program is *community engagement,* the first and most obvious tangible manifestation of which is the resident-led development of a "Quality of Life" plan. Community engagement is not limited to the planning exercise, however; to the contrary, it is expected to infuse all aspects of the BSC work. LISC executives go as far as to say that formal Quality of Life plans are secondary in importance when compared to the community organizing and partnership-building needed to execute a given plan. This resident-centricity reflects LISC's traditional involvement with community-led development corporations.

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[3] It is important to note that in many local offices, BSC is one program within a portfolio of activities. BSC focuses on a select number of communities within a given locale. To maintain its effectiveness in the other neighborhoods, LISC continues to provide its traditional contract based services there. These services are focused on funding affordable housing units and commercial development opportunities.

Exhibit B

BSC Program Approach

For the development of the Quality of Life plans, the planning process begins by conducting an analysis of the neighborhood's strengths, weaknesses, opportunities and threats. The plans are typically grounded in the five BSC goals. The plan outlines the goals the community seeks to accomplish and can serve as a contractual agreement for the stakeholders and providers involved in implementing the plan. (In some places, leaders actually sign the plans to signal their commitment to its contents.) In fact, no priority is included in the plan unless a local leader or stakeholder agrees to be accountable for implementing it.

LISC prioritizes *geographic settings* with clearly defined boundaries and populations. LISC also engages and funds a *designated lead agency* that coordinates and stewards the work. LISC emphasizes the need for each community to build a strong cross-sector *civic partnership* ("platform" in LISC parlance) in order to concentrate community assets in communities of need, which are "…mobilized and deployed through a network of community relationships."[4]

The civic partnership is a critical enabler of long-term success in the BSC approach. A partnership—or "platform" —helps attract resources to a given neighborhood by demonstrating the willingness and ability

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[4] Building Sustainable Communities *Theory of Change.*

of community leaders and residents to carry out a broad range of programs effectively, giving confidence to funders that money will be well spent. LISC believes that it also serves as a vehicle to create synergy among neighborhood organizations and unleash pent-up time, talent and treasure from among neighborhood leaders and residents. Together, the LISC office, lead agency, and its partners—as a platform—actively manage the planning and implementation process, which requires strong *brokering and negotiating skills* by all parties. The involvement of multiple parties necessitates clear methods of *accountability* for performance, community benefit and progress toward the overall goal.

Based on the plan, early action projects are identified. These projects are generally quick wins for which LISC offices commit to supply funding. Early action projects build the momentum that is used throughout the implementation of the *comprehensive development activities* that constitute the BSC work. Lastly, residents, with the assistance of the lead agency, define the *performance measurement* indicators that will be used to track progress (see the Performance Measurement section). Throughout this entire process, there needs to be a *sustained communications effort* for the benefit of residents and participants as well as those who hope to learn from the work.

Performance Measurement

Prior to LISC's adoption of the BSC approach, the organization measured its performance primarily in terms of the outputs of its work: dollars spent and housing units built.

LISC is in the process of further developing a performance measurement framework and infrastructure for the BSC approach based on its theory of change. Much work is already underway. LISC's national office oversees the bi-annual collection of data on neighborhood change, program strategies, activities, and investments in addition to data on the implementation and outcomes of BSC elements in each of its targeted neighborhoods.

All neighborhoods track key indicators in four categories: housing and real estate; income and wealth; economy and workforce; and demographics. A selection of the specific indicators—all of which are linked to national data sources—appears in Exhibit C below.

Exhibit C

Select Building Sustainable Communities Indicators

Housing and real estate	Income and wealth	Economy and workforce	Demographics
• Median residential mortgage amount	• Resident adjusted gross income	• Employment rates	• Diversity of population
• Percent of owner-occupied units	• Median household income	• Change in local labor market jobs	• Diversity of mortgage borrowers
• High cost loans as percent of total home loans	• Distribution of residents across tax return brackets	• Local jobs by industry sector	• Diversity of school students
• Housing vacancy rate	• Poverty rates	• Business vacancy rate	
• Foreclosure rates			

In addition to these, LISC tracks additional indicators in four cities and fifteen neighborhoods. These more in-depth reports take advantage of local data sources on other neighborhood dimensions. For example, in Olneyville, RI, LISC tracks community safety (rates of probation, parole, property crime and violent crime), education (proficiency rates on state grade level tests and attendance rates), and health (low birth weight and elevated blood level rates).

To date, LISC has done significant work internally to create tools and processes to evaluate its community development process and performance in relation to the BSC program. The evaluation design is two-fold: a quantitative assessment will be conducted to measure outcomes, and a qualitative assessment will help LISC identify how the outcomes were achieved. For the quantitative analysis, the goal is to both monitor trends in the target neighborhoods and assess whether the desired changes are being achieved.[5] LISC will use and develop neighborhood indicators as well as select other neighborhoods to serve as targeted comparisons.[6] For the qualitative analysis, LISC will collect targeted information from eight offices including major activities, programs and investments linked to BSC in a variety of categories, namely: housing, economy and workforce, community quality and safety, community institutions and relationships, social and health services, and education and culture.

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[5] Monitoring will cover 16 sites and 47 neighborhoods, with special attention paid to 13 analysis neighborhoods. Assessment will cover 4 sites and 8 (of the 13) analysis neighborhoods.

[6] Walker, Chris, et al. "Assessing Community Development Programs," internal documents, December, 2009.

Besides using the indicators for internal evaluation purposes, qualitative analyses will inform national assessment reports that summarize the progress of the BSC initiative as well as policy briefs and research papers that address important topics surfacing in the community development space. These documents are intended for public consumption. The quantitative analyses will be used as data in the national monitoring of the BSC program as well as in generating neighborhood monitoring reports. These reports are intended to ensure that all stakeholders, including the national and local LISC offices, have the ability to track and respond to outcomes at the local level and continue to develop new perspectives on community development processes.

Organization

LISC is a single nonprofit organization with one national office and operations in 30 cities and 36 rural communities. LISC national executives suggest that the BSC approach has been adopted to some extent by the majority of its offices. The organization's culture is locally oriented: funds are raised locally, and local office leaders have enjoyed considerable autonomy. As a result, the adoption of the BSC approach as the centerpiece strategy or definitive framework for any given LISC office depends to a considerable extent on the local leader's commitment.

LISC executives note that there have been significant organizational changes at the local and national levels to adjust to the demands of the BSC initiative.[7] At the local level, most offices have hired staff with community planning or organizing expertise. Additionally most local offices have re-assigned staff to be relationship managers of specific neighborhoods—reflecting LISC's emphasis on brokering and negotiating skills. Local LISC leadership are now committed to building the capacity of local organizations, providing grants and loans to projects and programs, advocating and mobilizing external systemic support for the community's plan, and brokering and negotiating relationships while monitoring the accountability of all the partners.

The national office reinforces the overall strategic vision for BSC in addition to providing start-up capital to local site programs when necessary. LISC is ramping up its capacity to support local staff, which mostly entails targeting funding and technical support to BSC sites. LISC's national programs, such as the Financial Opportunity Centers, community safety and green development, among others, have been directed to give priority to BSC sites and neighborhoods. Additional adjustments include the creation of a new Field Strategies unit to provide consulting assistance to local sites on process elements such as

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[7] "The Sustainable Communities Challenge and LISC's Institutional Response," LISC (2011).

community organizing, community partnership formation, and local system-building. A new Vice President of National Programs will oversee the coordination of all national programs to ensure that all LISC national program elements, including BSC, are properly aligned. Additionally, the national office helped foster the creation of the Institute for Comprehensive Community Development (ICCD) to provide training to LISC staff and disseminate relevant research.

At both the national and local levels, LISC has made an effort to install systems of accountability. LISC recognizes that the increased number of decision-makers complicates the challenge of maintaining accountability. In several places, staff members are applying new methods to track investments in programs and projects that support comprehensive change, as well as institution-building in BSC target neighborhoods. At the national level, there are short-term bi-annual meetings with regional vice presidents, select national staff, and technical assistance consultants to discuss the progress the sites have made. As regional vice presidents identify areas where sites need support, they have the latitude to invest consultant resources in support of the local partnerships. Additionally, there is a longer-term assessment process that examines the lasting community changes emerging as a result of BSC.[8]

Economics

Historically, LISC funding—which has been housing-centric—falls into two broad categories: grant capital and loan capital. The former is largely locally raised from private and public sources (although some grant capital is channeled through national programs or re-grants of national fundraising). The latter is entirely nationally sourced, driven largely by the Community Reinvestment Act.

The BSC funding model is largely an extension of LISC's historic grant funding model in that the vast majority of the funding is expected to be locally sourced. Grant monies typically flow from local funders to the LISC office itself (for staff capacity), to the designated lead agency, and to the members of the civic and community partnership that are implementing the work.

A recent review by its national staff indicated that LISC is investing significantly in the 107 neighborhoods where it has formally declared an intention to engage. The organization is currently investing approximately $107 million annually in these neighborhoods.

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[8] Ibid.

Where appropriate, the national LISC office may provide loans or grants to bridge funding gaps or to provide start-up capital, especially for early action projects. LISC expects that the BSC approach, because it has broadened LISC's activities to include a more diverse set of organizations and projects, will attract more funding from existing and new donors.[9]

Resident Engagement

LISC is steeped in a history of community development and organizing, making community organizing and resident engagement essential to the BSC model. LISC executives are clear that their perspective as an organization is that a given community best understands its own needs.

LISC believes the primary outcomes of resident engagement are to facilitate the emergence of new community leaders and mobilize residents for continued action as they assume increased leadership of their neighborhood.

The BSC approach views community engagement as a function of motivation, capacity to participate and engagement opportunities. The approach posits that authentic community engagement is best understood in terms of four kinds of social capital exchanges:

- Information about—and opportunities for—action
- Outcomes oriented mutual obligations or agreements
- Expressions of community values
- Mutual recognition of roles and interests

Effective community engagement processes need to be in place in advance of community partnership activities. In this manner, resident engagement is both an input and an outcome of the BSC theory of change.[10]

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[9] Ibid.

[10] Walker, Chris. "Theory of Change."

Learning

Since LISC began its first comprehensive community development initiative in Chicago in 2003, the organization has been intentional about learning from its experiences. A prominent national staff member, Chris Walker, is the Director of Research and Assessment. Walker directs the assessment of the BSC initiative and provides the thought leadership for LISC's overall research and assessment activities. The Institute for Comprehensive Community Development (ICCD) housed in Chicago is a national LISC institution that was established with the explicit goal of advancing the field of comprehensive community development both within and outside LISC. ICCD aims to build the capacity of community development practitioners by providing technical assistance, sharing best practices, supporting new policies, and improving and/or developing, promising initiatives. Currently, ICCD also serves as the training hub for the BSC program within the LISC network. While ICCD's current primary audience is internal to LISC, its three staff members increasingly aspire to serve practitioners, foundation executives, government officials, and stakeholders in the field and the private sector. Ultimately, ICCD–based on the expected success of BSC—expects to influence other places and leaders to adopt the BSC approach in their work.

Choice Neighborhoods[1]

Introduction

Reacting to research showing that an American child's outcomes can be predicted by the zip code into which she or he is born, the Choice Neighborhoods Program seeks to transform neighborhoods of concentrated poverty with distressed federally assisted housing by creating mixed-income communities with healthy, affordable housing, safe streets and good schools as well as amenities such as fresh grocery stores, job opportunities, and access to transit.

Launched in 2010, Choice Neighborhoods is a competitive program of the U.S. Department of Housing and Urban Development (HUD) that funds both planning and implementation grants. Planning grants support the development of neighborhood "transformation plans," which articulate how a given community will be revitalized. Implementation grants support the execution of transformation plans. Implementation grantees may or may not be prior Choice Neighborhoods planning grantees. Likewise, it is expected that many planning grantees will not receive implementation funding from Choice Neighborhoods.[2]

The design of the Choice Neighborhoods model is grounded in the experience—and successes— of HUD's HOPE VI program. HOPE VI, established in 1992, has been a major source of funding for the replacement or renovation of severely distressed public housing: as of 2009, the program had awarded 254 grants, totaling more than $6.1 billion, to 132 housing authorities, which resulted in approximately 110,000 new or renewed public housing units. Importantly, HOPE VI does not focus on housing alone:

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[1] This profile is based on HUD's guidelines for the first round competition for both planning and implementation grants (FY2010). These guidelines appeared in the form of two notices of funding availability (NOFA's). The first spelled out the complete guidelines for planning grants and initial guidelines, which were used to determine finalists, for implementation grants, while the second spelled out the final guidelines for the implementation finalists. HUD subsequently issued a new set of planning grant guidelines for FY2011. Salient points of evolution in the FY2011 guidelines as compared to the FY2010 guidelines include (but are not limited to): changes in the definition of assisted housing to increase the eligibility of non-public housing projects; the addition of points for vision and capacity to implement the plan; the requirement of a market analysis to demonstrate market demand; and broader measures of distress eligible for inclusion.

[2] The design of the Choice competition anticipates this reality since "Likelihood of Implementation"—even without Choice funding—is a rating factor worth three points in the application review process.

up to 15 percent of the grant funds can be used for services that support current and relocated residents, including assistance in transitioning to self-sufficiency, finding and sustaining employment, and community building.

Over time, HUD officials noticed that two factors appeared to enhance the success and sustainability of revitalization efforts at select HOPE VI sites: the ability to attract mixed- and moderate-income households, and positioning the housing redevelopment within the frame of a more comprehensive neighborhood revitalization strategy to improve public assets, including services and infrastructure, and engage civic leaders. Choice Neighborhoods endeavors to build on the observed successes of HOPE VI:

- It requires grantees to develop a comprehensive neighborhood plan that addresses the surrounding community, including vacant privately owned housing, economic development, improved educational opportunities,[3] and other critical needs. To catalyze comprehensive neighborhood change, Choice Neighborhoods allows flexibility for up to 15 percent of grant funds to be used for "critical community improvements," in addition to the 15 percent of grant funds allowed for social services under HOPE VI.[4]
- It expands applicant eligibility. Under HOPE VI, only public housing authorities were eligible to apply for grants. Now, local governments, nonprofits, and for-profit developers that partner with public authorities can also apply for Choice Neighborhoods funding. It also expands the definition of eligible housing beyond public housing to include HUD project-based stock.[5] This means that disinvested private or assisted housing, which is often a point of frustration for local officials,

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[3] In the second round guidelines for implementation grantees, points are allocated in three categories: People, Neighborhood and Housing. Applicants receive points for educational focus in several areas, including well over a third of the points in the People category. Applicants may also score a few additional points under the Neighborhoods section for a plan that invests in school-related improvements and has leveraged education-related funding. The magnitude of the score in the people-based section suggests that education-centric goals are a priority. Since no more than 15 percent of funds can be used for supportive services, Choice Neighborhoods funds will likely be used to provide glue money and gap-filling dollars to catalyze education-related improvements, rather than to directly implement these strategies.

[4] Up to 15 percent of funding can be used for "supportive services," which Choice Neighborhoods defines as including all services that promote upward mobility, self-sufficiency, or improved quality of life for residents. Examples include youth services and effective transportation. Up to another 15 percent of funding can be used for "critical community improvements," which Choice Neighborhoods defines as activities to promote economic development. Examples here include the development or improvement of transit infrastructure and community financial institutions.

