

## ABSTRACT

Title of Document: THE COMMUNITY CAPACITY BUILDING  
IMPACT OF THE BALTIMORE  
EMPOWERMENT ZONE

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The federal Empowerment Zone/Enterprise Community (EZ/EC) Initiative was the major urban initiative of the Clinton administration. It sought to replace the Reagan and the first Bush administrations' reductions in support for urban programs and passive focus on addressing urban issues through people-based policies and market and tax incentives. Baltimore was one of six cities selected for a full Empowerment Zone.

One of the core goals of the federal EZ/EC Initiative was to create sustainable community capacity. Baltimore's implementation strategy was recognized as the most community driven of all of the Zones. This dissertation examines the experience of the Empowerment Zone in building sustainable community development capacity in the form of community organizations to implement programs and presents lessons learned that can guide future community capacity building efforts. This dissertation used a detailed literature review, interview, focus group, records review and case study approach to answer the question - Can a federal policy create sustainable community capacity?

The Baltimore Empowerment Zone was partially successful in creating or enhancing community development capacity in six urban neighborhoods in Baltimore. Five of the six community organizations – in the case of the Baltimore Empowerment

Zone these were called village centers -- formed or participating in the Empowerment Zone effort operated throughout the ten year federal funding period and four remained in operation after the end of the program. This dissertation examined the internal (community) and external (economic, social, and political) factors that influenced each village center's efforts to build sustainable development community capacity.

THE COMMUNITY CAPACITY BUILDING IMPACT OF THE BALTIMORE  
EMPOWERMENT ZONE

By

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## GLOSSARY

### List of Selected Acronyms

#### With Definitions of Key Local or Critical Acronyms

<b>ASPE</b>	<b>Office of the Assistant Secretary for Planning and Evaluations</b>
<b>BURHA</b>	<b>Baltimore Urban Renewal and Housing Agency</b> Agency responsible for implementing Urban Renewal programs in Baltimore City.
<b>CAA</b>	<b>Community Action Agencies</b>
<b>CAP</b>	<b>Community Action Program</b>
<b>CBO</b>	<b>Community Based Organizations</b> Broad classification of organizations formed to represent or serve local communities.
<b>CBP</b>	<b>Community Building in Partnership</b> A Partnership formed to activate the total transformation of the failing systems and conditions that have made Sandtown-Winchester one of Baltimore's most deteriorated neighborhoods. It focuses on areas such as education, health and human services, housing, employment and economic development.
<b>CCI</b>	<b>Comprehensive Community Initiatives</b> Place-based strategies, often initiated by foundations, to promote redevelopment and renewal in urban neighborhoods.
<b>CDBG</b>	<b>Community Development Block Grants</b> A flexible program that provides communities with resources to address a wide range of unique community development needs.
<b>CDC</b>	<b>Community Development Corporations</b> Community-run organizations that finance, develop, and manage housing and commercial real estate projects and provide services to poor urban targeted communities.
<b>COIL</b>	<b>Communities Organized to Improve Life</b> One of the 23 Umbrella organizations serving Baltimore City. Active in the City's West Side and serving the Poppleton community.
<b>COP</b>	<b>Citizens on Patrol</b> National citizen supported effort to reduce crime and in local communities.

<b>CPHA</b>	<b>Citizen’s Planning and Housing Association</b> A Baltimore organization formed organize and train neighborhood leaders; an advocate for policies that improve livability; and consultant in policy and planning issues.
<b>EBCC</b>	<b>East Baltimore Community Corporation</b> A Corporation established to address educational, health care, youth and family, housing, and job training concerns in East Baltimore. Formed by the EDO (below).
<b>EBDI</b>	<b>East Baltimore Development, Inc.</b> A non-profit organization charged with leading and managing the \$800-million revitalization of an 80-acre portion of East Baltimore.
<b>EBMC</b>	<b>Empower Baltimore Management Corporation</b> Corporation used to facilitate sustained economic opportunities and build communities in ways that provide residents access to, and readiness for, those opportunities.
<b>EDO</b>	<b>Eastside Democratic Organization</b> The african American political machine in East Baltimore. Active in the HEBCAC area.
<b>EHVC</b>	<b>East Harbor Village Center</b> The Village Center serving the southeastern portion of the Baltimore Empowerment Zone.
<b>FHA</b>	<b>Federal Housing Administration</b>
<b>GBC</b>	<b>Greater Baltimore Committee</b> A business organization that works to improve the business climate of the Greater Baltimore region by organizing its corporate and civic leadership to develop solutions to the problems that affect the region's competitiveness and viability.
<b>HEBCAC</b>	<b>Historic East Baltimore Community Action Coalition</b> A nonprofit partnership established to enhance the quality of life for all who live, work and visit Historic East Baltimore using community, physical and economic development.
<b>HPRC</b>	<b>Harlem Park Revitalization Corporation</b> A nonprofit housing corporation to address abandoned and deteriorating properties whose condition was discouraging homeownership and reinvestment in the community. Also works to improve issues relating to education reform, public safety, and commercial development.

<b>HPNC</b>	<b>Harlem Park Neighborhood Council</b> Community organization working towards the betterment of Harlem Park Community on such issues as housing development, community development, community resources, sanitation, public safety, education and recreation.
<b>HP/LSVC</b>	<b>Harlem Park/ Lafayette Square Village Center</b> The Village Center serving the Harlem Park and Lafayette Square communities in the Baltimore Empowerment Zone.
<b>HUD</b>	<b>U.S. Department of Housing and Urban Development</b>
<b>LPA</b>	<b>Local Planning Agencies</b>
<b>NCCED</b>	<b>National Congress for Community Economic Development</b>
<b>OEO</b>	<b>Office of Economic Opportunity</b>
<b>PVDC</b>	<b>Poppleton Village Community Development Corporation</b> The CDC formed by the Village Center of Poppleton. It is the successor organization of that Village Center.
<b>PWA</b>	<b>Public Works Administration</b>
<b>SECO</b>	<b>South East Community Organization</b> A community organization serving the south eastern section of Baltimore City whose goal is to enable community residents to participate in decisions that affected their lives.
<b>SMCPVC</b>	<b>Self Motivated Community People's Village Center</b> The Village Center serving the Sandtown, Mondawmin, Coppin Heights and Penn North communities in the Baltimore Empowerment Zone.
<b>UDAG</b>	<b>Urban Development Action Grants</b>
<b>UMB</b>	<b>University of Maryland, Baltimore</b>
<b>UMMC</b>	<b>University of Maryland Medical Center</b>
<b>URA</b>	<b>Urban Renewal Agency</b>
<b>USHA</b>	<b>U.S. Housing Authority</b>
<b>VCP</b>	<b>Poppleton Village Center</b> The Village Center serving the Poppleton community in the Baltimore Empowerment Zone.
<b>WPA</b>	<b>Works Progress Administration</b>
<b>WPNPC</b>	<b>Washington Village/Pigtown Neighborhood Planning Council</b> The Village Center serving the Washington Village and Pigtown communities in the Baltimore Empowerment Zone.

## **CHAPTER 1 INTRODUCTION TO THE STUDY**

### **Background**

This dissertation examines the impact of the federal Empowerment Zone program on building community capacity in six urban neighborhoods in Baltimore, MD. The efforts of the Baltimore Empowerment Zone to build community capacity and implement programs through community organizations represent an important case study of the issues impacting urban renewal and redevelopment through local, community-driven policy interventions. The lessons of the Baltimore Empowerment Zone can inform both ongoing and future efforts to promote redevelopment of urban communities and build community capacity.

The federal Empowerment Zone/Enterprise Community (EZ/EC) Initiative was the major urban initiative of the Clinton administration. It sought to replace the Reagan and the first Bush administrations' reductions in support for urban programs and passive focus on addressing urban issues through people-based policies and market and tax incentives.<sup>1</sup> This new federal urban policy would be a return to the place-based policies that involved community residents in the design and implementation of programs. The federal EZ/EC initiative was based on four fundamental principles: economic opportunity, sustainable community development, community-based partnerships, and a strategic and comprehensive vision for change (Gittell and Vidal 1998). Thus, the federal EZ/EC Initiative targeted the creation of community capacity – through community-based partnerships as one of its four guiding principles. Baltimore was the only one of the six full urban Empowerment Zones to specifically focus on community-based

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<sup>1</sup> This analysis focuses on direct program implementation. The tax and other incentives as well as an emphasis on regulatory relief that were the cornerstone of past Republican administrations were a substantial part of the Empowerment Zone, especially in the area of job creation strategies. These were not explored in this dissertation.

organizations as a central element of its proposal and implementation strategy (Nathan and Wright 1996; Chaskin and Peters 1997; Hebert et. al. 2001).

The federal EZ/EC Initiative's focus on promoting urban renewal and redevelopment through place-based strategies with substantial community involvement represented a return to the historical place-based urban policy emphasis of past Democratic administrations, most importantly of the federal War on Poverty's Community Action Program and Model Cities Program. These two programs had put communities at the center of policy implementation. More importantly, the EZ/EC Initiative drew substantially on the more recent experience of local community development corporations (CDCs) and other community-based organizations (CBOs) that began to play an important role in urban policy in the 1980s, and the then-emerging, foundation-led Comprehensive Community Initiatives (CCIs) that began in the 1990s. Nationally and locally in Baltimore, the experience of CDCs and CBOs had demonstrated that local, community-based organizations could serve as significant agents of change. In addition, the CCIs, of which the Enterprise Foundation's Sandtown Winchester project in Baltimore was one of the first, were promoting comprehensive, locally driven interventions to rebuild urban neighborhoods. The experience of CDCs, CBOs, and CCIs all guided Baltimore City's community-driven Empowerment Zone implementation strategy.

The experience of the federal E EZ/EC Initiative in Baltimore City can shed light on the creation, role, and impact of community organizations in the design and implementation of urban policy interventions for two principal reasons:

1. Baltimore is a prototypical example of the problems facing older urban communities nationally. Since 1970, the city's population has declined by more than 250,000 and the city has lost over 80,000 jobs. While Baltimore benefited from urban renewal efforts and the redevelopment of the Inner Harbor in the 1980s, it experienced both population and job losses in the 1990s. Baltimore's overall economic performance was highlighted in the 1999 U.S. Department of Housing and Urban Development's (HUD) *Now is the Time: Places Left Behind in the New Economy* report that classified Baltimore City as one of the nation's 74 "Doubly Burdened" central cities that faced continued high unemployment plus significant population loss or persistently high poverty rates. In fact, Baltimore City is one of the extreme cases that faced all three measures of burden that were analyzed (HUD 1999).
2. The Baltimore Empowerment Zone effort was unique among EZ/EC communities in terms of the great emphasis it placed on community organizations. Of the six original federal empowerment zones, only Baltimore and Atlanta chose to pursue the EZ program's goal of creating sustainable community development capacity by creating or strengthening local community development institutions. Baltimore alone was successful in maintaining this strategy as of the November 2001 *Interim Assessment of the Empowerment Zone and Enterprise Communities (EZ/EC): A Progress Report* (Hebert et al. 2001).

This examination of the experience of the Baltimore Empowerment Zone represents an opportunity to explore the role of both federal intervention and community

organizations in addressing urban decline and promoting redevelopment. This dissertation assesses two basic research questions:

1. Can federal urban policies create community development capacity? And
2. What are the implications of community development capacity in the implementation of urban policies?

To address these research questions, interviews, focus groups, and records review-based case study methodology were employed to explore the experience of the Baltimore Empowerment Zone.

### **Statement of the Research Problems**

This dissertation addresses the core research question: *Can a federal policy that links the long-term provision of discretionary federal resources to the creation of new or expansion of existing community-based organizations result in the development of sustainable organizations that are effecting positive change?* This dissertation will also address two related research questions.

1. What internal (community) factors influence the development of community development capacity?
2. What external (political, policy, social, and economic) factors influence the development of community development capacity?

### **Purpose and Significance of the Study**

There is a rich history of examining the role, impact, and importance of community organizations in federal urban policy and urban life in general.<sup>2</sup> The depth and breadth of the urban policy literature make a comprehensive review of all urban policy literature addressing the role of community organizations in urban policy

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<sup>2</sup> See Ferguson and Dickens 1999 for an excellent overview of the history and issues surrounding urban policies and community organizations.

impossible. However, the research conducted for this dissertation synthesizes and extends the existing literature in two important areas. First, this dissertation examines and describes how the Empowerment Zone/Enterprise Community Initiative of the Clinton administration drew on and evolved out of the experiences of past urban policy interventions from Urban Renewal to Model Cities to CDCs through CCIs. Second, this dissertation synthesizes, applies, and extends the literature on the factors influencing community development capacity through a detailed case study approach.

### **An Overview of Baltimore's EZ/EC Strategy**

The Baltimore Empowerment Zone was awarded on December 21, 1994. The City's application placed a central emphasis on the use of community organizations to guide and implement Empowerment Zone programs. The goal of the Baltimore Empowerment Zone effort was to build *Sustainable Community Development* through the creation of *Community Based Partnerships* or Village Centers (Baltimore City 1994). As will be described in Chapter 3, in its EZ implementation strategy, Baltimore combined two trends that had shaped politics and programs in the City into a two-tiered EZ management structure. Building on its experience in establishing quasi-governmental entities to oversee development efforts (Stoker 1987), it established the Empowerment Baltimore Management Corporation (EBMC) as an independent nonprofit overseen by a Board of Directors led by leading business and foundation leaders to manage the Zone initiative. Building on its nationally recognized experience in working with and through community organizations (Crenson 1983 and Arnold 1979) Baltimore would implement the actual programs through community organizations, to be called village centers. The original application called for the creation of eight community village centers and in the

end six village centers were created. The Baltimore Empowerment Zone was organized like a CCI, with a grantor-grantee structure where EBMC and its Board set strategies and goals and the community-led village centers applied for program funding. EBMC required that the village centers apply for operating and program funding each year and that they report on goals and program outcomes in a formal monitoring and evaluation system.