[5] Distressed housing supported by project-based section 8, section 202, section 811, section 221(d)(3) and section 236 are also now eligible.

because it tends to foster crime and blight, can now be included in comprehensive neighborhood revitalization efforts.

Reacting to HOPE VI's historic resident retention rate of approximately 20 percent, Choice Neighborhoods guidelines require and emphasize focused services and supports for existing residents, including the one-for-one replacement of affordable housing and relocation counseling. These guidelines also stipulate that all residents who are lease-compliant are entitled to return to rehabilitated or new housing.[6]

The initial competition for Choice Neighborhoods funding drew 119 applications for planning grants and 42 applications for implementation grants. These grants are intended to support either the development or execution of a neighborhood Transformation Plan, which articulates the applicant's plan to revitalize a neighborhood using the Choice Neighborhoods model. In August 2011, five implementation grant applications were selected. See Exhibit A.

Exhibit A

Implementation Grantees

Finalist	Neighborhood	Target	Planned Units
City of Boston/Dorchester Bay Economic Development Corporation (Boston, MA)	Dorchester	Woodledge/Morrant Bay Apartments, Community parks and gardens, and Community facilities	202
Preservation of Affordable Housing, Inc./City of Chicago (Chicago, IL)	Woodlawn	Grove Parc	965
Housing Authority of New Orleans/City of New Orleans (New Orleans, LA)	Iberville/ Treme	Iberville Housing Development	2446
McCormack Baron Salazar /San Francisco Housing Authority (San Francisco, CA)	Eastern Bayview	Alice Griffith Public Housing Development	1126
Housing Authority of the City of Seattle (Seattle, WA)	Yesler	Yesler Terrace	6000

In FY2010, to be eligible to apply for Choice Neighborhoods funding, applicants had to demonstrate that their target neighborhoods have severely distressed public and/or HUD-assisted housing, and that at

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[6] This criterion appears to respond to criticism of HOPE VI regarding its resident retention rate.

least 20 percent of the current residents are below the poverty line or have extremely low incomes. In addition, eligible neighborhoods had to exhibit one or more of three indicators of distress.[7]

Choice Neighborhoods is one of several active or planned initiatives that are part of the Obama Administration's Neighborhood Revitalization Initiative (NRI), a White House-led interagency collaborative. NRI is developing ways to redesign and coordinate federal programs and policies, so that they will better support local actors as they create "communities of opportunity." Explicitly aligning some of its grant-making to targeted neighborhoods is one such strategy. For example, two of the 17 Choice Neighborhoods planning grantees for FY2010 are also Promise Neighborhoods grantees.

Intended Impact

Choice Neighborhoods will be safe, healthy, mixed-income neighborhoods in which all residents will have access to high-performing schools and economic opportunity.

Theory of Change

The Choice Neighborhoods theory of change has several components; the logic that drives it is depicted in Exhibit B.

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[7] The three indicators in FY2010 are: violent crime rates 1.5 times that of the city or surrounding area; long-term vacant or substandard housing at least 1.5 times that of the city or surrounding area; and a low-performing public school or at least 20 percent of the children in the targeted public housing and/or HUD-assisted housing attending a low-performing public school.

Exhibit B

Choice Neighborhoods' Theory of Change

Targeted neighborhoods:

IF:
- Transform and preserve the housing stock (while protecting the interests of affected residents and adhering to HUD guidelines on accessibility)
- Ensure its long-term viability on an economic, educational, and environmental basis *
- Promote economic self-sufficiency of residents
- Provide a continuum of effective community services, strong family supports and education reforms for children and youth
- Involve residents in the planning and implementation processes
- Have their efforts led by a lead agency with demonstrated capacity

Then: They will become safe, healthy, and mixed-income neighborhoods in which all residents will have access to high performing schools and economic opportunity

* No further details were provided for this condition

The Choice Neighborhoods implementation grant scoring rubric suggests that some aspects of the theory of change are more important than others. In guidelines for the first round of implementation applications:

- Evaluation of an applicant's **capacity** received about 49 percent of the scoring points, with demonstrated housing experience being the most important factor in that category
- An applicant's **vision**, with emphasis on the quality of the neighborhood component of the plan, received about 28 percent of the scoring points
- Lastly, the **need** of the applicant's neighborhood accounted for about 24 percent of the points

Choice priorities have been further emphasized in the guidelines for the second round of implementation applications. Beyond the allocation of points based on first round applications (39 percent of the total), second round points are being allocated as follows:
- **Housing** accounts for 16 percent and includes points for factors like creating mixed-income developments, green and energy efficient buildings, and preserving long-term affordability
- **People**-based supports and well-being accounts for 14 percent and includes points for supportive services and service coordination that improves residents' health and safety, children's school readiness, students' proficiency rates, youth's graduation rates and ability to enter college or

careers, and residents' self-sufficiency, as well as points for a strategy to ensure that residents who are relocated benefit from revitalization

- **Neighborhood** services and amenities accounts for 17 percent and includes points for factors like planned access to amenities, existing transit and alignment with existing services, anchor institution engagement, LEED development, and a design that is based on effective neighborhood features like connecting housing to the surrounding neighborhood
- Lastly, the **soundness of the applicant's approach** (including resident engagement, project readiness, the organizational framework, and the potential impact of the plan) accounts for 14 percent

Program Model

According to HUD officials, the Choice Neighborhoods program strives to provide the flexibility needed to support local solutions. Taken together, however, the guidelines (noted below) and scoring rubric (noted above) do suggest an overall program outline, the details of which will be brought to life by the specific programs chosen by the initial implementation grantees.

According to the second-round NOFA guidelines, the major required program elements are:

- Transforming severely distressed housing projects through rehabilitation, preservation, and/or demolition and replacement
- Preserving affordable housing in the neighborhood, especially through one-for-one replacement of demolished or disposed-of housing projects
- Ensuring the neighborhood's long-term economic, educational, and environmental viability
- Promoting the economic self-sufficiency of all residents
- Increasing access for resident children and youth to programs that combine "a continuum of effective community services, strong family supports, and comprehensive education reforms"
- Ensuring that current residents have access to the benefits of the neighborhood transformation, and that the applicant provides assistance for displaced residents
- Engaging residents in the planning and implementation process

In addition, several other major program elements are eligible for inclusion, but not required. These elements include community improvements and supportive services such as:

- Developing or improving community facilities to promote upward mobility, self-sufficiency, or improved quality of life for residents, such as constructing or rehabilitating parks and community gardens as well as environmental improvements

- Engaging in economic development activities, which include developing or improving transit, retail, community financial institutions, public services, facilities, or other community assets and resources
- Redeveloping vacant or foreclosed properties

Choice Neighborhoods guidelines state that HUD expects the development of mixed-income housing, but does not mandate the development of market-rate or middle-income housing in the target neighborhood. The guidelines define mixed-income as properties with a "mix of extremely low-income (e.g. public/assisted Housing Trust Fund units), low-income (e.g. tax credit/HOME units), and, *as appropriate*, moderate-income (e.g. market-rate rent/homeownership units)."[8]

Performance Measurement

HUD expects to measure performance within and across Choice Neighborhoods in three broad categories—housing, people, and neighborhood. In the first round guidelines for implementation grants, HUD enumerated 14 broad indicators across these categories, as depicted in Exhibit C.

Exhibit C

Choice Neighborhoods Indicators

Housing	- Energy efficient, sustainable, accessible and connected - Mixed-income - Physically viable (housing constructed with durable and low-maintenance materials) - Financially viable (not incurring debt that is more than what industry standards dictate their amount of rental income can cover)
Neighborhood	- Comprised of quality mixed-income housing - Services and public assets such as parks located at an accessible distance - Public schools and other educational programs have high quality outcomes - Quality public transit and other options to connect residents to jobs and services - Standard employment rates among "working age non-disabled adults"

Note: "Standard" means at least at the same rate as the median neighborhood in the area
Source: Choice Neighborhoods' Round 1 Notice of Funding Availability

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[8] Round 1 NOFA, page 3.

	Health, Education and Economic Self-Sufficiency
People	• Children, youth and adults are physically and mentally healthy
	• Children enter Kindergarten ready to learn
	• Children are proficient in core academic subjects
	• Youth graduate from high school college- and career-ready
	• Households are economically stable and self-sufficient
	• Residents feel safe in their neighborhood
	Relocation and Reoccupancy
	• Residents have choices about where to live
	• Vulnerable populations are supported during relocation
	• Residents are stably housed during relocation

Source: Choice Neighborhoods' Round 2 Notice of Funding Availability

How precisely these indicators will be applied in specific neighborhoods and, in aggregate, across all the implementation sites is yet to be determined. HUD officials expect to work with the sites individually to develop specific metrics for the Housing and Neighborhood categories. In the second round of guidelines, HUD furnished additional detail on the required metrics for each outcome. As an example, the indicator, "children, youth and adults are physically and mentally healthy" has the following required metrics:

- Number and percentage who have a place where they regularly go (often referred to as a medical home), other than an emergency room, when they are sick or in need of advice about their health
- Number and percentage reporting good physical health
- Number and percentage reporting low psychological distress
- Number and percentage reporting healthy weight[9]

In addition, HUD is planning to engage a national evaluator to track progress across all the Choice Neighborhoods sites.

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[9] The complete set of metrics is available in the Round 2 NOFA, page 31.

Organization

Choice Neighborhoods funding is available to housing authorities, local governments, nonprofit agencies, and for-profit companies that partner with a public entity. The guidelines do not mandate an organization model at the site level. As with the program model, it is likely that an observable organization archetype (or archetypes) will emerge once the implementation grantees are announced.

The application strongly encourages and rewards partnerships. The second round guidelines refer repeatedly to the inclusion of partners as part of the applicants' housing, people, and neighborhood strategies and as part of applicants' data collection process.[10] The guidelines also reward partnerships for the amount of cash and in-kind donations that partners have committed in the form of leverage (see "Economics" section below for more information). Lastly, the guidelines award points for neighborhood strategies that align with existing services and planning efforts as well as engage anchor institutions.

HUD has not stipulated what specific organizational form these partnerships will take, although the guidelines do provide some potential roles for both grantees and partners. For example, there is taxonomy for participating partners, namely: Lead Applicant, Co-Applicant(s), and Principal Team Members. For Co-Applicants and Principal Team Members, the guidelines also require that applications include a set of cross-partner Memoranda of Understanding (MoU) that demonstrate mutual commitment, articulate the respective roles of each entity, and assume liability.

Similarly, the scoring rubric in the first round of guidelines underscores the importance of prior experience and a track record of success: 51 of 105 possible points in the implementation application relate to applicant capacity including (but not limited to) overall project leadership, housing expertise and past history, and experience and success in providing people-oriented supports.

HUD expects that Choice Neighborhoods will develop into a network that shares learnings and collaborates, as possible. HUD expects that the network will have multiple nodes, including HUD itself, a contracted technical assistance provider, and established nonprofits involved in place-based work. HUD has already begun some of this work with the planning grantees, and has hosted a planning grantee discussion session in July 2011.

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[10] See Round 2 NOFA, pages 24 – 44.

Economics

HUD has not stipulated the long-term funding models for Choice Neighborhoods. Implementation grantees have five years to use the funds they receive through the competitive grant program. Expectations for implementation grantees to generate leverage from other funding sources are high. Nearly 20 percent of the total second round application points depend on how much funding and in-kind resources grantees were able to leverage, and the amount of points earned increases with the amount of leverage committed. For example, grantees can earn up to 10 points if they leverage housing funds and resources worth three times the amount of the Choice Neighborhoods housing portion of the grant, and up to 5 points if they leverage people-based funds and resources worth three times the amount of the Choice Neighborhoods' supportive services portion of the grant. All grantees are also required to provide at least a 5 percent match for the total grant amount requested and a 5 percent match for the amount requested for supportive services in either cash or in-kind donations. HOPE VI funds cannot be used to meet the matching requirement.

More broadly, HUD's expectation is that increasing coordination among Federal programs, such as Choice and Promise Neighborhoods, will help to break down the silos in government funding and allow grantees to aggregate capital for neighborhoods across multiple funding sources. The Choice Neighborhoods guidelines anticipate—but do not stipulate—this coordination via the breadth of the outcomes framework. By expanding beyond the realm of housing, they create space in the initiative for other government programs to support various aspects of the grantees' activities.

The first cohort of implementation grantees will share $122 million in funds aggregated from FY2010 and FY2011 appropriations. HUD officials also awarded 17 planning grants in FY2010 up to the amount of $250,000 each. In response to feedback from a range of stakeholders, HUD officials have increased the maximum grant size for each grantee in 2011 to $300,000 and expect to fund at least 12 planning grants.

Pending funding, HUD expects to continue and expand the Choice Neighborhoods effort in coming years. The Obama Administration has requested $250 million for Choice Neighborhoods in the FY2012 budget, a nearly four-fold increase over FY2010 and FY2011 funding of $65 million. (Update: In November 2011, House and Senate negotiators agreed to provide $120 million for Choice in FY2012.)

Resident Engagement

Choice Neighborhoods guidelines stipulate a degree of resident engagement that ensures that neighborhood residents have multiple entry points into the development and execution of the Transformation Plan. Choice Neighborhoods' stipulated resident engagement includes but is not limited to meetings, forums and online forms of communication. Choice guidelines also specify that grantees should prioritize the involvement of residents who are normally marginalized from these types of conversations. Choice Neighborhoods guidelines posit that resident and community involvement should be continuous throughout the entire process. The Choice Neighborhoods threshold requirements in the first round application guidelines provide considerable prescription about specific resident-focused meetings for implementing neighborhoods. Collectively, the meetings' topics must cover both the content and process of the transformation.

At a minimum, grantees must:
- Conduct at least one meeting with the residents of the target housing regarding the Transformation Plan
- Conduct at least two public meetings with residents of the target housing and the broader community to get their meaningful involvement in the development of the Transformation Plan

Additionally the timing of the meetings must conform to the following constraints:
- They must take place on different days
- At least one of the meetings with the target residents and broader community must have taken place at the beginning of the transformation planning process
- At least one meeting must have been held after the Choice Neighborhoods NOFA was published

The Choice Neighborhoods guidelines from both rounds also reward applicants for meaningful resident engagement. In the first round, 3 points are awarded if the Applicant, Co-Applicant, or Principal Team Members effectively promoted ongoing community participation with housing residents and organizations that are representative of residents. In the second round, an additional 3 points are awarded for a resident and community engagement strategy that has engaged and will continue to engage residents of all ages as well as community-based organizations and local businesses. Lastly, the second round scoring awards 3 additional points for the execution of a resident needs assessment that is meant to form the basis of the people-based strategy.

Learning

Officials at HUD expect to build a community of practice among neighborhoods that receive planning and implementation grants. As noted above, HUD expects that the community of practice will have multiple nodes, including HUD itself, a contracted technical assistance provider, and established nonprofits involved in place-based work. The contracted provider will be expected to support the planning and implementation activities of Choice Neighborhoods grantees, as well as grantees of Promise Neighborhoods and the Byrne Criminal Justice innovation program. Funding for a technical assistance provider to support this community of practice was appropriated in FY2011, but exact funding allocations for that technical assistance have not yet been published.