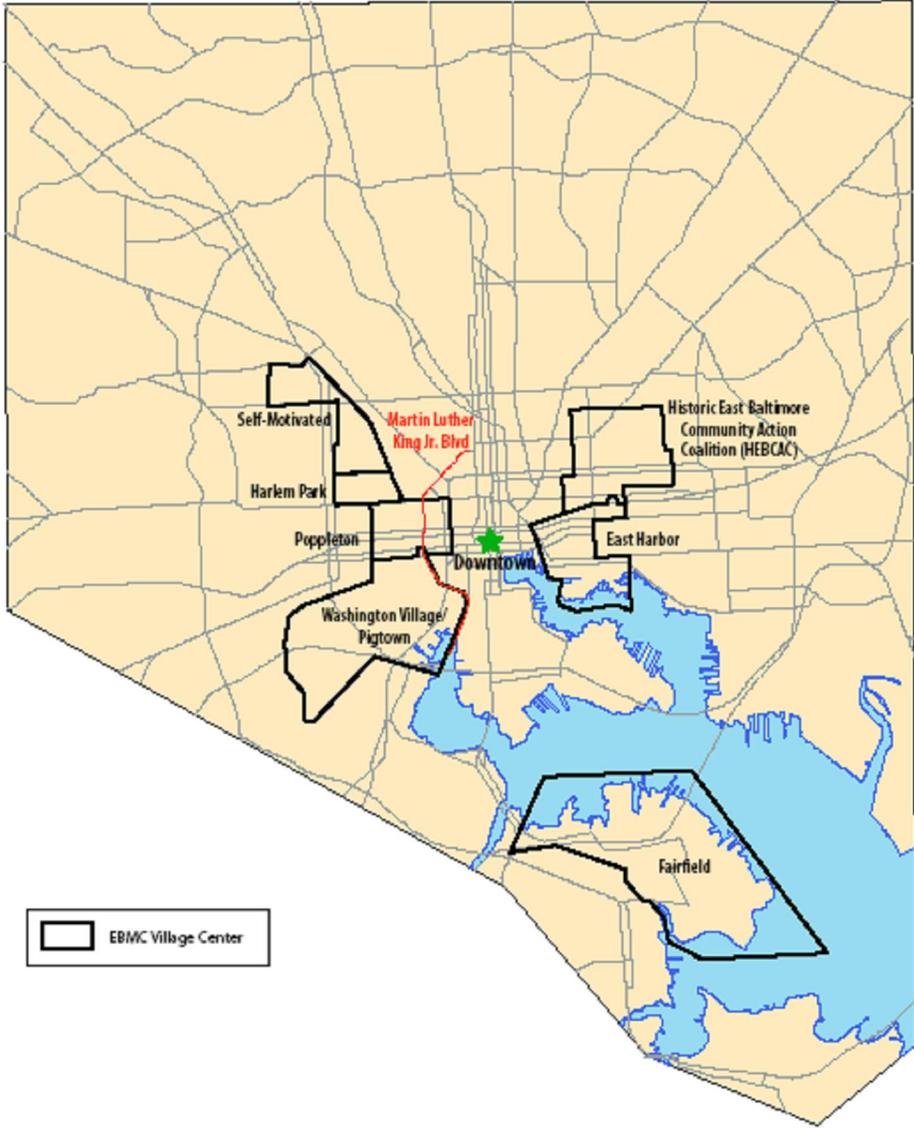
### **The Experience of Baltimore's EZ Funded Village Centers**

EBMC established guidelines for the Village Centers in April 1995 and accepted the six applications from communities to form village centers between September of 1995 and February of 2006. Four of the six village centers received funding starting in 1996 and the remaining two started operations in 1997. The key operational benchmarks for each village center are presented in Table 1. A map showing the location of the village centers is included as Map 1.

**Table 1**  
**Milestones in the Formation and Operation of**  
**The Six Village Centers of The Baltimore Empowerment Zone**

Milestone	HEBCAC	East Harbor	Washington Village/ Pigtown	Poppleton	Harlem Park	Self-Motivated
Application Accepted	September 1995	February 1996	September 1995	February 1996	February 1996	September 1995
1st Admin. Funding Agreement	May 1996	June 1996	March 1996	September 1997	August 1997	June 1996
2nd Admin. Funding Agreement	May 1997	June 1997	March 1997	January 2001	January 2000	August 1997
3rd Admin. Funding Agreement	May 1998	June 1998	October 1998	June 2002	October 2001	June 1998
4th Admin. Funding Agreement	July 1999	June 1999	January 2000	June 2003	January 2003	June 1999
5th Admin. Funding Agreement	July 2000	June 2000	January 2001	June 2004	January 2004	Terminated
Transitional Funding Year 1	July 2001	November 2003	January 2003			
Transitional Funding Year 2	July 2003		January 2004			
Transitional Funding Year 3	July 2004					
Land Use Plan	1997	1997	1996	2001	1999	1998
Career Center Opens	August 1997	November 1997	September 1997	December 1999	September 1998	November 1998
Current Status	Operating	Operating	Operating	Successor Operating	Closed in 2004	Closed in 2000

# Map 1 Baltimore City Empowerment Zone



Created by BNIA-FI, 2008

A summary of the experience of each of the village centers, going clockwise from the north, is presented below<sup>3</sup>:

Historic East Baltimore Community Action Coalition (HEBCAC) was the second Village Center approved by EBMC, but was the only Village Center formed as part of a pre-existing organization. HEBCAC was originally formed in December of 1994 as the result of a nearly two year long process of meetings between neighborhood organizations, Johns Hopkins Medicine, Kennedy Krieger Institute, local businesses, churches, and community leaders. HEBCAC was the largest (27,682 residents in 1990 falling to 18,351 in 2000), and one of the poorest of the village center communities. The EZ application called for the HEBCAC area to be served by three village centers, but the area instead chose to create a single organization to serve the entire community. The HEBCAC area is home to major institutions (Johns Hopkins Hospital, Medical School and associated institutions) and has an existing commercial district. HEBCAC is still operating and its service area is now the location of a major City-led redevelopment effort, the East Baltimore Development Inc. (EBDI) project.

East Harbor Village Center (EHVC) was the third of the Empowerment Zone's six Village Centers to become operational. The Village Center serves the most diverse community in the Baltimore Empowerment Zone and includes public housing as well as gentrified areas and possesses a large base of existing businesses. The East Harbor area is located in the natural path of waterfront-led development in the City and has benefited from large-scale redevelopment projects. The EHVC is still operational today.

Washington Village/Pigtown Neighborhood Planning Council (WPNPC) was created as the Baltimore Empowerment Zone's first Village Center. The Village Center was formed

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<sup>3</sup> The Fairfield area in South Baltimore on Map 1 is largely industrial land and did not have a village center.

out of the original planning for the Empowerment Zone application and serves a racially diverse population in an area on the fringe – but in the path – of ongoing Baltimore City redevelopment projects. The community has a commercial district and several major institutional partners. The Village Center is still operating.

Poppleton Village Center (VCP) was the last of the six Baltimore Empowerment Zone Village Centers formed. The VCP serves the second smallest population of the six original Village Centers and is a high poverty area with only a limited base of commercial activity. The Village Center area, however, is across a major street from the University of Maryland, Baltimore and the University of Maryland Medical Center. The Village Center is now the location of the development of a major employment center (The University of Maryland BioPark a research park). The Village Center experienced ongoing operational problems and closed when EZ funding ran out, but a CDC formed by the Village Center is still operating and performs some of the functions of the Village Center.

Harlem Park/Lafayette Square Village Center (HP/LS-VC) was the fifth of the Empowerment Zone's six village centers to become operational. HP/LS-VC serves the smallest population of (6,415 residents in 1990 falling to 4,283 in 2000), has the second lowest level of median household income and the second highest poverty rate among village center communities. Harlem Park also lacks any major institutions or commercial areas. Harlem Park operated throughout the decade long EZ period, but ceased operations in 2004 as a result of (alleged) misuse of funds by its director.

Self Motivated Community People's Village Center (SMCPVC) was the second largest village center formed by EBMC. One of the SMCPVC area's three major communities –

Sandtown-Winchester – was the location of one of the nation’s first CCIs and this area has received substantial funding from/through the Enterprise Foundation for housing development and community capacity building. As a result of ongoing problems in building an organization and financial irregularities, EBMC terminated SMCPVC’s administrative funding in January 2001.

Overall, the community capacity building efforts of the Baltimore Empowerment Zone have been successful in terms of building community capacity - defined as functioning community organizations that have engaged the community to design and implement key strategic goals through a core set of programs. The Baltimore EZ effort created five village centers that operated through 2004.