Promise Neighborhoods[1]

Introduction

> *"The philosophy behind the project is simple. If poverty is a disease that affects an entire community in the form of unemployment and violence, failing schools and broken homes, then we can't treat those symptoms in isolation. We have to heal the entire community and we have to focus on what works."*

With the words above, then Senator Barack Obama endorsed the Harlem Children's Zone (HCZ) from the campaign trail in 2008. The presidential hopeful committed, if elected, to replicate the principles of the HCZ model across the country. In this spirit in 2010, with President Obama in the White House, the U.S. Department of Education (USED) launched its Promise Neighborhoods initiative, which draws its inspiration and some of its design from HCZ.

HCZ is a neighborhood-focused initiative serving an almost 100-block area in Harlem, New York City. Called "one of the most ambitious social-service experiments of our time," by *The New York Times*, HCZ takes an education-focused approach to neighborhood change by offering a continuum of supports and services (a "pipeline" in HCZ's terminology) for children to stay on track from birth through college and career. The HCZ pipeline begins with The Baby College, a series of workshops for parents of children ages 0-3. The pipeline continues with programs for children of every age through college and includes in-school, after-school, social-service, health, and community-building programs. HCZ and its visionary leader, Geoffrey Canada, have received broad acclaim for the initiative's work.

Launched in 2010, the Promise Neighborhoods Program (Promise) is a competitive program of the U.S. Department of Education that awards grants to organizations seeking to effect neighborhood change, primarily via a cradle-to-career continuum of services for children and youth. The program gives grants to non-profit organizations and institutions of higher education for planning or implementation of the Promise model. In the first year of the program, USED awarded 21 planning grants of up to $500,000 each to non-profits and institutions of higher education across the country, for a total of $10 million in grants. In 2011, the second year of the program's operation, USED expects to make both planning and implementation

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[1] The content of this profile is drawn from the guidelines for planning grantees published in FY2010. The U.S. Department of Education is expected to publish guidelines for FY2011 for both planning and implementation grantees during the summer of 2011.

grants totaling $30 million. The application guidelines for the new round of grants are expected to be published in July 2011 and decisions will be made by December 2011.[2]

The USED guidelines require that Promise Neighborhoods grantees—lead agencies, which to date have all formed partnerships with other local organizations—must focus their efforts on clearly defined distressed neighborhoods based on pre-determined indicators of need (see Performance Measurement section). They must also: operate a school (or partner with at least one school in the neighborhood); currently provide[3] at least one of the solutions in the proposed continuum of solutions and be representative of the geographic area they will serve (see Resident Engagement section).

Promise is one of several active or planned initiatives that are part of the Obama Administration's Neighborhood Revitalization Initiative (NRI), a White House-led interagency collaborative. NRI is developing ways to redesign and coordinate federal programs and policies so that they will better support local actors as they create "communities of opportunity." Explicitly aligning some of its grant-making to targeted neighborhoods is one such strategy. For example, two of the 17 Choice planning grantees for FY2010 are also Promise Neighborhoods grantees.

Intended Impact

All children growing up in Promise Neighborhoods will have access to effective schools and strong systems of family and community support that will prepare them to attain an excellent education and successfully transition to college and career.

Theory of Change

The Promise theory of change operates at both the site and network levels. The logic at the site level appears in Exhibit A.

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[2] The application for the second phase of Promise Neighborhoods was released on July 6, 2010. Changes to the guidelines are summarized in an addendum to this profile.

[3] If the applicant is a newly formed entity, a description of the relevant experience of the organization's management team will suffice.

Exhibit A

Promise Neighborhoods' Theory of Change

<table>
<tr>
<td rowspan="2">IF:</td>
<td>Targeted neighborhoods:

• Establish common results and metrics for children and youth in entire neighborhoods as an organizing framework for youth development and neighborhood revitalization

• Empower and increase capacity of community-based organizations to lead – forming partnerships with each other, and public and private institutions

• Build a cradle-to-career continuum of solutions, with great schools at the center, from early learning through college and career

• Utilize evidence, performance and benchmark data to select and improve solutions throughout continuum over time

• Develop the local and regional leadership, infrastructure, and blended funding streams to sustain and "scale up" proven, effective solutions beyond the initial neighborhood</td>
</tr>
</table>

<table>
<tr>
<td>THEN:</td>
<td>All children growing up in Promise Neighborhoods will have access to effective schools and strong systems of family and community support that will prepare them to attain an excellent education and successfully transition to college and career</td>
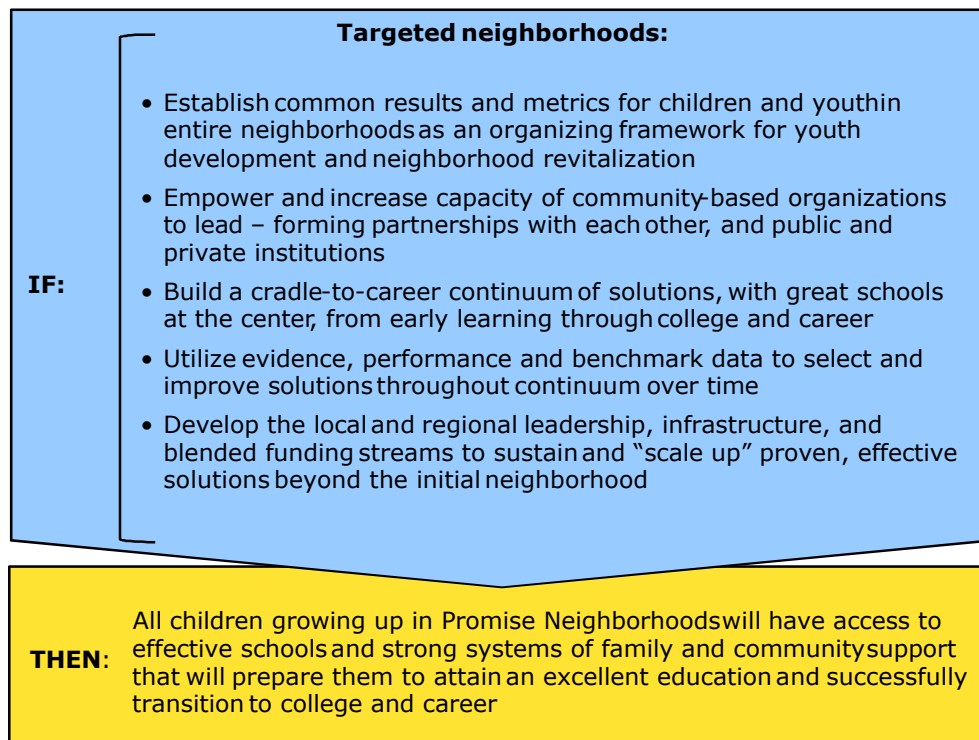</tr>
</table>

At the network level, USED has committed to work collaboratively with other federal departments, integrating programs and resources wherever possible, in order to help break down agency "silos." It is also important to note that Promise is a competitive grant program. Unlike formula-based funding, competitive grants give the department more discretion to determine which applicants best align with Promise's program design and intended impact. While the Promise competition generated interest among many more communities than the number of grants the Department was able to award, officials at USED hope applicants that do not receive planning or implementation grants will nevertheless continue to pursue neighborhood transformation work using the Promise framework to guide them.[4]

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[4] In 2010, there were 339 applicants, with only 21 receiving planning grants.

Program Model [5]

To be eligible for Promise funding, neighborhoods must show multiple signs of distress based on indicators of need in areas such as family and community support as well as academics. The centerpiece of a Promise Neighborhoods program is the provision of a cradle-to-career continuum of solutions to address these needs. The continuum must target specific, prescribed outcomes (see Performance Management section), be based on the best available evidence, and be "seamlessly" integrated. The programs must also reach children who live in the Promise neighborhood even if they do not attend school there, while children who are enrolled in the neighborhood's schools must be involved in all the programs in the continuum,

With limited exceptions, Promise does not prescribe specific or mandated programmatic interventions. The guidelines simply require that, at a minimum, academic programs should focus on K-12, early childhood, and college and career success. They also require that family and community support programs focus on a subset of student health, safety, community stability, family and community engagement, and 21st century learning tools in accordance with the neighborhood's needs.[6]

Promise is programmatically prescriptive only where there are persistently low-performing K-12 schools[7] in a given Promise Neighborhood. For such schools, Promise requires the use of one of four pre-approved intervention models, defined previously by USED in its Race to the Top grant program. The models are: turnaround, restart, closure or transformation.

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[5] These programmatic observations are tied to Promise funding requirements from 2010. A new set of requirements is currently being vetted for 2011 that might affect this content.

[6] As part of Promise's definition of "family and community supports," 21st century tools are those "such as technology (e.g., computers and mobile phones) used by students in the classroom and in the community to support their education. This includes programs that help students use the tools to develop knowledge and skills in such areas as reading and writing, mathematics, research, critical thinking, communication, creativity, innovation, and entrepreneurship." (Promise Neighborhoods Planning Grants Glossary, 2010)

[7] Persistently low-performing schools are essentially those that either receive or are eligible for Title I funding for corrective action, because they are among the lowest 5 percent of performers or have a graduation rate of less than 60 percent over a number of years.

Performance Measurement

Promise is clear about the indicators it expects grantees to track for both academic outcomes and family and community support outcomes (see Exhibit B). Grantees are obligated to collect data to track progress for each outcome "at least annually and to use and improve a data system for learning, continuous improvement, and accountability."[8] In the category of family and community supports, grantees have the latitude to propose additional indicators to measure their progress.

In addition, implementation grantees are expected to establish clear, annual goals for evaluating progress in improving systems, such as changes in policies, environments or organizations that affect children and youth in the neighborhood (for example, a new school district policy to measure the results of family and community support systems) and leveraging resources (for example, securing new or existing dollars to sustain and scale a solution in a Promise Neighborhoods continuum).

Exhibit B

Promise Neighborhoods Indicators

ACADEMIC PROGRAMS		FAMILY AND COMMUNITY SUPPORTS	
Desired Results	*Indicators*	*Desired Results*	*Indicators*
Children ready for Kindergarten	#/% of young children who: • Demonstrate age-appropriate functioning • Have a medical home • Participate in early learning programs	Students are healthy	#/% of children who: • Participate in 60 minutes of physical activity daily; and • Eat five or more servings of fruit and vegetables daily
Students proficient in core subjects	#/% of students who: • Perform at or above grade level according to 3rd– 8th grade and high school assessments	Students feel safe	#/% of students who feel safe during: • School; and • Travel time to and from school (as measured by a school climate survey)
Successful middle school to high school transition	Attendance rate of students in 6th- 9thgrades	Students live in stable communities	Student mobility rate (as defined in Promise's notice inviting applications)
High school Graduation	Graduation rate in neighborhood high school	Family/ Community support learning	• #/% of students with a caring adult at home, school, and community; or • #/% of families that attend parent-teacher conferences
College/ career success	#/% of students with: • Post secondary degrees; or • Other credentials without need for remediation	Students with 21st Century learning tools	#/% of students with: • School and home access to broadband • A connected computing device

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[8] Promise Neighborhoods, "Frequently Asked Questions" FY2011.

Pending funding availability, USED officials expect to use a single national evaluator to track long-term progress of grantees. Willingness to collaborate with such an evaluator is a condition of all grants.

Organization

Promise guidelines do not prescribe an organizational structure for grantees. Lead applicants for grants must meet certain criteria, including: being a nonprofit (including faith-based organizations) or being an institution of higher education,[9] operating or partnering with a school, and demonstrating capacity.

The Promise guidelines also anticipate but do not require that lead applicants have partners. The guidelines ask for the commitments of partners in the form of Memoranda of Understanding that must address financial and programmatic obligations, the alignment of visions, and the proposed governance of the given partnership relationship. Beyond the inclusion of a school, there are no mandated partner types in the Promise model.

Officials at USED describe the sum of Promise planning grantees as an "emerging network." They expect this network to grow with new planning and implementation grantees each year, pending funding availability. There is no single "center" to the network, though several institutions jointly serve that function. Beyond USED itself, the Promise Neighborhoods Institute at PolicyLink[10] plays a role that most approximates a traditional network "center" by providing technical assistance and other supports to sites. In addition, United Neighborhood Centers of America/Alliance for Children and Families plays a role disseminating information and orchestrating cross-network communication.

Economics

On the site level, USED's competitive grant funding is intended to serve as a catalyst (both in terms of money and recognition) to spur local public and private funding sources to engage in long-term funding of sites. For example, the Buffalo Promise Neighborhood's grant-winning proposal was prepared and submitted by Buffalo's Westminster Foundation, which is associated with the Westminster Community Charter School, a K-8 institution, and M&T Bank. M&T and its executives have been actively partnering

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[9] In the second phase of applications, Indian tribes are eligible to apply for planning and implementation grants.

[10] PNI is a partnership between PolicyLink, HCZ and the Center for the Study of Social Policy (CSSP).

with the Westminster school for 17 years, but used the Promise Neighborhoods application to broaden their engagement in the community to include a wider array of organizations.

The role of local funding is foreshadowed in the planning grant criteria, which require that grantees obtain matching funds of 25-50 percent for their planning exercises, depending on the type of application. For implementation grantees, the matching requirement rises to100 percent, with a 50 percent match required for rural and tribal communities. Sources can include federal, state and local public agencies, philanthropic organizations, private businesses, and individuals; and contributions can be in cash or in-kind. At least 10 percent of an implementation applicant's total match must come from the private sector. Given this initiative's early stage of development, there is limited data emerging from sites about how leaders are conceiving of long-term or sustainable funding models.

On the initiative level, Promise is funded through the annual Federal budget. In its first year (FY2010), Promise received $10 million in funding for planning grants only. The FY2011 funding is $30 million for planning and implementation grants. USED has requested $150 million for FY2012. In May 2011, Senator Tom Harkin, Chair of the Senate Health, Education, Labor and Pensions Committee, introduced a bill into the U.S. Senate to make Promise Neighborhoods a federally authorized program. Under terms of the bill, USED could renew grants to Promise grantees for multiple years.

Resident Engagement

Data on residents are a key component of the Promise approach given the initiative's focus on specific pre-selected outcome metrics. Program guidelines encourage applicants to engage in a detailed needs assessment with neighborhood residents. This includes conducting a segmentation analysis of the beneficiaries and targeting interventions based on the segmentation.

To be eligible for a grant, successful applicants must demonstrate that they are "representative of the geographic area proposed to be served." By this Promise guidelines mean that residents have an active role in decision-making for the local effort and that at least one third of the grantee's governing or advisory boards are composed of neighborhood residents, regional low-income residents, public officials serving the neighborhood, or some combination of the three.

The DC Promise Neighborhood Initiative (DCPNI) has been cited as a "strong case in best practices for community engagement."[11] DCPNI has engaged residents and incorporated their perspectives throughout the planning process. For example, DCPNI has organized monthly community dinners and sponsored neighborhood retreats where residents, volunteers, organizers, and partners can participate in active dialogue about the strengths, challenges and opportunities facing the community. The intent of these sessions is not only to allay concerns and generate buy-in but also to enlist residents in playing active parts in the proposed solutions.