The issue of sustainability of these efforts is less clear. Sustainability requires both a high level of community engagement and access to sufficient resources to fund operations. Two village centers – East Harbor and Washington Village – continue to operate as strong organizations without EBMC operational support. HEBCAC, the only village center formed as part of an existing organization, continues to operate, but has suffered from political setbacks. The Poppleton Village Center closed, a CDC remains as a successor organization. This CDC has become part of several major development projects and provides educational services to its community. The two remaining village centers, Harlem Park and Self-Motivated, were closed as a result of financial improprieties. Thus, Baltimore’s EZ effort was successful in creating or assisting the development of sustainable village centers in half of its targeted communities and a successor organization that continues to operate, but on a smaller scale, in a fourth.

## **Defining Community Capacity**

Despite the established literature on the role of community organizations in urban policy implementation, there is only a limited literature on the definition or measurement of community capacity. According to Robert Chaskin (2001), “there is little clarity about the meaning of community capacity and capacity building in practice. Indeed, to date, there have been relatively few – and all fairly recent – explicit attempts to define community capacity in the literature (292).” A broad academic literature exists exploring: the political, legal and fiscal support for; accountability issues of; and specific organizational performance measures impacting policy implementation by community organizations. However, evaluation research on both the capacity of and delivery of services by community groups is lacking.

According to Glickman and Servon (1997, p. 4), “the literature on capacity is uneven” and focused on the measurement of outcomes, most frequently in the area of CDCs and housing production. The widespread use of the term community capacity without defining the term “has allowed for a broad range of meanings to be assigned to the term and has hindered efforts to study and measure it.” (Glickman and Servon 1997, p. 4). Part of the difficulty in analyzing community capacity is that community capacity is both a means and an end of urban policy interventions. Government agencies and foundations implement programs through community organizations to improve the efficiency of policy interventions. Thus, the capacity of the community organization is an input to the process of producing desired policy outcomes. However, building local capacity is also a goal of many of the same policy interventions. This dual nature of

community capacity complicates efforts to define and measure the subject. (Gibbon, Labonte and Laverack 2002; Labonte and Laverack 2001a).

Much of the literature defines community capacity broadly as a measure of the ability of a community to adapt to challenges or opportunities and/or effect changes according to some community goal or vision. This ability to adapt to or effect change is determined by the level of individual and organizational resources within or capable of being accessed by the community. Thus, in defining community capacity most efforts combine several levels of social agency, including individuals, organizations – with a focus on community-based organizations, and networks. There is general agreement in the literature that community capacity is the aggregation of resources -- both internal and external to the community – that can be deployed by the community to address threats to or opportunities for the community. Internal resources include the human, organizational and social capital residing in the community. Human capital elements include the attributes of the persons residing within the community and include the education, income, and socio-economic status. Organizational capital elements include the institutions, businesses and organizations located in or serving the residents of the community. The social capital element is the interaction of human and organizational capital and is manifest in such intangible constructs as sense of community, social interactions, and sense of place. External resources – such as funding for community events or organizations or political assistance in problem solving – are generally deployed through networks linking the community to the larger regional economy or political system.

The poor communities targeted by federal or non-profit interventions generally have lower levels of human, organizational and social capital and weaker network connections to the external economic and political power structure. The lower level of human capital, as measured by traditional Census-based measures such as income, educational attainment, and workforce participation, in poor communities has been demonstrated in literature on urban poverty. (Jargowsky 1997). Similarly, the urban policy literature has highlighted the lack organizational capital in poor communities, with work by Wilson (1997), Kasarda (1988) and many others highlighted the loss of key economic and other institutions in poor communities. The lack of organizational capital in poor communities has been reported by Vidal, who cites “the paucity of formal organizations in underclass neighborhoods and the low level of participation in those organizations by the working poor.” (1995 p. 207). Chaskin et al. (2001) places the lack of local institutions to perform the everyday functions of life as a central indicator that community capacity is weak in poor communities. Numerous academic articles and books have been written on the lack of various constructs of social capital in poor communities and the various attempts to describe and measure the impact of various constructs of social capital on community have been described by Sampson (1999).

As a result of the lower level of human, organizational, and social capital elements in poor communities, efforts to promote change or provide services often center on the creation of new organizations, or the strengthening of existing ones, as a central element of any policy intervention. Research has demonstrated that citizens of poor and minority communities rely more heavily on community and neighborhood organizations as a means of engaging in political action than do middle or upper class people. (Portney

and Berry 1997; Berry, Portney and Thomson 1993). Thus, efforts to promote the redevelopment or revitalization of poor communities often rely more heavily on creating new or building the capacity of existing organizations to serve these communities. This is consistent with the findings of Gitell and Vidal, who found that “what may be required to foster community development in areas that have lacked formative efforts are new associations and entrepreneurs.” (1998, p. 21). As a result, the capacity of these new or existing community organizations plays a central role in efforts to promote redevelopment in poor communities.

Building the capacity of community organizations is a direct means of building the capacity of poor neighborhoods. This is what EBMC set out to do by establishing the six village centers. Therefore, this effort focuses on measuring the capacity of the Baltimore Empowerment Zone’s village centers as a means of evaluating the success of the EZ in building community capacity. Thus, this effort to define and measure the community capacity created by the Baltimore Empowerment Zone places the capacity of the organizations created – the six village centers – as a central and defining element.

For the purpose of this dissertation, community development organization capacity is defined as the *resources and assets that can be deployed by community organizations to address threats to or opportunities for the community*. A review of the literature on community development organization capacity<sup>4</sup> identified numerous discreet elements of community organization capacity. The five core components used to assess community organization capacity in this analysis are presented in Table 2.

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<sup>4</sup> See Chaskin 2001; Chaskin et al. 2001; Eichler and Hoffman n.d.; Fredericksen and London 2000; Fawcett et al. 1995; Gibbon, Labonte and Laverak 2002; Gitell, Newman and Ortega 1997; Glickman and Servon 1997 1998 2003; Goodman et al. 1998; Jackson et al. 1999; Labonte and Laverak 2001; Mayer 1994; and Sidor n.d.

**Table 2**  
**Five Core Components of Community Organization Capacity<sup>1</sup>**

Issue	Definition
1) Strategic Planning	A clear consistent statement of mission and goals that guides operations and is periodically updated.
2) Leadership	Leaders organize, manage and give direction to the organization.
a) Staff Leadership	Competent managers to direct and staff to implement programs.
b) Board Leadership	Representative and engaged community leaders and institutional representatives to oversee community change activities.
3) Management and Resources	Effective policies and procedures and sufficient resources to deliver needed services.
a) Financial Management and Resources	Adequate financial resources and sound fiscal management.
b) Operations Management	Adequate staff and organizational resources to achieve goals.
c) Oversight, Monitoring and Evaluation	Systems to track and evaluate performance and efficiency.
4) Internal Networks - Community Relations	Networks and linkages within the community.
a) Community Participation	Community participation and engagement in community change efforts.
b) Institutional Participation	The participation and engagement of core local institutions in community change efforts.
b) Representation	The participation and engagement of core local institutions in community change efforts.
c) Community Outreach/Organizing	Bringing community residents together for collective action.
d) Communications	Dissemination of relevant community and organizational issues opportunities and performance.
5) External Networks	Networks and linkages to broader external economic, policy and social systems.

(1) This analysis of community organization capacity draws on concepts described in several sources - most importantly Chaskin et al. (2001), Glickman and Servon (1997), Nye and Glickman (2000), Milward and Provan (2000), and Sidor (n.d.).

### **Answering the Research Question Did Baltimore's EZ Effort Create Community Capacity?**

As presented above, four of the original six village centers remain operational in some form today. Thus, the Baltimore Empowerment Zone had a two-thirds success rate in meeting its goal of creating sustainable community capacity. As described more fully in the case studies in Chapter 4, this dissertation found that the village centers that were able to build the five core components of community organization capacity were successful.