Learning

As noted above, there are several players who, in combination, serve as the "network center" for Promise Neighborhoods. Most prominent among the independent players is the Promise Neighborhoods Institute at PolicyLink, which has developed two communities of practice. The first is targeted at the 21 FY2010 planning grantees. This community receives technical assistance, access to published materials, and webinars. Most recently, Goldman Sachs Gives, in partnership with the Promise Neighborhoods Institute, hosted the Promise Neighborhoods Leadership Academy where grantees convened to share best practices and attend workshops on leadership and management. The second, which PNI calls its Intensive Learning Partnership, includes 17 high-scoring applicants from geographic areas not represented by the planning grantees as well as some applicants from rural and tribal communities. In order to be included in this group, applicants needed to show that they were continuing the work, despite not having received a planning grant, and that they still had access to a majority of the cash and in-kind resources committed for their application. In addition, United Neighborhood Centers of America/Alliance for Children and Families plays a role disseminating information and orchestrating cross-network communication through reports and convenings.

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[11] Price, Hayling. "A Seat at the Table: Place-Based Urban Policy and Community Engagement." *Harvard Journal of African American Policy*, 2011.

Addendum: Promise Neighborhoods 2011 Grant Priorities

Based on awards in 2010, 21 grantees around the country are developing plans for Promise Neighborhoods. On July 6, 2011, the Department of Education (USED) released the application for the second phase of Promise Neighborhoods, which includes implementation grants, as well as planning grants, for which Congress has appropriated up to $30 million. Applications are due in September 2011, and USED must make awards by December 31, 2011.

Overall, USED has consolidated and streamlined the application criteria. In its explanatory materials, USED also highlights the following key changes in the 2011 guidelines:[12]

Focus: USED expanded its list of competitive preferences. Specifically, three optional emphases from 2010—comprehensive local early learning networks, quality internet connectivity, and arts and humanities—are now factors by which applicants will be evaluated in the 2011 competition ("competitive preference priority" in USED terminology).[13] In addition, USED introduced a new competitive preference for quality affordable housing, particularly if the applicant's geographic area is undergoing an affordable housing transformation in accordance with the Choice Neighborhoods program.

There is also an optional supplemental funding opportunity, provided by the U.S. Department of Justice (DOJ), for implementation grantees with plans that propose to analyze and resolve public safety concerns. Taken together, the preference for Choice Neighborhoods grantees and the option for supplemental DOJ funding illustrate USED's commitment to align its work with programs in other federal departments under the umbrella of the Neighborhood Revitalization Initiative.

There have been no significant changes to the indicators grantees are required to track.

Eligibility: Eligibility for the planning and implementation grants has been expanded from nonprofit organizations and institutions of higher education to include Indian tribes.

Funding: Promise Neighborhoods has been allocated $30 million in 2011. Up to $5 million will be available for approximately 10 planning grants of $500,000 each. Up to $23.5 million will be available for approximately 4-6 implementation grants of about $4-6 million each annually. It is important to note that the implementation grants are for a three- to five-year term. The remaining $1.5 million of appropriated funds is targeted for activities at the center of the network including technical assistance, evaluation and peer review.

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[12] "2011 Promise Neighborhoods At-a-Glance" (2011).

[13] The 2011 Promise notice includes one new optional emphasis (or "invitational priority"): adult education programs that equip families to support student learning.

Purpose Built Communities

Introduction

Purpose Built Communities (PBC), founded in 2009, is committed to breaking the cycle of intergenerational poverty in low income neighborhoods in one generation. PBC works with local leaders in communities around the country to apply frameworks and approaches informed by the success of Atlanta's East Lake Foundation (ELF).

Supported by prominent Atlanta philanthropist and real estate developer Tom Cousins, ELF has, since 1995, worked to transform the severely distressed East Lake Meadows public housing complex into a thriving mixed-income community. The outcomes have been remarkable. In 1995, 40 percent of the units at East Lake Meadows were unlivable, the crime rate was 18 times the national average, and the employment rate was 13 percent. By 2008, the same area had 100 percent high quality units, a crime rate 50 percent lower than the rest of the city, and a 70 percent employment rate for adults who receive public housing assistance. During the same period, the local public school (re-launched as a public charter, the Charles R. Drew Charter School) went from being the worst-ranked elementary school in Atlanta immediately after re-launch to the #7 ranked school out of 62 in the city. About a quarter of the former residents have returned to live at East Lake, and approximately 50 percent of the neighborhood residents are low-income. Some 80 percent of Drew's students are eligible for free or reduced lunch programs.

PBC's leadership believes that the social and economic problems affecting deeply distressed neighborhoods like East Lake Meadows can be solved through a comprehensive approach that encompasses quality housing, education and support services aligned with the community's specific needs. PBC's approach blends subsidized units and market-rate housing with the stated goal of creating a truly mixed-income community. Maintaining a significant number of units and opportunities for low-income families over a sustained period of time is a critical element of the PBC model. As such, the mixed-income community is intended to serve as a platform for low-income families to transform their lives: as one PBC executive said, "The market-rate children and families are assets that benefit our low-income families."

PBC refers to its approach as "neighborhood transformation," rather than community redevelopment, both to signal what they see as a fundamentally different perspective and to avoid the negative connotations of prior unsuccessful urban redevelopment initiatives.

The PBC model seeks to harness market forces and traditional institutions to enable distressed neighborhoods and their residents to reconnect with the rest of their city or region. The clearest example of this is PBC's push to "de-concentrate" poverty by purposefully introducing market-rate, middle-income

housing side-by-side with various types of affordable housing. At East Lake, for example, half of the 542 housing units are market-rate, with an occupancy rate of over 90 percent. PBC's emphasis on civic connectivity emerges in other, more subtle, ways as well. For example, they encouraged residents to join the broader neighborhood association instead of creating a special tenants association for the revitalized development.

PBC network members are currently active in New Orleans and Indianapolis. Several other sites in Omaha, NE, Galveston, TX, Greensboro, NC, and Spartanburg, SC are in earlier stages of planning and development.

The PBC model does not suit every distressed urban neighborhood. Potential candidates are assessed on three dimensions against a number of pre-existing conditions:

- **Housing**: The presence of a housing development with concentrated poverty; sufficient scale for potential transformation; an economically viable surrounding area (essential to attract market-rate residents); and sufficient funding resources to develop the affordable housing
- **Schools**: Potential for direct control of local schools; ability to provide preference for neighborhood children to attend local schools
- **Leadership**: Strong lead organization with access to capital and the ability to enlist and collaborate with cross-sector leaders

To date, PBC's leaders have found that the biggest obstacles to matching their model to a given neighborhood are: the absence of an economic base; housing ownership or control distributed across too many parties (e.g. too much single-family housing); and insufficient local leadership (in terms of access to capital and other leaders).
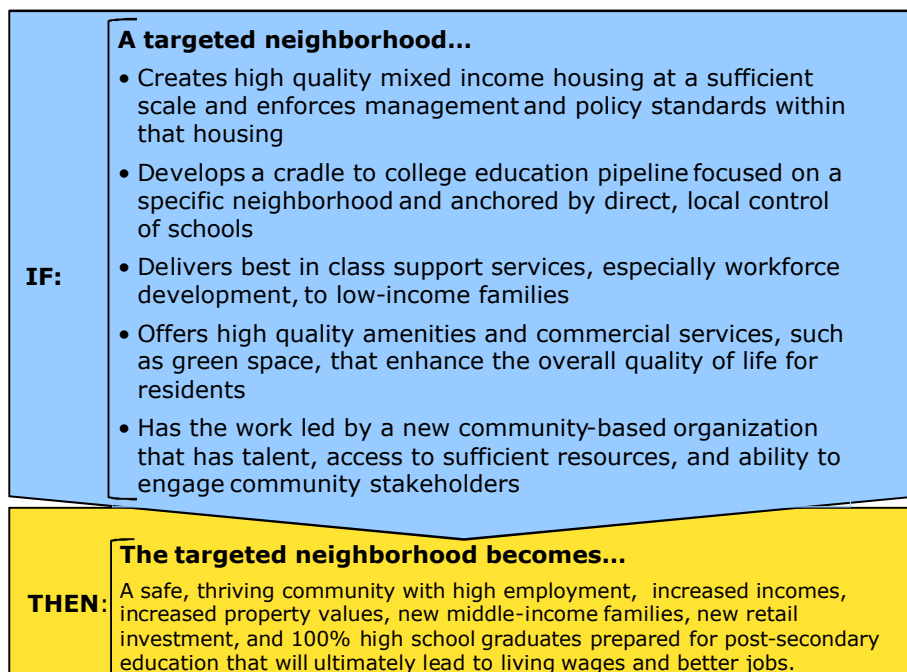

Intended Impact

Break the cycle of systemic poverty in one generation by fostering a safe, thriving community with high employment, increased incomes, increased property values, new middle-income families, new retail investment, and 100 percent high school graduates prepared for post-secondary education that will ultimately lead to living wages and better jobs.

Theory of Change

PBC seeks to effect change in the communities in which it operates as well as in national-level discourse on optimal modes of community transformation. Its site-level theory of change has several key components: genuinely mixed-income housing, education, support services, and a strong, independent lead organization as depicted in Exhibit A.

Exhibit A

Purpose Built Communities' Theory of Change

IF:

A targeted neighborhood...

- Creates high quality mixed income housing at a sufficient scale and enforces management and policy standards within that housing
- Develops a cradle to college education pipeline focused on a specific neighborhood and anchored by direct, local control of schools
- Delivers best in class support services, especially workforce development, to low-income families
- Offers high quality amenities and commercial services, such as green space, that enhance the overall quality of life for residents
- Has the work led by a new community-based organization that has talent, access to sufficient resources, and ability to engage community stakeholders

THEN:

The targeted neighborhood becomes...

A safe, thriving community with high employment, increased incomes, increased property values, new middle-income families, new retail investment, and 100% high school graduates prepared for post-secondary education that will ultimately lead to living wages and better jobs.

On a national level, PBC executives aspire to create a network of significant scale, growing to 25 communities in total. Their rationale for expansion is both to affect more low-income people and to create a set of proof-points for the PBC model. PBC estimates that with a network of 25 communities it could achieve "permanent change" for 15,000 low-income children and adults and $1 billion in new residential and commercial investment in previously distressed communities. At the same time, this network could: provide a platform for learning among its members; inspire and serve as a model for new efforts; and furnish data points to build the case for improved state and federal policy and funding choices.

Program

PBC's program model is rooted in its theory of change and has three pillars: mixed-income housing, a cradle-to-college education pipeline, and community support services and facilities.[33] Each element of the model is typically framed in terms of broad objectives (see Exhibit B).

While PBC's leaders believe that all the program elements are important, the model is much more prescriptive about the housing and education components than it is about the facilities and community support services. For example, the housing component calls for a balance of affordable and market-rate housing, whereas the support services and facilities elements are framed in more general terms. PBC executives attribute this distinction to their belief that the most appropriate interventions in the latter category will vary by—and be prioritized by—each PBC community.

Exhibit B[34]

Mixed-income Housing, Cradle-to-college Education Pipeline,

and Community Support Services and Facilities

Mixed-income Housing	
High quality mixed-income housing units	• Attract new residents to the neighborhood • Housing should support families across a broad income spectrum with sufficient affordable housing over the long run • Provide residents of former housing with relocation options, defined right to return • Mix of market-rate and affordable housing units
Sufficient scale to cause a neighborhood transformation	• Transformation of a significant number of housing units in a bounded geographic area • Transformation resulting in de-concentration of poverty / low-income population

Enforced management policies and standards	• Enforcement of lease policies that increase the standard of living and values of the community
	  - Criminal background checks
	  - Work requirement or preference

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[33] The role of the lead organization is vital to the overall success of the program model. See Organization section for more information.

[34] PBC Business Plan (2011).

Cradle-to-college Education Pipeline

Cradle-to-college education with college-going culture	• Complete pipeline of high quality education from early learning through high school that successfully prepares children for college • Early learning with an emphasis on language and literacy • Data-driven approach (i.e. able to use data to make mid-course corrections) • Preference for starting with early learning and elementary programs
Neighborhood focus	• All schools focused on serving target community and the surrounding area (e.g., within 2-3 miles) • Special focus on children from redeveloped housing
Direct, local control of school	• Lead organization managing the education pipeline, quality of programs and seamlessness of transitions

Community Support Services and Facilities

Best-in-class services to support low-income families	• Core services put in place by lead organization:
	  - Workforce development, job skills
	  - Wrap-around educational and recreational services for children and teens
	• Additional services prioritized by community:
	  - Financial literacy
	  - Adult education
	  - Health and wellness

High quality amenities and commercial services that enhance the overall quality of life for residents	• Community needs amenities that market-rate residents expect in a neighborhood • Additional amenities and services can be introduced over time as the redevelopment progresses • Should help drive/support additional commercial and residential investment • Possible facilities include community recreation centers, green space, meeting space, etc. • Possible amenities include banks, grocery stores, department stores, businesses

Performance Measurement

PBC leadership has articulated metrics for both the individual sites and the network as a whole, as depicted in Exhibit C below.

EXHIBIT C

Purpose Built Communities Measurement*

Community level metrics		PBC level metrics
Output	Outcomes	
Education • No. of students • Student demographics • % of neighborhood children served by school	• No. of children ready for K • School test scores • High school graduation rate • Post-secondary graduation	• Number of children in high performing schools • Number of children meeting and exceeding standards • Overall high school and post-secondary grad rates
Housing • No. of housing units • Mix of unit types • No. of low income families and individuals impacted	• Employment rate • Household incomes • Crime rate	
Facilities +programs • No. and type of services • No. of residents using services offered • Occupancy and turn-over on market units	• Resident satisfaction ratings • Property values • New commercial and residential investment	
Lead org. • No. of employees • Annual budget • Funds raised for the revitalization	• Overall economic impact analysis for community • "Social return on investment"	• No. of network members • No. of lives impacted

* PBC metrics are still under development and subject to change
Source: PBC business plan

Going forward, PBC executives expect to establish clear expectations with member communities for all metrics. These expectations will be codified in a Memorandum of Understanding (MOU) between PBC and the lead organization in a given site. In addition, each site will be furnished with a standard performance measurement system that includes a comprehensive software package designed to track results at both the site and network levels.

PBC is not actively pursuing formal external evaluation of its work at this time. However, its executives plan to validate the model's ability to break the cycle of poverty in the future.

Organization

A competent and influential lead organization is central to the PBC model and theory of change. The critical ingredients for a strong lead organization in PBC's terms are captured in Exhibit D. However, PBC staff believes that a strong lead organization is more than the sum of these ingredients. To them, effective lead organizations must also have leaders who exhibit a set of distinct values and behaviors. Many of those values and behaviors are grounded in the traits of PBC founder and funder Tom Cousins. These traits include: a relentless focus on outcomes; the willingness to be publically accountable for outcomes; a deep commitment to high standards and continuous improvement; and the fundamental belief that whatever their income, people want better lives for themselves and their children. According to Carol Naughton, Senior Vice President, "We try to look for leaders who have high performance in their own lives, since we (PBC) can't use money as a control to get high performance."