The author's qualitative assessment of the success of each of the village centers in developing each of the components of capacity is presented in Table 3. All of the village centers were required to create strategic plans, but only the three most successful village centers, HEBCAC, East Harbor, and Washington Village, succeeded in truly basing their operations on the plans they created. Strong leadership is essential for a community organization to succeed. Leadership can come from either the organization's staff or board, and in the most successful organizations it comes from both. The experience of the surviving village centers was mixed – with some being more controlled by their staff (HEBCAC and East Harbor) and some being more controlled by their board (Poppleton and Washington Village). The two village centers that ultimately failed, Harlem Park and Self-Motivated, experienced the combination of weak staff and board leadership.

Community organizations must have competent financial and operational management and the most successful village centers were able to both run EZ funded programs and attract and run other programs efficiently. Internal and external networks are also vital for community organizations to succeed. Internally, a community

organization must communicate with and be representative of the community it serves in order to fulfill its mission. It must also have access to external networks in order to attract the financial, political and other resources needed to serve the community. Most of the village centers experienced difficulty in fully engaging the community in their activities – but this is common in poor communities. This dissertation found that the participation and support of key community institutions, such as universities, churches, CDCs, were critical factors supporting the successful village centers and that the village centers that were able to form strongest external linkages during the EZ funding period were able to become sustainable by attracting program and other support to continue when the EZ ended.

**Table 3**  
**Baltimore Empowerment Zone Village Center Success in Achieving the**  
**Core Components of Community Organization Capacity**

Issue	HEBCAC	East Harbor	Washington Village/ Pigtown	Poppleton	Harlem Park	Self-Motivated
1) Strategic Planning	Strong	Strong	Very Strong	Moderate	Weak	Weak
2) Leadership						
a) Staff Leadership	Strong	Strong	Strong (1)	Weak	Weak	Weak
b) Board Leadership	Moderate	Weak	Very Strong	Strong (2)	Weak	Weak
3) Management						
a) Financial Management	Moderate	Moderate	Moderate	Weak	Weak	Weak
b) Operations Management	Strong	Moderate	Strong	Weak	Moderate	Weak
c) Oversight, Monitoring and Evaluation	Strong	Strong	Strong	Weak	Weak	Weak
4) Internal Networks - Community Relations						
a) Community Participation	Weak	Moderate (3)	Strong	Weak	Weak	Weak
b) Institutional Participation	Strong	Strong	Strong	Moderate (4)	Weak	Weak
b) Representation	Moderate	Moderate (3)	Strong	Moderate (3)	Moderate	Moderate
c) Community Outreach	Moderate	Moderate	Moderate	Moderate	Moderate	Moderate
d) Communications	Moderate	Moderate	Moderate	Moderate	Moderate	Moderate
5) External Networks	Strong	Strong	Very Strong	Moderate (5)	Weak	Weak

(1) Washington Village/Pigtown suffered from a high degree of turnover - but each of the directors hired had strong leadership capabilities.

(2) However, Poppleton suffered from having its board controlled by a dominant board leader.

(3) East Harbor and Poppleton both did a strong job in representing the African American Community - but both failed to achieve a high degree of participation by the white community.

(4) Poppleton had little institutional participation until late in the EZ period - when it was able to work with University of Maryland, Baltimore on a major redevelopment project.

(5) For most of its operational period, Poppleton had weak external networks. However, as a major redevelopment project came to the community in the last years of the Zone, the village center was able to form a strong and positive linkage with the University of Maryland, Baltimore to support and represent the community in the development effort and is now playing that role in other developments.

## **Lessons Learned From Baltimore's Empowerment Zone Effort**

Overall, the community capacity-building experience of the Baltimore Empowerment Zone demonstrated both the challenges and opportunities of community-driven urban policy interventions. The Baltimore Empowerment Zone succeeded in creating and supporting five of the six targeted village centers over the decade long implementation period. As its legacy, it left behind four organizations, three of the original village centers and a successor CDC, to continue its work. These village centers continue to represent their communities as Baltimore's downtown renaissance moves outward into new communities as well as deliver services needed and desired by their communities.

The experience of the Baltimore Empowerment Zone demonstrates that community organizational capacity to implement comprehensive community change efforts can be created, but it is an expensive, time-consuming process where success is far from guaranteed. Where it succeeds it can create an opportunity to provide the integrated services needed by poor communities, achieve positive results, and give poor communities a stake in redevelopment efforts.

As will be presented in Chapter 5 of this dissertation, several core lessons from the Baltimore Empowerment Zone's community capacity building efforts can be applied to other federal or philanthropic efforts. The primary lesson is that building community organizational capacity takes time and effort, and any attempt should include a long start-up period to engage the community and develop a community-driven and accepted strategy. Such efforts should target communities large enough to have a critical mass of resources and residents, but not too large to manage and impact. Targeted communities

should have engaged and active institutions willing to play a supportive role and some opportunities for market based re-development to occur. Success in such an effort will depend on the availability of local leadership, effective communications, outreach, and community mobilization; and the development of strong internal and external networks. A final lesson is that fiscal and managerial accountability systems and ongoing technical assistance are essential for success.

## **Research Design and Strategy**

### **Study Design**

This investigation analyzed the experience of the Baltimore Empowerment Zone in creating community development capacity through established focus group (Morgan and Krueger 1998) and case study (Yin 2001) methods. Data were collected and analyzed through more than 50 interviews (local and national), 6 focus groups, numerous project meetings with EBMC staff, reviews of available documents, evaluation reports, funding reports, budgets and various other written and data (U.S. Bureau of the Census) sources. The project directly draws on two research projects prepared for EBMC by the Jacob France Institute of the University of Baltimore. The first of these projects – *The Community Capacity Building Impacts of the Baltimore Empowerment Zone* was an interview and record review based analysis of the impact of the Baltimore Empowerment Zone in building community development capacity in each of the five remaining village centers (Clinch 2004a). The second project – *The Lessons Learned from the Community Capacity Building Efforts of the Baltimore Empowerment Zone* was a focus group and interview based analysis of the key lessons learned in the Baltimore Empowerment Zone’s efforts to build community capacity through the creation of six village centers

(Clinch 2004b). EBMC was aware that the work done under contract would also be used in this dissertation. Working with the EBMC on this project allowed complete access to both EBMC and village center documents and staff. Research was conducted from August 2003 through December 2004.

### **Research Strategy and Questions**

Both research projects were based on detailed interview and focus group guides. Recognizing that interview and focus group based research often goes in unforeseen directions efforts were made to maintain focus on a core group of questions for each project.

The first project interviewed EBMC staff and board members involved in the community capacity building efforts of EBMC, the director and the Chairman (where possible) and one other board member for each village center. The core research questions for EBMC staff and board members included:

- How did the Board measure or evaluate the organizational strength or sustainability of each of the village centers?
- How would you measure the capacity of or the organizational strength of the village centers? How would you rank the organizational strength and capacity of each Village Center?
- What Village Center is most likely to outlast the EBMC, and Why?
- What Village Center is least likely to outlast the EBMC, and Why?
- What steps can key organizations take to ensure the long-term sustainability of the village centers?
- What were the strengths and weaknesses of EBMC approach to building community capacity?

The core research questions for Village Center Board members were:

- What is your role with the Village Center?
- How long have you been involved?

- What are the short and long term goals of the Village Center?
- What is the role of the Board?
- What are the strengths and weaknesses of the Village Center?

All of the interviews were also conducted in person with the questions not sent ahead of time to the respondent.

Village Center staff was mailed a survey ahead of the interview so that key data – plans, record, budget, policy guidelines, etc. -- could be collected prior to the interview.