Exhibit D
Strong Lead Organization

Strong Lead Organization	
Community-based	• Good standing in the community with ability to build relationships with key community stakeholders (e.g. residents, adjacent neighbors, politicians, government agencies, funders, school board, community service partners, community leaders)
Leadership	• Ability to provide leadership and oversight for all elements of the revitalization as well as accountability for operations of neighborhood • Responsibility for successful neighborhood outcomes • Ability to access relevant expertise as needed (mixed-income housing, market-rate real estate, education, etc.)
Sustainable funding model for lead organization	• Ability to raise sufficient funds to support organization through planning, execution • Ongoing maintenance of partner relationships critical to the new neighborhood's success

Importantly, PBC's framework requires that all lead organizations must be *new* nonprofit organizations, created solely for the purposes of this work. In the words of Greg Giornelli, President and Chief Operating Officer of PBC, the rationale for disconnecting a PBC lead organization from other existing organizations

is to bring urgency and singular focus to the new work. "Institutionally, it's much easier to quit if you have fall back options," he said.

Despite the emphasis on a lead organization, PBC guidelines state that lead organizations are not expected to be solely responsible for effecting change in a given neighborhood. As noted previously, PBC's philosophy is that market forces and traditional institutions can be harnessed to reconnect distressed neighborhoods and their residents to the rest of a given city or region. To this end, PBC actively searches for external partners to deliver programs in areas like job training or health and wellness. As one PBC executive noted, "We don't want to bring in or create organizations on site that can be found in better versions off-site."

Beyond this site-level organization model, PBC is constituting itself as a network in which staff members at the Atlanta network offices (~10 growing to ~20 over the next five years) will play several critical roles in support of local network members. These roles include:

- **Sourcing**: Finding neighborhoods that are likely to succeed with the PBC model
- **Solving**: Engaging in hands-on support to provide additional capacity for local sites in areas such as formation of the lead organization and building work plans (especially in the early stages of the work)
- **Supporting**: Providing expertise and guidance based on prior experience in areas such as community engagement, public housing regulations, and education best practices
- **Linking**: Connecting communities to potential partners, consultants and developers
- **Learning**: Sharing good practice from within and outside the PBC network
- **Funding**: Providing targeted financial support through a loan fund and small matching grants (see Economics section)

To play these network roles, the PBC staff will increasingly be composed of Community Development Associates, each of whom will manage the network's activity with a given subset of sites. PBC executives also expect that current leaders at established network sites will actively coach leaders at new and prospective sites, amplifying PBC staff support with peer-to-peer practitioner support.

According to PBC executives, it typically takes significant and sustained engagement for prospective sites to be included into the formal PBC network. In the early stages of engagement, PBC provides consulting support to local leaders as they discern the most appropriate path forward for them. If local leaders embrace the PBC approach, PBC's staff help to develop and implement local plans. Select sites are then invited to join the network.

Economics

PBC expects that local sites will generate the vast majority of the necessary funding from a combination of private and public resources. The strength and prominence of the local lead organization in the PBC model is especially obvious in the context of funding and fundraising. It is estimated that ELF invested $25 million in East Lake Meadows from 1995-2005, which in turn leveraged $100 million of commercial and public funds. Similarly, efforts in New Orleans and Indianapolis have invested and leveraged a total of $430 million and $190 million, respectively. PBC network members leverage several public funding streams, including Low Income Tax Credits, Hope VI and Section 8.

Recognizing that a lack of funding can considerably slow a site's progress, PBC will provide network members with small amounts of capital to catalyze activity and accelerate the work. For this purpose, PBC has established a $15 million pilot fund, called the "Stimulus Fund," to provide low interest loans and small matching grants from 2011 through 2013. PBC expects that these funds will be used to start lead organizations, provide gap financing for housing, and provide advances for capital campaigns, among other things. The Stimulus Fund may be expanded pending a review of outcomes in 2013.

PBC itself is funded by three philanthropists: Tom Cousins through the CF Foundation, Warren Buffett, and Julian Robertson through the Robertson Foundation.

Resident Engagement

Community engagement and support, especially among community leaders, is a vital pre-condition for the PBC model. However, the PBC model does not require the creation of extraordinary vehicles and approaches for ongoing resident engagement. Rather, it relies on the traditional structures of a healthy middle-income neighborhood (e.g., a neighborhood association not an affordable housing tenants association) to serve as appropriate conduits for resident engagement.

PBC executives note that meaningful resident engagement is vital to all sites and that engagement needs vary by site depending on its history. PBC's recommended engagement techniques are one-on-one interviews and small group meetings. When vetting and coaching site leaders, PBC executives are especially sensitive to both the skills needed for resident engagement and the sensibilities of the lead organization. "It's important for everyone involved to realize that you're not doing things *to* a community, you're doing them *with* a community," said one executive.

Learning

The PBC network is in the process of developing structures to share learning. The role of staff, especially the Community Development Associates as well as senior staff, is partly to connect site leaders to the learning resources they need. In addition, PBC has started convening network members to promote the formal and informal exchange of ideas and knowledge. At a convening in March 2011 targeted to lead organization executive directors, attendees cited resident engagement and partnership development as the two areas where they are most interested to learn more.

Strive

Introduction

The Strive Partnership of Cincinnati and Northern Kentucky is committed to improving educational outcomes for every child in the region, every step of the way, from cradle to career. Launched in 2006, its participants include early childhood advocates, district superintendents, college and university presidents, community funders, business leaders, and service providers. Early results look promising, with recent gains registered in 40 of 53 annually measured student outcomes. In addition, the Strive Partnership appears to be creating a new and resilient cradle-to-career infrastructure in the greater Cincinnati region it serves.

Strive's collaborative approach and early signs of impact were already attracting significant national attention when it was propelled to prominence by the publication of the article "Collective Impact," which uses the Strive Partnership to illustrate how data-driven collaborations can effect social change.[1]

The Strive Partnership in Cincinnati defies conventional description, since it lacks both an organizational hierarchy and a traditional legal structure. It is guided by a 30-member Executive Committee, none of whom bear fiduciary responsibility and is supported by a small, dedicated program and administrative staff, wholly funded by a single organization, the KnowledgeWorks Foundation. Cincinnati has a long history of civic efforts and social sector collaborations, a context that may help to explain the fact that the Strive Partnership appears to be bound together solely by its members' voluntary and shared commitment to specific educational outcomes.

In 2008, Living Cities brought Strive Partnership staff together with the Coalition of Urban Serving Universities to adapt its cradle-to-career infrastructure framework for other cities. Together they created the Education Partnership Implementation Network (EPIN). Four cities were chosen through a competitive application process to work with Strive in setting up their own cradle-to-career pipelines. (Exhibit A contains a list of the demonstration sites and their initiatives.) KnowledgeWorks established a new legal entity, separate from the Cincinnati Strive Partnership and known simply as Strive[2], to guide this work. The national team is currently providing technical assistance to the demonstration sites, helping local partnerships access and use available knowledge and resources. It is also planning to help accelerate the creation of sustainable, data-driven, cradle to career pipelines in 25 cities by 2015. The future expansion will be informed by Strive's experience with its initial demonstration sites. While the expansion will build

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[1] "Collective Impact," *Stanford Social Innovation Review* (Winter 2011).

[2] For clarity, we will refer to the original Cincinnati/Northern Kentucky collaborative as the "Strive Partnership" and to the national organization simply as "Strive."

on its experience to date, Strive is also in constant learning mode: going forward, for example, its leadership expects to expand the universe of institutions that can serve as leads for the partnerships beyond universities.

Exhibit A
EPIN Implementation Sites

Location	Hayward, CA	Houston, TX	Portland, OR	Richmond, VA
University lead	California State University, East Bay	University of Houston	Portland Schools Foundation	Virginia Commonwealth University
Partnership	Gateways	All Kids Alliance	P20 Cradle to Career Initiative	Bridging Richmond

In light of their belief that improved educational outcomes are the primary vehicle for creating opportunities for low-income people, leaders at both the Strive Partnership in Cincinnati and national organization say that their education-focused work fits comfortably within the broader rubric of community revitalization.

Intended Impact

Strive will help a growing number of communities improve outcomes at key transition points for their children and youth by using data-driven cradle-to-career frameworks. (Strive is also working to build a field to support community collaboratives and increase the flow of resources to support data-driven approaches to effect social change.)

Theory of Change

Building on its experience in Cincinnati, Strive helps local sites improve their student outcomes and shift policy and resources towards effective educational practices. The site-level theory of change is outlined in Exhibit B.[3] It starts with the alignment of education-related, cross-sectoral executive leaders–from public and private school districts, colleges, nonprofits, businesses, philanthropies, and the civic sector–around
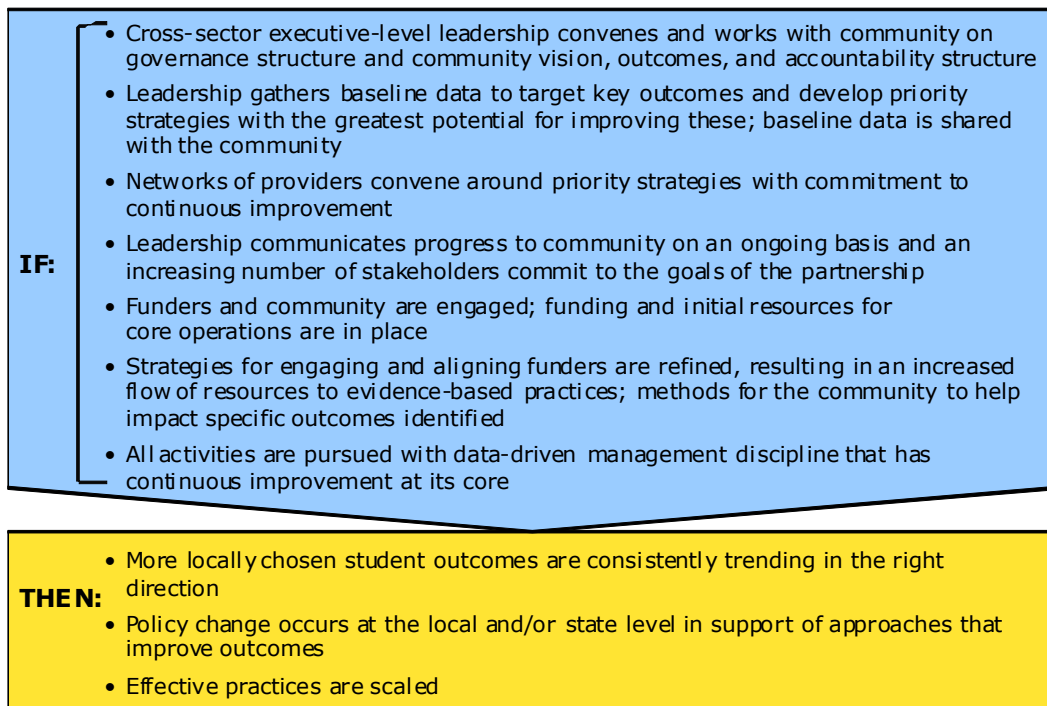
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[3] This site level theory of change shown in Exhibit C reflects Bridgespan's interpretation of internal Strive documents and is used with Strive's permission.

a single mission, vision for success, and a clear set of goals and related outcomes. Each partnership then collects baseline data to establish a starting point for its efforts and crafts priority strategies to move from the starting point to its chosen goal. Providers whose programs focus on common outcomes form collaborative networks to coordinate their activities. Over time, the partnership tracks outcomes and adjusts strategies as necessary, while engaging with and communicating progress to the community, and engaging relevant stakeholders where possible. Ultimately, the partnership will use this evidence of progress to engage and influence funders and policymakers.

Exhibit B

Strive: Site Level Theory of Change

IF:
- Cross-sector executive-level leadership convenes and works with community on governance structure and community vision, outcomes, and accountability structure
- Leadership gathers baseline data to target key outcomes and develop priority strategies with the greatest potential for improving these; baseline data is shared with the community
- Networks of providers convene around priority strategies with commitment to continuous improvement
- Leadership communicates progress to community on an ongoing basis and an increasing number of stakeholders commit to the goals of the partnership
- Funders and community are engaged; funding and initial resources for core operations are in place
- Strategies for engaging and aligning funders are refined, resulting in an increased flow of resources to evidence-based practices; methods for the community to help impact specific outcomes identified
- All activities are pursued with data-driven management discipline that has continuous improvement at its core

THEN:
- More locally chosen student outcomes are consistently trending in the right direction
- Policy change occurs at the local and/or state level in support of approaches that improve outcomes
- Effective practices are scaled

Strive's goal is to have 25 cities on the way to establishing cradle-to-career partnerships by 2015. Strive's national theory of change emphasizes a combination of network development and field-building. By engaging sites at various stages of developing cradle-to-career civic infrastructures, Strive expects to increase the number of communities using data-driven cradle-to-career frameworks to improve the outcomes for children at key transition points. Simultaneously, Strive seeks to build the field of community collaboratives through the development of resources (e.g., tools) as well as through outreach and advocacy.

Ultimately, Strive leaders envision a shift in funding at local, state, and federal levels towards proven, data-driven strategies. The Strive Partnership has already played a role in shaping local policy in the context of the recent labor agreement between the Cincinnati Public Schools and the city's teachers. Through community forums, strategic communications and grassroots outreach, the partnership helped to mobilize support for pragmatic reforms and encourage teachers and administrators to work together on finding solutions. According to Strive staff, the contract that emerged from the negotiations pursues key reforms in a way that works for both teachers and administrators.

Program Model

Strive does not have a program model for its sites. Instead, its staff helps to guide and coach local leaders, using design principles developed through Strive's experience in Cincinnati to develop a collaborative structure in line with its recommendations. (Exhibit C shows Strive's framework for building a cradle-to-career civic infrastructure.) Each pillar of the framework involves three critical components.

Exhibit C
Strive's Framework for Building a Cradle-to-Career Civic Infrastructure

Pillars	Components		
Shared Community Vision	Engaged leadership	Partnership accountability structure	Communications & community engagement
Evidence Based Decision Making	Community level outcomes	Priority strategies identified	Scan existing community resources
Collaborative Action	Networks formed around priorities	Continuous improvement action plans	Comprehensive data management system
Investment and Sustainability	Innovation & impact fund	Partnership sustainability plan	Sustained community engagement

The first pillar, Shared Community Vision, requires a broad set of community partners to commit to implementing a cradle-to-career pipeline for education. In Cincinnati and Northern Kentucky, this vision is captured in the partnership's Roadmap for Student Success[4]–a single page diagram that charts a child's path from cradle to career and highlights expected academic outcomes and anticipated results of student and family support (see Exhibit D). Partners must *engage leadership* across multiple sectors in setting a

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[4] Each site develops its own roadmap.

vision, develop an *accountability structure* involving the commitment of a lead entity and written agreements for participation of other members, and develop a *communications and community engagement* strategy to manage expectations and engage the community in shaping the vision. The balance between the whole partnership and role of any individual organization is critical: a common mantra at Strive is "shared accountability, differentiated responsibility." Other sites have adopted their own unique visions for success and roadmaps. The leaders of Bridging Richmond, for instance, extended their roadmap beyond career and identified productive civic engagement and community leadership as the end of their pipeline.

Exhibit D
Strive's Student Roadmap to Success

BIRTH — Has A Stable Relationship With: A Strongy Involved Parent or Caregiver

BIRTH — Responds to Parent/Caregiver | High-quality Talking Reading/Singing

BIRTH — Has a Parent/Caregiver Who: Understands Development Milestones

0-1 — Uses Exploration & Discovery to Understand Surroundings

1-4 — Develops Letter Knowledge & Reading Sensitivity

GRADE K — Participates In: High-quality Preschool

GRADE K — Exhibits Learning-Related Skills Such As: Self-Regulation, Social Competece, Self-Esteem, & Motivation

GRADE K — Participates In: Full Day Kindergarten

GRADE 4 — Reads at a 4th Grade Reading Level

GRADE 7 — Has a Clear Expectation of Going to College

GRADE 8 — Masters Algebra 1

GRADE 8 — Demonstrates Social Emotional Competence

GRADE 9 — Engages in Community & Campus Organizations

GRADE 10 — Develops a Career Plan & Establishes goals

GRADE 10 — Passes at Least 5, 9th Grade Courses With No Failing Grades

GRADE 12 — Masters Advanced Math & Science

FRESHMAN — Participates In First Year Seminars (Academic & Social)

FRESHMAN — Has Sufficient Financial Aid

FRESHMAN — Enagages In Community & Campus Organizations

FRESHMAN — Develops Time & Stress Management Skills

JUNIOR — Enrolls in Junior Year Of College

Source: Strive Partnership, University of Cincinnati

The second pillar, Evidence-Based Decision Making, hinges on the selection of a measureable set of student outcomes that will be reported on a regular basis. To achieve this goal, partners must select and gather baseline data on *community level outcomes* that accurately reflect the goals of the partnership, *select priority strategies* to address the issues identified in the baseline data, and *scan existing resources* to develop action plans against each strategy. Attending a meeting of the Strive Partnership in Cincinnati, it quickly becomes clear that evidence-based decision-making has become an established practice and that conversations begin with data. (Notably, the partners are the first to point out that when they stopped talking about the data, the initiative temporarily lost traction.)

The third pillar, Collaborative Action, involves coordinating and improving existing programs, services and systems. Leaders of these programs and services *create networks around strategic priorities,* develop a *continuous improvement action plan* which outlines the process, roles and responsibilities for achieving them, and *establish a data management system* for gathering and reporting data on an ongoing basis. With help from General Electric (GE), the Strive Partnership adapted the company's Six Sigma process for continuous improvement to fit the needs of its collaborative networks in Cincinnati and Northern Kentucky. Formalized in 2007, the process guides the networks through a five-step cycle: 1) defining what the network wants to accomplish; 2) measuring what improvements will need to occur to achieve these goals; 3) analyzing the factors that determine outcomes; 4) improving the current strategy or fill resource gaps; and 5) continuing to improve on the action plans. Strive's collaboration with GE is now being emulated in Houston, where All Kids Alliance decided to adopt the model and contacted GE Aero for help in supporting its regional action teams. Individual sites have the latitude to use other methodologies for continuous improvement.

The final pillar, Investment and Sustainability, aims to ensure that the necessary resources are in place to sustain the work of the partnership over time. Partnerships are expected to create an *innovation and impact fund* with the support of local funders, develop a *partnership sustainability plan* to ensure that the requisite resources will be in place for at least three years, and set in motion an effort around *sustained community engagement* to ensure that leaders at all levels will be continuously involved in partnership efforts. Living Cities has funded Strive to support the work in the demonstrations sites. The resources required for sustainability are human as well as financial: in January of 2011, the Dean of the University of Houston's School of Education transitioned to become the full-time executive director of the All Kids Alliance.

Strive's staff describes their approach to technical assistance, which they prefer to call "strategic assistance," as being based in "appreciative inquiry," which recognizes and honors a local community's assets and starting points. To this end, each of the four demonstration sites prepared a plan that included its self-reported strengths and successes, its key questions with respect to technical assistance, and the

tools or other help required to make progress along each pillar. Strive staff then used these plans to tailor their work to the sites' needs and manage expectations about the pace of implementation. Similarly, assessments of each site's progress against the framework's components are used to determine which of their training modules and case examples will be most appropriate for a given community at a given time. Last but not least, the staff invests considerable time and care in building relationships with and among the executive committee members, staff, working groups, and broader community partners at each site.

At the beginning of its relationship with each of the demonstration sites, Strive signed a grant agreement with the lead organization (in effect re-granting Living Cities funds) outlining the resources and assistance that would be provided, as well as the responsibilities of the grantee. Multiple site visits, conference calls with each site, an online collaboration site with webinars, and cross-site convenings for all network members are all part of the technical assistance Strive commits to provide. The team also co-creates the agendas for site visits and conference calls with the local teams to ensure that they are focusing on the site's pressing needs and to accommodate the schedules of key team members. In the first year of the demonstration projects, the TA team conducted five two-day visits at each of the four sites. (More information about in-person convenings of demonstration sites appears in the Learning section.)

Performance Measurement

The effective use of data is at the core of Strive's approach to improving student outcomes. In fact, the entire theory of change is predicated on using data to prove what works in education and align resources accordingly. As a result, data not only plays a central role in decision-making, but also provides the partnership members with a common language for discussing the networks' successes and failures.

Strive's approach to performance measurement begins with the selection of the specific academic and social indicators for which partners will hold themselves accountable. Unique to each site, these indicators are a reflection of the goals chosen at the outset of the partnerships. For example, the Strive Partnership in Cincinnati has selected 16 outcomes based on five broad goals for student achievement. (See Exhibit E.)[5] To help focus the partnership's work, eight of them have been designated "priority outcomes": kindergarten readiness, 4th grade reading proficiency, 8th grade math proficiency, high school graduation rates and ACT scores, and postsecondary enrollment, retention and completion. The Richmond partnership brainstormed a list of thirty potential indicators before building consensus around fourteen.

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[5] These 16 outcomes tracked across three school districts (plus some additional variations) account for the total of 53 measures tracked in the public report card.

Exhibit E

Cincinnati/Northern Kentucky Strive Partnership Student Outcomes

	Goal 1: Students PREPARED for school	Goals 2, 3 & 4: Students SUPPORTED, SUCCEED academically, ENROLL in college	Goal 5: Students GRADUATE and enter a CAREER
Goals			
Outcomes	Children assessed as ready for school at kindergarten*	4th grade reading*	Postsecondary readiness
		8th grade reading	Postsecondary retention (bachelor's)*
		4th grade math	Postsecondary retention (associate's)*
		8th grade math*	Postsecondary graduation*
		High school graduation*	Certificates awarded
		ACT composite score*	Diplomas awarded
		College enrollment*	Associate's degrees awarded
			Bachelor's degrees awarded

* Priority outcomes

Once the indicators have been chosen, the partnership begins the process of continuous monitoring and improvement by gathering baseline data on each indicator. This baseline data is then shared broadly across the community, and progress against the indicators is reported annually as part of a public report card. Strive expects that all the sites will follow Cincinnati's lead in publishing their data. The specific indicators selected by each community will likely depend, in part, on the data that is locally available.

The Strive Partnership in Cincinnati is currently working with Cincinnati Public Schools, Microsoft and Procter & Gamble to pilot a more advanced data integration system called the Learning Partner Dashboard. The Dashboard has two distinctive elements. First, it collects health, behavioral, and after-school data from partners across the community in addition to academic data. Second, the system is able to track individual student data, thereby making targeted interventions possible. Because of concerns about privacy, the partners have worked closely with Cincinnati Public Schools' legal team to put in place security measures to protect confidential student information.

When the new dashboard is fully implemented, it will enable teachers and school resource coordinators to look across individual student data, see who needs assistance, and help them get it. A number of schools

in the district have already hired resource coordinators to connect students with needed resources in the community. The implementation team is currently working with teachers and principals, as well as providing trainings, to encourage schools to adopt the dashboard. Going forward, the Partnership expects to be able to use the aggregated district-level data to identify the programs and supports most highly correlated with improved student achievement.

Organization

The Strive Partnership in Cincinnati is a voluntary partnership of hundreds of organizations complemented by a nucleus of committed leaders and a dedicated set of staff serving as administrators and fiscal agents. The leaders–who come from corporations, government, philanthropy, and nonprofits– help set and drive the overall agenda of work established by the Executive Committee. The voluntary partner organizations do the work, while the dedicated staff, which is fully funded by a local operating foundation KnowledgeWorks,[6] provides technical assistance and serves as the administrative backbone for both the leaders and the partners. The common language of shared goals and data-driven decision-making appears to be the glue that holds the partnership together.

The Strive Partnership in Cincinnati has already demonstrated considerable resilience. Since its founding, it has seen two changes of school district superintendents as well as critical changes in the positions of Executive Committee chair/anchor organization leader, staff leader at Strive and KnowledgeWorks president. Despite these shifts, members of the partnership say their partnership is stronger than ever.

Partners at the demonstration sites designed their governance structures to meet their own particular developmental and community needs. Despite this customization, several common practices emerged. Each site has an executive committee composed of CEO-level leaders or their proxies, who commit both personal and organizational resources to the partnership's success. A cross-sector subgroup of the executive committee meets more frequently to develop recommendations for the larger group. These steering committees were instrumental in accelerating the work of the partnerships early on. A separate operating committee or team assists with implementation and connects the executive committee to the on-the-ground collaborative networks. Finally, each partnership defined its own set of operating principles or guidelines to deal with topics such as meeting frequency and attendance, when and under what circumstances proxies can participate, and how decisions will be made. Notably absent in each of the partnership structures is a clear hierarchy among the members.

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[6] Strive Cincinnati is formally a subsidiary of KnowledgeWorks.

Although the sites generally conform to the organizational structure outlined above, significant variations exist. For example, All Kids Alliance created a "hub and spoke" model, with regional cradle-to-career councils throughout the greater Houston area that affiliate with and are served by a central metropolitan organization.

Strive has been more prescriptive about the handful of roles and resources required to implement the cradle-to-career framework. Each site must have a lead organization or institution to convene partners and propel the work. While universities took on this key role at most of the demonstration sites, Strive staff has now expressed an openness to engage other entities, including philanthropies, chambers of commerce and major businesses. More important than the actual organization is the commitment, credibility and moral authority it represents.

In addition, each site is required to maintain a project manager, a facilitator and an expert in data collection and management, three roles Strive national staff have found to be instrumental in sustaining the work. The project manager oversees the partnership as it engages new partners, agrees on community level outcomes and strategies, and forms networks around priority strategies. The facilitator works directly with the networks to develop evidence-based action plans. The data collection and management expert helps the partnership select indicators and identify baseline data. Although these often began as part-time positions held by university employees, it soon became apparent that the partnerships would need to establish full-time support positions once the networks were up and running.

The Cincinnati Strive Partnership organization (and, by association, the national effort) may be as much the product of specific leaders and their styles, as a strategy or plan. For example, interviewees credit the partnership's launch to the steadfast direction of Nancy Zimpher, the former University of Cincinnati president who helped found the Partnership and chaired the effort for the first three years. Leaders cite her high standing within the community, commitment to attend every single meeting of the partnership, and ability to influence community members to join the partnership as being instrumental to the effort's initial success. Zimpher's successor and current chair, Kathy Merchant, President of the Greater Cincinnati Foundation, has been equally successful in securing the continued participation of community leaders. According to other members, her ability to facilitate dialogue among a diverse set of voices was critical in helping the partnership survive and thrive following Zimpher's departure to lead the State University of New York. Several other leaders were similarly singled out by peers for their unique contributions.

Each of these leaders brought a range of talents appropriate to the organization's level of development at the time; and they appear to have shared certain traits that proved crucial in helping the partnership get off the ground and maintain momentum. First, they showed up, modeling behavior for other busy

executives new to this type of collaborative approach. Second, they commanded the respect of partnership members thanks to their past work in the community, which gave them the "moral authority" to get others to join in and contribute. Finally, each was always ready to share credit for the initiative's success and take responsibility for its failings. This last trait was especially important when asking others in the community to devote unpaid time and effort to a collective effort.

As stated earlier, the Strive Partnership benefitted from prior civic efforts and collaborations in the Greater Cincinnati region. For example, the United Way of Greater Cincinnati pioneered the concept of a collaborative network with an early childhood collaborative that eventually became part of the Strive Partnership. Nancy Zimpher had initiated a dialogue with the Cincinnati Public Schools superintendents and the Cincinnati Federation of Teachers to find ways to enable greater student success and enhance the university's teacher preparation programs. Chad Wick of the KnowledgeWorks Foundation joined these discussions to help create a more systemic partnership between the university and CPS. Around the same time, Zimpher began speaking with the presidents of Xavier University and Northern Kentucky University about how they could create greater access and opportunity for area students to attend the three universities.

Currently, Strive has allocated 6 full-time staff members to the national network: an executive director, a director of policy advocacy, a director of systems innovation, a project manager, a coach, and an office manager. A number of consultants also support the national initiative.

Economics

The Strive model is designed to be operationally lean, with low overhead at the national level and the majority of resources for site level partnerships leveraged by re-directing existing funding to education strategies that work. KnowledgeWorks, Strive's parent organization, has funded dedicated staff for the combined Cincinnati and national efforts at approximately $500,000 per year. Other organizations, such as the United Way of Greater Cincinnati and the Greater Cincinnati Foundation, provide additional financial and in-kind support of office and meeting space, IT resources and staff time valued at approximately $1.5M per year.

Through funding from Living Cities, each initial demonstration site received a one-time grant of $100,000 for development and operation of the partnership. Each site is expected to leverage existing resources to staff the program. As in Cincinnati, local partnerships are not expected to seek significant increases in public education funding. They are instead expected to realign or request realignment of existing regional

resources to support what is working. Strive National staff highlight two potential needs for additional resources: building local capacity to establish and maintain partnerships, and enhancing data capabilities.

In 2006, Strive Partnership's seed funders—Chad Wick of KnowledgeWorks, Kathy Merchant of the Greater Cincinnati Foundation, and Rob Reifsnyder of United Way of Greater Cincinnati—attempted to organize 30 area funders for a pooled fund directed to educational improvements in the region. Although ultimately this formal collaboration did not arise, there are early signs that informal funder alignment, prioritizing support for collaborative networks such as Strive, is taking place in Cincinnati and elsewhere.

For example, many of Cincinnati's largest funders will now only support educational interventions that are affiliated with Strive or similar networks. Strive Partnership is also encouraging funder collaboration by distributing simple concept papers to funders that describe each strategy, what resources have already been leveraged and from whom, and what new resources are needed. Similarly, the Bay Area's Gateways partnership is informally aligning regional funders by seating eight potential funders on its executive committee.

Resident Engagement

Sites across the partnership are holding themselves accountable for engaging directly with residents, including parents and youth, to varying degrees. Strive's experience to date suggests that it is critical to find creative ways to engage the community as a partnership's cradle-to-career vision is developed and then, in a sustained way, around specific outcomes.