Questions were asked and materials requested on:

- The goals and operations of the Village Center;
- Village Center Board Relations;
- Staffing/Personnel Procedures;
- Budgets; and
- Program Implementation; and Community relations.

The second project consisted of 5 Village Center focus groups, a series of 8 interviews in the SMCPVC area (where the Village Center was closed) and a final focus group with EBMC Board members and staff. Each focus group consisted of between 6 and 10 participants drawn from Village Center staff, Board members, and community residents. Each focus group included persons active at various times in each Village Center's operation. Each of the five Village Center focus groups was supplemented with between one and four additional interviews – of persons who could not participate in the focus group. The focus groups and interviews were tape recorded and transcribed. Both the focus groups and interviews were based on a common set of questions about barriers to village center formation; barriers to village center operations; and lessons learned – including If the Empowerment Zone was starting up today – What should EBMC have done differently? What should the Village Center have done differently?

### **Limitations of the Analysis**

This dissertation is subject to the limitations of all case study research – the problem of broadly generalizing from specific cases. Case studies are a descriptive method, not an explanatory one. Thus, in the absence of controlled laboratory conditions, conclusions about cause-and-effect relationships cannot easily be drawn. Behavior can only be described, not explained. This analysis is based on the experience of a single, large-scale program in one particular urban area. Thus, the findings may not be representative of all urban areas. Because much of the qualitative information collected in this dissertation is from interviews and focus groups – data collection is also subject to the biases and omissions of the respondents and the analyst. However, case study methodologies offer important advantages – especially for policy studies. These include the ability to study events in their natural settings and a holistic approach to the study of events that allows the study of a policy where it occurs that includes the various issues and events that shape its outcome. While case studies cannot offer proof of causality they can offer opportunities for generalization and are well suited to the generation of theory. (Feigin, Orum and Sjoberg 1991).

## **CHAPTER 2 LITERATURE REVIEW**

This dissertation assesses the impact of the Baltimore City Empowerment Zone on the development of community capacity in six low-income neighborhoods in Baltimore City. As described in Chapter 1, the concept of community capacity refers to the internal resources and assets that influence the ability of a community to adapt to changes in social and economic conditions and promote development. This chapter describes evolution and experience of community-driven, place-based strategies in urban policy interventions and how they influenced the design of the Clinton administration's Empowerment Zone/Enterprise Community (EZ/EC) initiative.

The Baltimore Empowerment Zone's implementation strategy was centered on building community capacity, and has been recognized as having placed the most significant emphasis on community capacity-building of all of the EZ/EC cities (Nathan et al. 1995; Gitell et al. 1998; Gitell et al. 2001; Hebert et al. 2001). Because of its strong emphasis on community capacity-building, Baltimore's Empowerment Zone experience contributes to the substantial base of literature on the role of community organizations in urban policy interventions. This chapter sets the framework for the analysis of the community capacity-building impacts of the Baltimore Empowerment Zone by reviewing the literature on the role of community organizations in urban policy interventions. The depth and breadth of the urban policy literature make a comprehensive review of the role of community in urban policy interventions impossible; thus, this literature review seeks to outline the historical and theoretical foundations for and the practical implications of the experience of past community-driven efforts.

## Introduction

From the Progressive Era in the late 1800s until today, a variety of policies have been applied to addressing the problems of persistent and concentrated unemployment, poverty and poor housing conditions in urban neighborhoods. At different times and during different administrations, urban policy focused on a variety of intervention strategies. According to Ladd (1994), urban policies can be *people-based* and assist people regardless of where they live, or they can be *place-based* and focus on providing assistance to residents of poor communities.

According to Ladd (1994), urban policy interventions have alternated between these two strategies. Place-based strategies concentrate on community, economic and workforce development. These strategies can be *demand-driven* and enhance employment opportunities in an urban area with the hope that the benefits will trickle down to the urban poor, or they can be *supply-driven* and attempt to improve the employment options for poor residents. People-based strategies such as social welfare interventions can be *categorical* and focused on a particular need such as training or income support, or they can be *comprehensive* and offer multiple services needed by the urban poor.

Urban policy interventions can also be *privately initiated*, by the philanthropic or foundation community, or they can be *publicly initiated*, by the federal, state or local government. Historically, the design of particular urban policy interventions often originates with philanthropic initiatives that are then adopted by government programs.

The evolution of federal urban policy interventions shaped the Clinton administration's EZ/EC initiative, which represented a return to the place-based emphasis

of prior Democratic administrations. Like previous urban policy interventions, most importantly the Community Action Program (CAP) that drew from the Ford Foundation's Gray Areas program, the EZ/EC initiative drew from the experience of foundation-sponsored comprehensive community initiatives (CCIs). Because of its comprehensive and geographically-targeted approach for addressing urban problems, the EZ/EC initiative has been likened to a federally-sponsored CCI (Walsh 1997; Chaskin and Peters 1997). The EZ/EC Initiative's focus on promoting urban renewal and redevelopment through place-based strategies with substantial community involvement represented a return to the Great Society's Community Action Program and Model Cities program (Rubin, M.M. 1994); furthermore, the EZ/EC initiative drew substantially on the experience of Community Development Corporations (CDCs) and Enterprise Zones that arose out of the Republican Reagan and first Bush administrations (Rubin, M. M. 1994). The EZ/EC initiative represents the integration of post-World War II, urban policy with a renewed emphasis on place-based strategies.

### **The Origins of Federal Urban Policy: The Progressive Era Through the New Deal**

Halpern (1995) traced the origin of neighborhood initiatives in urban policy to the Progressive Era when elite reformers sought to ameliorate the negative effects that the rise of industrial capitalism, rapid immigration and the development of tenements had on the urban poor and their communities. According to Halpern, neighborhood improvement was part of the Progressive agenda from the start, and "Progressive reformers tended to believe that the best way to help integrate poor neighborhoods and their residents into the larger society was to first strengthen these neighborhoods and then try to link them to the outside world" (1995, 30). Progressive Era urban interventions

often centered on settlement houses that functioned as mediating institutions between the poor and the larger urban system. Settlement houses provided services, ranging from health and education to training and recreation, needed to help integrate the poor immigrant population into the city and the broader American culture. According to Halpern (1995), the settlement movement declined after the First World War, a casualty of the post-War prosperity and fight against Bolshevism as well as their failure substantially improve the lives of the urban poor they served. Settlement houses were replaced by the rise of the social work system, and this marked the beginning of the trend toward a categorical, people-based approach.

According to Mollenkopf (1983), national urban policy was an outgrowth of the New Deal as the federal government took a more activist role in domestic policy issues, including economic growth and poverty. The federal government provided aid to cities through categorical grants to promote program and policy implementation by state and local governments. These grants continued to be the major funding source for urban policy through the 1960s, and the New Deal programs established the bureaucratic mechanisms for future urban policies.

The New Deal created the federal urban policy infrastructure with four key agencies: the Public Works Administration (PWA), the Works Progress Administration (WPA), the PWA Emergency Housing Division that became the U.S. Housing Authority (USHA), and the Federal Housing Administration (FHA). The PWA and WPA did not specifically target urban issues, but both ultimately played a major role in urban infrastructure and construction projects (Mollenkopf 1983). The PWA in particular worked with local government authorities to condemn property, develop and operate

projects, and laid “the institutional groundwork for post-war pro-growth coalitions in urban politics” (Mollenkopf 1983, 66). The USHA targeted “slum clearance” and the development of affordable housing for the urban poor, and it supported the development of the local housing authorities that exist today. The FHA program had a more far-reaching, long-term impact on urban areas by promoting homeownership through increased mortgage lending. FHA supported mortgages that contributed to a dramatic increase in homeownership from 39% in 1937 to 57% in 1950, but this aided the post-war suburbanization of the urban population that ultimately contributed to the economic and fiscal decline of central cities.

Outside of the formal government role in urban policy, the New Deal Era saw the rise of neighborhood activism and community organizing through the “Chicago School” of sociologists and the Chicago Area Project as well as Saul Alinsky and the Back of the Yards Neighborhood Council. These efforts were the first to promote community participation, self-determination, and control over urban policy interventions. (O’Connor 1999; Halpern 1995). These concepts played a major role in later efforts to expand community control over urban policy.

Starting in the Progressive Era, the first urban policy interventions were philanthropically-sponsored and community-driven. Despite this legacy, the advent of formal federal urban policy in the New Deal targeted broad societal needs such as housing, employment, and economic development through categorical federal grants and the establishment of a formal bureaucratic infrastructure. According to Mollenkopf (1983), the New Deal reforms were broadly centered on bringing the urban constituency into the Democratic Party; thus, unlike later Democratic programs, the reforms were

broad-based and did not emphasize the inclusion of community activists. Even though they did not have a community focus, the New Deal programs did lay the groundwork for later urban policies. First, they created the funding mechanisms that would dominate federal urban policies into the 1960s. Second, they established the bureaucratic infrastructure of local boards and housing authorities that would come to dominate urban policy. As a result, the New Deal represented an important starting point for community-driven urban policies. This era saw also the rise of formal community organizing and created the original goals for community participation and control in implementation. These ultimately would assume a major role in urban policy.

### **Urban Renewal: The First Federal Urban Policy**

While federal urban policy is thought to have originated with the New Deal, the first federal policy that explicitly targeted urban areas was the Urban Renewal Program, created by the Housing Act of 1949. The act was passed in an era of economic and social change in cities. The out-migration of urban whites to the suburbs and in-migration of African-Americans from the south seeking better employment opportunities led to an increase of poor residents living in the cities. Housing shortages plagued cities, and slums began to encroach on downtown central business districts. Urban Renewal had three goals: slum clearance; housing rehabilitation; and downtown-oriented redevelopment efforts. It was often complemented with federally-sponsored public housing development and transportation programs. Urban Renewal efforts were decentralized and implemented by local public agencies (LPAs) that were generally dominated by the cities' existing political and business elite. (Halpern 1995).

There is a substantial base of literature critical of the Urban Renewal Program. According to Halpern (1995), Urban Renewal was supported by an uneasy alliance of mayors, private developers, and low-income housing advocates. Mayors sought downtown development projects to boost their political prestige and replace the loss of manufacturing jobs. Developers sought financial government assistance for their projects and the use of eminent domain (the right to acquire private property for “public” uses) to acquire property for redevelopment. Low-income housing advocates sought to replace slums with improved housing. While this broad-based coalition assisted the passage of Urban Renewal, it often proved difficult to balance the competing goals of the three interest groups in its implementation.

Halpern (1995) viewed the Urban Renewal program as a law with multiple purposes framed in vague language that created cross pressures among goals. The Federal Housing Act of 1949 called for the elimination of substandard and other inadequate housing through the clearance of slums and blighted areas, and the realization as soon as feasible of the goal of a decent home and a suitable living environment for every American family. Despite this benign goal, Halpern states that Urban Renewal “quickly came to mean the clearance, rebuilding, and reviving of central business districts, and the building of massive public housing projects in poor and working class African-American (and to a lesser extent Hispanic) neighborhoods” (1995, 64). The goal of Urban Renewal became buffering city commercial and cultural centers from the tide of African-American migration, reinforcing segregation, and the creation of high rise public housing “that reinforced social isolation” (Halpern 1995, 66). Halpern believed that Urban Renewal directly contributed to the later problems facing urban America.

Greer's 1965 analysis of Urban Renewal begins with, "At a cost of three billion dollars, the Urban Renewal Agency (URA) has succeeded in materially reducing the supply of low cost housing in American cities. Like highways and streets, the program has ripped through the neighborhoods of the poor powered by the right of eminent domain" (3). Greer cites two related problems with the Urban Renewal program. The first problem is that the program suffered from the "unsystematic mixture of three quite different goals" (1965, 165). The first goal of increasing housing and eliminating slums was mixed with the unrelated goal of revitalizing the central city, and to both was added the goal of enhancing urban planning. As a result of these competing goals, Urban Renewal lacked a "clear hierarchy of intentions" and thus became concerned only with revitalizing the central business district. To Greer (1965), Urban Renewal lacked the power, precedents, planning information, and legitimacy to achieve its aims. In the area of community participation in the Urban Renewal program, Greer found that the program was one of the most complex ever attempted. It tried to bring together the federal government, local government, developers, and citizens, all of whom had different, often competing, interests. According to Greer (1965), resident participation suffered from a lack of broad-based support for or even an understanding of the program. As a result, community involvement was low and the program was captured by the urban elite. This resulted in its narrow focus on downtown development and its failure to improve housing conditions for the poor.

In an influential *Harvard Business Review* article (and later a book) critical of Urban Renewal, Anderson (1965) referred to the program as "the Federal Bulldozer" and argued that it should be stopped. He stated that the Urban Renewal Program was based

on goals that everybody agreed with, but its implementation made everybody worse off. He argued that the program went against its core goal of improving housing conditions by destroying four times as many homes as were built. It did not improve living conditions for the urban poor, failed to improve the fiscal condition of cities, and actually reduced the tax base by destroying more property than was ultimately built. By allowing the use of eminent domain to acquire property for private rather than public use, Urban Renewal liberalized the right of government to seize property, thereby threatening personal property rights. In all, Anderson argued it was an inefficient government program whose results “when compared to the results of private forces are negligible. Its overall costs, when compared to its results are high” (507).

Herbert Gans (1965) wrote a frequently cited article critical of Urban Renewal, especially on its impact on the low-income persons it relocated. Gans (1965) argued that the poor residents displaced by the program could not afford to move back to the higher-quality housing developed by the program. It thereby caused a shortage of affordable housing in neighborhoods and “sometimes even created new slums by pushing relocatees into areas and buildings which then became overcrowded and deteriorated rapidly” (539). Many dispossessed tenants who found better housing often had to pay more in rent than they could afford. Urban Renewal also affected communities “because, in order to assemble large sites to attract private developers, entire neighborhoods have frequently been destroyed, uprooting people who had lived there for decades, closing down their institutions, ruining small businesses by the hundreds, and scattering families and friends all over the city” (541). To Gans, Urban Renewal hurt poor urban residents by destroying their existing communities and their social support system.

Wilson (1966) analyzed Urban Renewal and found that, as of 1962, just over half of the 944 federally-approved Urban Renewal projects had begun assembling land, and only 65 of them were complete. Implementation suffered from red tape, and the long time it took for city governments and developers to gain experience with the program delayed projects. More importantly, he found that the coalition between liberals, planners, mayors, businessmen, and real estate interests that made the program possible had “began to fall apart” in “mounting disagreement over the methods and even the objectives of Urban Renewal” (408). According to Wilson, substantial debate occurred over the racial implications of Urban Renewal as minority communities were targeted for renewal. This gave Urban Renewal the nickname “Negro clearance.” What Wilson found most interesting about opposition to Urban Renewal was the rise of neighborhood resistance to the program. A key barrier to the implementation of urban renewal projects was obtaining citizen participation in the targeted communities. While this participation was not required by the law, “it is expedient, if not essential” for the projects to move forward (410). Wilson described the difficulties in finding citizens able to participate in the renewal process, especially in poorer areas with a less educated and active population. To Wilson, the solution of increasing the participation of residents from poor communities was community organizing and a reliance on the use and creation of neighborhood associations. Thirty years later, the Clinton administration came to the same conclusion in its EZ/EC legislation.