Mining historical community engagement data to find themes that can inform the development of the vision is one method Strive has found useful. For example, after holding several forums in Cincinnati and Northern Kentucky, participants noted that they had been highlighting community-level priorities for improving student outcomes for years. Their input simply had not been heard. A review of those previous engagement efforts then yielded several themes that both informed the work and gave community members a starting point for deeper dialogue around how to actually make the desired improvements.

Once the vision has been established, a key lesson learned has been the value of offering community members specific opportunities to improve student outcomes in collaboration with members of the partnership. In Cincinnati, for example, the partnership has launched a "mini-campaign" with providers in the schools to place 2000 tutors, using an approach that the data has shown will impact student outcomes, in the 10 lowest performing schools, to work with the 200 most challenged students. This

campaign is giving community members a tangible way to engage around a specific outcome. Another example is the "mini-campaign" around the Cincinnati teachers' contract negotiations mentioned previously. A concrete, data-driven set of recommendations around the desired community outcomes was established; and a broad network of community leaders at all levels was then formed to ensure these recommendations were actively considered throughout negotiations. Many people have noted that this advocacy work led to the development of one of the most progressive contracts in the country.

In the end, the sustainability of the cradle to career civic infrastructure will depend in great part on how a community understands and values the work over time. This is why "community engagement" appears twice in the Framework for Building Cradle to Career Civic Infrastructure. Finding creative means like those noted above is a key priority for the emerging national network in the coming years.

Learning

Strive's approach to demonstration site convenings is likely instructive for future sites. Strive held two national convenings for demonstration sites in the first year of implementation and will hold two additional convenings in the second year. At the first convening held in Washington, D.C., partnership managers participated in a session on developing and implementing a partnership implementation plan; data managers learned strategies to collect, manage, analyze, and report data; and university leaders participated in a session on engaging community leadership. A group discussion was held on three topics: engaging funders, developing a communications and community engagement plan, and building cradle-to-career data systems. In the second convening, held in Cincinnati, network members gave progress updates on their respective projects and participated in a number of discussion sessions on shared accountability and differentiated responsibility, communication planning, equity, poverty and race, and data-driven decision making. Going forward, the sites will define the priority topics they think need to be considered; and the timing and site selection for the convenings will depend on what is of most interest, relevant and convenient for the members.

In addition to convenings, Strive prides itself on accurately and efficiently capturing and sharing lessons learned. This activity has been the focus of the partnership with Living Cities over the last three years, and has laid the foundation for building a national network. These lessons, from both successes and failures, have already been found to help sites move much more expeditiously to establish cradle–to-career partnerships. The insights have also been shared through a series of webinars that can be accessed on the Strive website, as well as through strategic assistance to sites based on their unique needs.

The Integration Initiative

Introduction

The Integration Initiative is one key program of Living Cities, a philanthropic collaborative of 22 of the world's largest foundations and financial institutions. The collaborative began working in 1991 to aggregate the funds of foundations, banks, and insurance companies in support of community development corporations in 23 U.S. cities. For much of its history, Living Cities worked through two intermediaries—Local Initiatives Support Corporation (LISC) and Enterprise Community Partners (Enterprise). LISC and Enterprise both had developed a strong track record of building affordable housing, enhancing the capacity of local nonprofit organizations, and influencing powerful city actors around an affordable housing agenda.

Beginning in 2007, Living Cities' funders decided to broaden the scope of their work from housing to the complex environments that shape the experience of low-income people in cities. The broadened focus targets issues such as education, health care, financial literacy, physical infrastructure, and job training. Simultaneously, Living Cities' staff began observing a new approach to community revitalization that focuses on entire regions, rather than neighborhoods, and sustained systems-level change instead of specific pilots or short-term interventions. The Strive partnership in Cincinnati, Chicago's New Communities Project, and the Kresge Foundation's portfolio-based Detroit Program were all cited by Living Cities' staff as influential examples of successful collective action. As a result of observing their work, staff at Living Cities became especially attuned to the power of convening influential decision-makers across a number of areas to address seemingly intractable challenges.

The Integration Initiative seeks to create "a new normal" in America's cities and regions by supporting cross-sector collaboration—enrolling the most influential government, philanthropic, business, community, and financial leaders—to solve large-scale issues impacting low-income people.

The Initiative is active in five sites: Baltimore, Cleveland, Detroit, Newark and the Twin Cities. The leaders in each place have charted for themselves a primary set of goals to be achieved in a ten-year period.[1] These goals seek to fundamentally alter systems that reproduce patterns of poverty, underemployment, and poor educational outcomes for low-income residents while also redirecting how resources are invested. (See Exhibit A.) These changes, in effect, serve to reconnect previously isolated communities to broader, more functional regional economies and regional communities.

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[1] The Integration Initiative's theory of change spans ten years. Grant funding commitments are made for a three-year period while debt funding spans seven to ten years.

Exhibit A

Living Cities Integration Initiative: Participating Sites

Site	Goal
Baltimore	Connect low-income people to careers at local anchor institutions, improve infrastructure in Central and East Baltimore, and prepare residents for opportunities created by planned East-West Transit corridor.
Cleveland	Leverage the procurement and hiring power of local anchor institutions to create employee-owned businesses and jobs in low-income communities throughout NE Ohio.
Detroit	Focus on the Woodward Corridor to drive demand for jobs, housing and local businesses, develop a sustainable land use strategy, and enhance arts and education to improve the lives of low-income residents.
Newark	Integrate existing revitalization strategies to overcome poverty and create stronger, healthier, safer communities. Use a social determinants of health framework to improve wellbeing of targeted low-income communities through investments in housing, education, access to employment, healthcare, and healthy food options.
Twin Cities	Align and leverage policies, resources, partnerships and delivery systems to ensure that transit investment and attendant development are sustainable and clearly address the many "beyond the rail" opportunities for low-income people that transit investment provides.

Source: Integration Initiative site profiles; application excerpts

In each place, the Initiative is focused on creating and reinforcing "one table" around which key decision-makers from all sectors discuss, plan, and implement strategies to achieve their desired outcomes. The focus on senior level decision-makers contrasts with grassroots efforts that engage community level organizers to enact change. For example, an Integration Initiative collaborative might include the local foundation president, key local and regional government officials, lenders, and the leaders of the region's largest employers. Although a lead applicant, most often a local nonprofit or philanthropic organization, is responsible for convening partners and managing the collective work, each partner is expected to play an active role in decision-making and to demonstrate commitment before, during, and after The Integration Initiative. Partners span both sectors and content areas (e.g., workforce, housing, education).

Living Cities' members launched The Integration Initiative via a competitive selection process. From an initial set of 23 interested groups, nine finalists and then five winners were chosen in 2010. For each participating city, Living Cities offers a framework, derived from the experience of the larger field, and funding (ranging from $15-$20 million in grants and debt capital over a 5-10 year period).

Living Cities' aspirations for The Integration Initiative extend beyond the five metropolitan areas. Its staff and Board hope that success in these five sites will serve as a model for government officials, policy

makers, foundations, and financial institutions nationwide. Their work beyond The Integration Initiative supports and reinforces the initiative-specific work. For example, through the Project on Municipal Innovation (PMI), Living Cities already engages the chiefs of staff of the mayors and county directors of 30 of America's largest cities and urban areas.

Intended Impact

The Integration Initiative will help cities generate sustainable opportunities for low-income people in the nation's most historically disadvantaged urban areas.
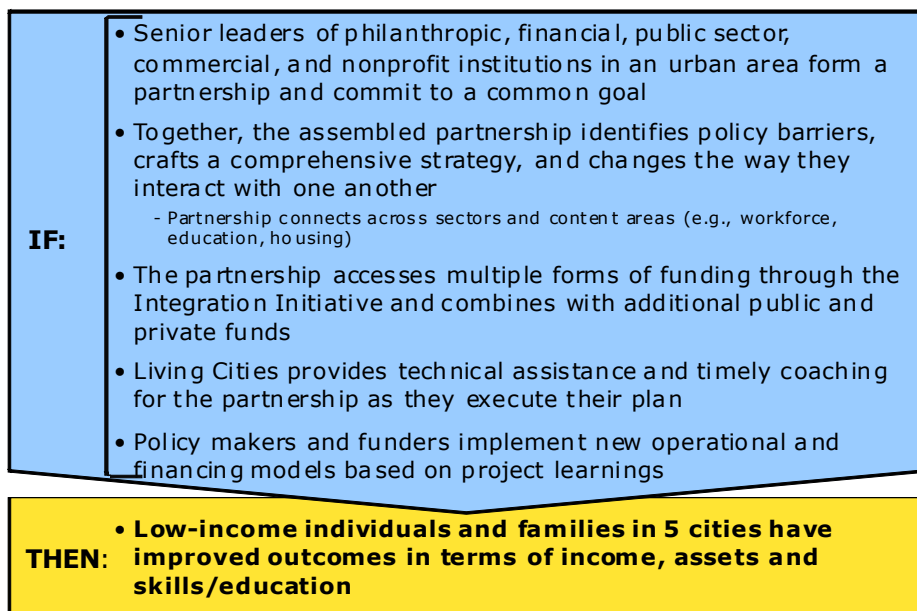
Theory of Change

Through The Integration Initiative, Living Cities seeks to improve the lives of low-income people, both in the five participating sites and across the nation more broadly. The Initiative's theory of change at the local level is outlined in Exhibit B. It begins with key decision makers from area philanthropic, financial, public sector, commercial, and nonprofit institutions coming together and aligning on a common set of goals to improve the lives of low-income people. Living Cities refers to this partnership as the "one table" model. Each member of the partnership plays an essential role in achieving the group's desired outcomes. For example, the Baltimore initiative, focused on expanding employment and housing opportunities for low-income residents, has convened the leaders of area workforce and community development organizations along with some of the region's largest employers.

Working across multiple sectors, these partnerships identify policy barriers, craft strategies and develop new ways of working with one another. Integration Initiative funding—that blends both grants and debt to address market failures in funding local efforts—combined with other private and public sources provides the necessary resources to sustain the partnership, make essential real estate and other investments, and track results. At the same time, Living Cities provides technical assistance and timely coaching as each partnership develops and implements its plan. The end result is intended to be two-fold: first, as policy makers and funders apply lessons from the project, low-income people experience improved access to opportunity; and, second, the systems that surround low-income people fundamentally change through the redirection of funds and the implementation of new operational and financing models.

Exhibit B

Living Cities Integration Initiative: Site Level Theory of Change

IF:
- Senior leaders of philanthropic, financial, public sector, commercial, and nonprofit institutions in an urban area form a partnership and commit to a common goal
- Together, the assembled partnership identifies policy barriers, crafts a comprehensive strategy, and changes the way they interact with one another
  - Partnership connects across sectors and content areas (e.g., workforce, education, housing)
- The partnership accesses multiple forms of funding through the Integration Initiative and combines with additional public and private funds
- Living Cities provides technical assistance and timely coaching for the partnership as they execute their plan
- Policy makers and funders implement new operational and financing models based on project learnings

THEN:
- **Low-income individuals and families in 5 cities have improved outcomes in terms of income, assets and skills/education**

In essence, each of the five participating cities is a national demonstration site for Living Cities' Integration Initiative approach. In order to effect change at the national level, Living Cities' staff is developing a national evaluation plan to measure what is working based on the successes and failures of each of the sites over the next five years. (Each local site is also doing its own evaluation linked to the national evaluation.) The goal is to build a body of knowledge that will influence policy and funding flows around the country at a number of levels. First and foremost, Living Cities hopes to redirect funding—public, commercial, and philanthropic—to those uses that will generate the greatest lasting benefit for low-income people. Second, the Initiative seeks to reorient state and local policy to eliminate barriers that hinder economic growth and to facilitate the work of cross-sector partnerships. For example, the Detroit initiative is revising burdensome business licensing regulations, while the Newark program seeks to ease restrictions on the sale of locally grown produce. Finally, the Initiative is codifying a set of policies and practices in the five Integration Initiative cities that can be applied in other cities around the country. Living Cities expects that taken together, these changes will fundamentally redefine the way that cities around the country approach creating opportunities for low-income people (see Exhibit C).

Exhibit C

Living Cities Integration Initiative: National Level Theory of Change

IF:
- Based on successes and failures of Integration Initiative, Living Cities builds knowledge on what works in the field, identifies policy barriers and highlights local capacity needs
- Living Cities increases level of engagement with relevant national policymakers, business networks, and think tanks
- National decision makers absorb Integration Initiative findings and recommendations
- Decision makers change behavior based on Integration Initiative learnings:
  - Lenders invest differently
  - Federal, state, and local officials change relevant policies
  - Other cities apply models and practices
  - Philanthropic organizations realign funding

Then:
- **Low-income individuals and families in urban neighborhoods in the US have improved outcomes in terms of income, assets and skills/education**

Both the local and national theories of change have a ten-year time frame.

Program

There is no defined or prescribed program model for The Integration Initiative. Rather, participants are required to frame their work in the context of four design principles. Each participant's incorporation of these principles was measured at the time of application and is being tracked by Living Cities' staff on an ongoing basis. The principles are:

1. Create a new framework for solving complex problems. The new framework hinges on the creation of "one table" at which key leaders from multiple sectors come together to discuss, plan for, and implement strategies to address the complex issues affecting low-income residents. The animating belief is that a region's most influential decision-makers are best positioned, in aggregate, to address the combination of factors that contribute to its challenges. As an example, the Baltimore partnership, seeking new ways to channel low-income people into high-growth career pathways, has brought to the table players in adult education (Baltimore Workforce Funders Collaborative), local employers (Johns Hopkins University), and transportation advocacy organizations (Central Maryland Transportation Alliance).

2. Challenge obsolete conventional wisdom. The objective is to replace antiquated systems and processes that fail to meet current needs. As an illustration, Living Cities often cites education and transportation systems, which were built decades ago and are based on outdated assumptions (e.g., the imperative of a nine-month school year to accommodate summer harvests, and the availability of an "endless" supply of oil). The Newark project, for example, seeks to make healthcare more timely and accessible for thousands of low-income children by moving health centers into schools.

3. Blend capital and drive the private market to work on behalf of low-income people. Living Cities leaders believe that engagement of private capital is critical to sustaining and scaling change efforts. They hold that in an era of tight budgets, government and philanthropic capital must be leveraged to attract private dollars through risk mitigation and structuring of appropriate incentives. Additionally, this principle calls upon participants to harness private markets to provide mainstream goods, services and opportunities to low-income communities. For example, several of the initiatives are extending public transportation and bringing grocery stores to previously underserved markets. The Cleveland initiative is creating community wealth by helping anchor institutions such as hospitals and universities to increase their procurement of goods and services from local companies, including worker-owned cooperatives.

4. Create a "new normal." This principle embodies the expectation that these initiatives are not pilots; rather they are designed to change the ways leaders interact, set policy and spend money to improve the lives of low-income people over the long run. For example, the Twin Cities effort is establishing a regional planning and investment mechanism to institutionalize the lessons of previous transportation development initiatives and help drive planning and development of the new Southwest Corridor.

The four design principles leave much room for site-level variation and plans that reflect each one's unique local context.

An ad-hoc 24 member subcommittee of the Living Cities Board oversaw The Integration Initiative selection process. The members worked with the staff to select the sites, applying a variety of criteria at each stage of the process. To select the finalists, the subcommittee and staff assessed applicants along four dimensions: capacity to deliver on their proposed strategy (e.g., existing momentum, capabilities and relationships among partners), potential for impact (e.g., ability to demonstrate clear measurable outcomes, capacity to collect and share data, and potential for national policy significance), funding model (e.g., ability to access additional sources of capital), and fit with design principles.

Finalists were invited to submit more detailed proposals and Living Cities' staff and committee members conducted site visits in each of the nine cities. In the final selection round, committee members focused

on the proposals' potential national significance, ability to establish a "new normal," and the level of commitment and operational capacity of the applicants. Living Cities' staff used tight application deadlines to ensure applicants were truly committed to the Initiative. According to Marian Urquilla, Director of Program Strategies, "teams had to be very organized to complete their applications on time. The deadlines acted as a kind of stress test." Living Cities' lenders also considered the scale, strength and track record of the CDFI signed on to each of the plans, including its capacity to manage debt and participate fully as a partner.

Among the five applicants that would ultimately be chosen as winners (a list of finalists and winners appears in Exhibit D), reviewers cited a common set of characteristics, namely applicants' potential for breakthrough change, strong public sector support, and early signs of positive momentum. Plans that advanced were viewed as "sufficiently game changing," had the most momentum or capacity for leverage, and provided the opportunity to invest in high-need areas.

Exhibit D

Integration Initiative Finalists and Winners

Finalists	Winners
Albuquerque Baltimore Chicago Cleveland Detroit New Orleans Newark San Francisco Twin Cities	Baltimore Cleveland Detroit Newark Twin Cities

Performance Measurement

Evaluation of The Integration Initiative will take place at two levels: a national evaluation to assess results across all five sites, and local evaluations to assess results at each of the sites. Although the national evaluation plan is still being finalized, it will identify commonalities among successful efforts, integrate outcomes measures across the five sites, analyze access to and of use of capital, analyze how social networks are transformed, and evaluate the role of Integration Initiative interventions in advancing local system changes. More specifically, the evaluation will look at how well the sites deployed the debt and whether they were able to improve the ongoing capacity of the site to absorb investment through

increased cooperation among local government, borrowers, lenders and other stakeholders. Mathematica and Mt. Auburn Associates are conducting the national evaluation for The Integration Initiative.

While the local evaluation plans are also still taking shape, the sites have all articulated impact goals along three common dimensions: benefits to low-income residents; systems change; and policy change. Benefits specified range from the number of jobs and units of affordable housing generated by each project to technical assistance for small businesses and improved health outcomes. Each site will also track the degree to which their work is changing long-established ways of doing business in their city. For example, the Detroit partnership has set out to streamline government services for small businesses, removing historical barriers to licensing and certification. Finally, sites are monitoring the influence of their initiatives on regional decision makers as registered by changes in local policy and redirected funding flows. A summary of the targeted outcomes outlined in each application appears in Exhibit E.

Exhibit E

Successful Applicants Set Community-level Outcomes*

	Benefits to low income residents	Systems change	Policy change
Baltimore	• Connect 1,200 residents to job pipeline, 840 to family supporting jobs • 400 units of mixed-income housing, 346,000 square feet of mixed-use commercial space	• Institutionalized benefits for low-income people in capital projects • New employment pipeline into anchor institutions	• Economic inclusion agreements tied to capital investments • State and local community policy blend development, workforce, and transportation improvement
Cleveland	• Create 800 new jobs over three years in regions adjacent to the University Circle	• Respond to anchor institution needs, creating jobs along major transportation corridors	• Incentives to anchor institutions to target procurement locally
Detroit	• Create at least 200 new units of mixed-income housing; renovate at least 75 properties • Employ at least 300 neighborhood residents by anchors; $50 million in new opportunities to local businesses	• Coordinate anchor institutions to create database of local vendors • Streamline critical municipal small-business services, including licensing, certification and technical supports	• Pilot demonstration of reformed local design policies and land use planning process • Codify new streamlined business creation and service system
Newark	• Enhance wellness of low income residents through preventive medical care; healthy foods; housing • New training, employment and entrepreneur opportunities	• New municipal mechanism that can drive inter-departmental collaboration • New common tools and measures for data collection and sharing that facilitate wellness service delivery	• Standardized social benefit criteria by public and philanthropic entities • Elimination of barriers to delivering community-based preventive care and fresh agricultural products
Twin Cities	• Create and preserve ~1880 units of affordable housing in transit corridors • Provide technical assistance to up to 440 minority/immigrant-owned small businesses along corridors	• Transportation Oriented Development framework identifies and secures funding across sectors/jurisdictions • Market-rate, below-market-rate, and zero-interest capital creatively blended	• Employs multi-sector partnerships in planning, design, and construction • Public funding for housing, community development, and workforce training will be aligned in transit-corridors

*Community-level outcomes may have evolved further. Network level outcomes under development
*Living Cities anticipates 6-10 year timeframe before outcomes can be achieved
Source: Excerpts from submitted Integration Initiative applications

Organization

The Initiative does not prescribe a detailed site-level organizational model. As noted above, the center of the Initiative's vision in each place is the creation of "one table" around which key decision makers from all sectors discuss, plan and implement strategies to achieve their desired outcomes. However, Living Cities' staff has outlined specific roles for key members of each partnership—lead applicants, financial intermediaries and a philanthropic lead. For a list of these partners by site, see Exhibit F.

Exhibit F

Living Cities Integration Initiative: Selected Site Partners

Site	Lead applicant(s)	Financial intermediary	Private sector/anchor
Baltimore	Association of Baltimore Area Grantmakers	The Reinvestment Fund	Johns Hopkins University and Medical Institutions
Cleveland	The Cleveland Foundation	SPE created by National Development Council	BioEnterprise
Detroit	Midtown Detroit	NCB Capital Impact	Detroit Medical Center, Wayne State University, Henry Ford Health System
Newark	The Center for Collaborative Change	The Newark Investment Fund (SPE to be created by Prudential Social Investment Group)	Prudential
Twin Cities	The McKnight Foundation, The Saint Paul Foundation	LISC, Twin Cities Community Land Bank, Neighborhood Development Center	

In evaluating lead agencies, Living Cities looked for organizations that demonstrated the ability to secure commitments from multiple sector leaders and with the organizational capacity to take on large scale problems. The lead applicant for all Integration Initiative finalists is a local philanthropy or consortium of philanthropies or community anchors, or an individual nonprofit organization.

Living Cities channels its loans to each initiative through a financial intermediary. These intermediaries can be locally based or national Community Development Financial Institutions (CDFIs), a network of multiple local and national CDFIs, or a specially created entity. Living Cities played an active role in helping applicants identify and engage CDFIs during the application process. For example, NCB Capital Impact was introduced to the Detroit collaborative, and The Reinvestment Fund was introduced to the Baltimore collaborative. Participating CDFIs are assuming different levels of risk by city. Some CDFIs are providing recourse to their balance sheet, while others have set up special purpose entities that have received additional backing from a local funding source (foundation or corporation).

In three of the sites—Baltimore, Cleveland, and Detroit—local anchor institutions are playing a key role in the collaborative. These anchor institutions are rooted in their respective cities and ultimately depend on the health of the surrounding community. They are regional economic engines, whether through their "spend" or as large-scale employers. As such, they have been invited to the collaborative as potential employers and drivers of regional economic growth. In Baltimore, Johns Hopkins University and Medical Institutions are working with the Baltimore Workforce Funders Collaborative to expand biotechnology, healthcare and construction training to better meet the needs of employers. In Detroit, anchor institutions including the Detroit Medical Center, Wayne State University and Henry Ford Health System are working with local officials and small businesses to increase their local procurement. In Cleveland, the strategy is to increase local procurement, in part, by incentivizing the development of local enterprise that can meet anchor supply chain needs.

At a network level, Living Cities has designated five staff (full time equivalents) to support the work of the five cities. The staff's primary roles are guiding and monitoring investments, tracking and joining in site learning and problem-solving, and providing technical assistance (described, in summary form, in the "Learning" section of this profile).

Economics

The Integration Initiative's funding philosophy begins with the premise that there is not enough grant money to solve a large, complex problem like urban poverty. Instead, the Initiative seeks creative ways to stimulate market-driven funding. In each site, Living Cities has committed up to $22 million in funding through a mix of philanthropic grants and debt (both market rate and below market rate loans) to spur improvements and catalyze additional investment. A summary of these funds and their uses appear in Exhibit G.

Each form of capital plays a different role in the Initiative. Grants help the local partnerships manage the initiative, meet staffing requirements, and measure outcomes. A syndicate of seven Living Cities' members is providing $9-15 million in commercial debt to each of the cities. This debt is made available at LIBOR rates plus a percentage spread (usually 3 percent).[2] In addition to this funding, Living Cities has made financing available to Initiative sites from the organization's Catalyst Fund, which fills broader gaps not met by the private market. The Fund is a $38 million pool of below market-rate capital that lends to high-capacity organizations that connect underserved communities to mainstream markets by integrating

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[2] London Interbank Offered Rate, the interest rate at which the banks will lend to each other, is used as a reference rate for many financial instruments.

previously isolated systems. At least $16 million dollars of this fund has been allotted to The Integration Initiative and is being provided in the form of up to10-year loans at 3.5 percent interest. Taken together, these capital sources make possible investments that could not be made by the private sector alone.

Exhibit G

Living Cities Integration Initiative: Types of Capital

Instrument	Terms	Amount committed	Uses
Grants	3 yr philanthropic grants	~$3M per site	Initiative management and coordination, staffing, evaluation and data analysis, community engagement and other planning/operational needs
Catalyst Fund	10 yr loan at 3.5%	$3-4M per site	Blended with commercial debt for pre-development, acquisition, and construction of housing, mixed-use, and commercial real-estate. Also used for initiative specific programs (e.g., Twin Cities small business lending.)
Commercial debt	5-8 yr loan at LIBOR plus spread (~3%)	$9-15M per site	Blended with Catalyst Fund investments to finance predevelopment, acquisition, and construction costs of housing, mixed-use, and commercial real estate.

Every Integration Initiative city is developing its own capital stack as it pursues its redevelopment plans. Each stack includes a mix of debt and equity, with varying degrees of recourse and subsidy. Living Cities' staff has observed that as subsidy becomes scarcer and tax credits for investment in low-income communities begin to dry up, the Living Cities capital provides an important source of funding for the revitalization of under-invested communities (see Exhibit H). Each site is bringing in additional public and private capital to leverage the Living Cities dollars. For example, Prudential has agreed to invest $12 million in subordinated capital as a match for Living Cities' commercial debt and Catalyst Fund investments in Newark. In Detroit, the initiative is blending at least nine different sources of funding for the Woodward Corridor Initiative.

EXHIBIT H

Living Cities Integration Initiative Financing Amounts*

Integration Initiative Funding
$ millions
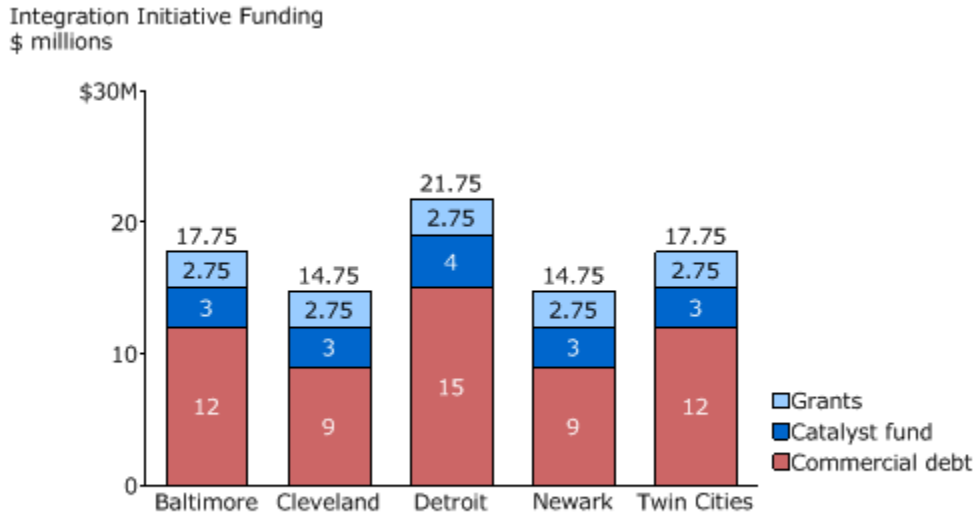
* Each site leverage additional public and private funding
Source: Integration Initiative site profiles; application excerpts

Resident Engagement

The creation of a "new normal" by The Integration Initiative hinges on the power and influence of government, philanthropic, business, and financial interests who have convened to support the initiative. The power of the initiative resides with the senior leaders convened at "one table" in a given place and with the political credibility and depth of community "buy-in" that the participating leaders and institutions bring to the table. Living Cities' staff leaves the scale and scope of resident engagement to local site leaders; the assumption being that the "one-table" created is aggregating social capital and community vision as much as it is aggregating financial capital. Where this is not the case, sites are working to develop complementary efforts to build community engagement to shape and authenticate the work. For example, in Cleveland, the leaders have adopted a strategy of network organizing—as espoused by Lawrence CommunityWorks in Lawrence, MA—to engage residents in the work.

Learning

Living Cities' approach to learning is rooted in research on adult learning, which indicates that adults master and retain complex concepts best when they are delivered in small doses and multiple formats. To this end, Living Cities has developed a three-pronged approach to technical assistance comprised of initiative-wide convenings, webinars and dedicated consulting and site visits. Convenings are designed to establish Initiative norms and ensure that all participants have a common language to discuss their efforts. Webinars expose participants to specific topics and help reinforce information introduced in group convenings. Finally, consulting and site visits allow the full team (local leaders and Living Cities staff) to engage in real-time joint problem-solving and strategizing. Living Cities' staff also has the opportunity to provide direct and individualized support through coaching and other technical assistance. Throughout this process, Living Cities will be compiling case studies of each of the Initiatives to illuminate successful examples of system change.

In 2011, the first year of the Initiative, Living Cities is hosting three national convenings. Each includes training and discussions focused on common challenges facing the participants, and each is supported by supplemental webinar material. The first two convenings featured content for anchor institutions on their role as drivers of economic growth as well as workshops on adaptive leadership, partnership development, civic engagement, and financing models. Participating cities send six representatives to each convening: the program director, a municipal government official, a philanthropic representative, a representative from the partnership's financial intermediary, a local evaluator, and one other participant of their choosing.

In addition to accelerating learning among its five sites, Living Cities is strongly committed to sharing emerging ideas and practices externally, with its own members, federal and state policy makers and influencers, and other philanthropists and funders who are—or might want to become—engaged in similar activities. The goal is to make the policy environment and the capital environment (both philanthropic and private) more supportive of innovative, integrated work. To this end, its staff includes a program manager dedicated to developing The Integration Initiative's knowledge and influence strategy.

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Many sources informed this work, including interviews with experts and practitioners, Bridgespan's experience, and the extensive literature in this field. The list below includes publications which we found particularly helpful as we conducted the research and developed our ideas.

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