Jane Jacobs, a self taught journalist, wrote a classic and influential book in 1961, *The Death and Life of Great American Cities*, criticizing the impact and implementation of Urban Renewal. Jacob’s criticism of Urban Renewal, which can be extended to the

common practice of urban planning and redevelopment that despite her protests continues to guide many redevelopment efforts to this day, centered on protecting the unique character of urban neighborhoods. She opposed large-scale public redevelopment efforts and advocated for small scale, private personal efforts to “unslum the slums.” Jacobs’ writing emphasized the value of preserving the character and functionality of small neighborhoods. According to Drier (2006):

Cities, she believed should be untidy, complex and full of surprises. Good cities encourage social interaction at the street level. They are pedestrian friendly. They favor biking, walking and public transit over cars. They get people talking to each other. Residential buildings should be low rise and have stoops and porches. Sidewalks should have parks and benches. Streets should be short and wind around neighborhoods. Livable neighborhoods require mixed use buildings – especially first floor retail and housing above. (228)

Jacobs writing and activities continued to impact urban planning long after the demise of the program. Her book became required reading in urban planning programs. She is credited by Drier (2006) as having influenced urban planning and, in an area where her impact is often overlooked, he argues she impacted community organizing as much as Saul Alinsky. Jacobs’ views on urban redevelopment had great intellectual impact; however, they had relatively little influence over federal urban policy, which continues to favor larger-scale, redevelopment efforts. However, her vision of urban neighborhoods guided policy makers, especially in local planning departments, and influenced programs like HOPE VI, that are now replacing old high rise public housing with low rise, mixed-use developments.

While most of the literature on Urban Renewal was critical, urban scholar Haywood Sanders wrote a reconsideration of the program (1980). He argued that much

of the work critical of Urban Renewal was published before reforms in the program went into effect. In the mid-1960s through the end of the program in 1974, the amount of public housing constructed and homes rehabilitated increased rapidly. He also updated the figures on the people displaced by the program to examine the claims that Urban Renewal amounted to “Negro removal.” His figures through 1971 reported that 37% of the families and 56% of the single individuals that relocated were white. He concludes that “while blacks bore a disproportionate burden of the costs of displacement, they were not its exclusive recipients” (107).

Sanders (1980) identified the core problems with Urban Renewal in terms of its impact on the poor and its focus on downtown redevelopment as “not a necessary function of the design of the program. Rather, it is a result of an inequitable distribution of political power at the local level, uncontrolled and unaltered by the federal government” (105-6). Furthermore, he argued that many of the projects later referred to in the 1970s as examples of urban revival were initiated under Urban Renewal.

In the area of resident participation, he reported, “The exclusion of project residents from the planning process was replaced with representation on Project Area Committees and an increasing level of resident participation and influence” (124). In summary, Sanders argued that while Urban Renewal had problems, especially in its early stages of implementation, the program was reformed to address many of its weaknesses. The core problems were the program’s lack of a clear goal as well as poor federal oversight.

The overall record of Urban Renewal is negative. In his summary of the program, Keating (1999) argued that Urban Renewal and public housing programs were

complemented with federal transportation programs to connect downtown areas to the interstate highway system and build parking garages so as to provide access for suburban in-commuters. Combined, these three programs led to the destruction of urban neighborhoods in poor communities where land was cheaper and residents had less ability and political strength to oppose projects. Keating called the combination of the federal Urban Renewal and highway programs the “most visibly destructive federal policies to be visited on urban neighborhoods” (1999, 19). To Keating (1999), the core problems with Urban Renewal were its adoption of the dual and potentially conflicting goals of downtown redevelopment and housing improvement; the lack of clear guidelines for resident and community participation; the lack of planning and evaluation information to guide the program; and poor federal oversight that allowed for the control of the LPAs and projects by the existing urban political and economic power structure.

Resistance to Urban Renewal, facilitated by the rise of the Chicago School-oriented community organizing tradition, the Civil Rights movement, and the urban riots of 1964-68, led to reforms in the core federal programs. In addition, the community organizing that occurred in opposition to Urban Renewal Programs and transportation projects contributed to the community-oriented policies that emerged in the later War on Poverty programs.

The lessons of Urban Renewal were taken into account in the design and implementation of the EZ/EC initiative. The EZ/EC initiative focused entirely on the problems of poor communities, and thus it did not need to balance the competing goals that Urban Renewal failed to coordinate. The EZ/EC initiative also required community

participation in program design, planning, and oversight. HUD proactively monitored community engagement. The goal for community involvement was meant to:

- Ensure that the communities' goals and interests were taken into account; and
- Reduce the chances that the downtown political and business interests would dominate the program.

Empowerment Zone implementation in Baltimore drew on Wilson's critique of citizen participation in Urban Renewal by emphasizing both community organizing and a central role for neighborhood organizations. Finally, unlike Urban Renewal, the program had substantial formal federal oversight, planning, and evaluation built into the program.

### **The Great Society Programs**

In its first decade of implementation, the federal Urban Renewal Program facilitated redevelopment projects that benefited cities' central business districts by developing both office space and middle- to upper-income housing. By focusing on downtown development; however, Urban Renewal failed to address substantially the problems of urban blight and persistent poverty in the neighborhoods surrounding downtown areas. Thus, the first formal federal urban policy effort did little to address the issue of urban poverty. This changed in the 1960s as the issue of poverty in general, and urban poverty in particular, became a core national priority for the first time since the New Deal.

The election of the Kennedy administration and the publication of such books as Galbraith's (1958) *Affluent Society* and Harrington's (1962) *The Other America: Poverty in the United States* led to what Frieden and Kaplan (1975) term "rediscovering the poor" (27). According to Frieden and Kaplan (1975), "Before 1960, poverty was simply not a direct and open subject of national political concern. People who formulated programs to

aid the poor had to do so in the name of other and more politically attractive causes” (33). In contrast, starting in the 1960s, policies directly targeting poverty emerged as a topic of national interest. While the Kennedy administration was unable to implement many of its anti-poverty initiatives, the Johnson administration capitalized on the assassination of Kennedy, an electoral landslide, a Democratic majority in Congress, a federal budget surplus, and a growing body of academic literature on poverty to pass a major national anti-poverty initiative, the Great Society Programs. According to Kaplan (1995), “Nearly 400 categorical programs or programs for every category of urban (and rural) problems were enacted by Congress from 1963 to 1968” (663). Unlike earlier efforts, many of these programs directly targeted poverty and urban poverty alleviation.

The various anti-poverty and social programs enacted by the Johnson administration represented a new era in federal social and urban policy. According to O’Connor (1999):

It was thus in a context of federal reform, citizen action, social protest, and heightening racial tension that the Johnson administration launched a rapid succession of federal programs and demonstration projects with the goal of comprehensive community renewal. These programs, including Community Action, Model Cities, the Special Impact Program, and an array of neighborhood-based service programs, attempted to push federal policy beyond the New Deal framework by using federal power to alter existing political, economic, and racial arrangements in poor communities. (100)

These new policies targeted the causes of poverty unlike their New Deal predecessors that targeted the mitigation of its effects. Rather than relying on welfare payments alone, the Great Society programs would seek to address the educational, social, and political barriers facing the poor.

The new federal anti-poverty and social programs represented a break with the New Deal's people-oriented approach, especially in the area of urban policy. According to Kaplan (1995):

Model Cities and the War on Poverty were what academic jargon now refers to as place-oriented programs. That is, they emphasized the revival of urban neighborhoods and the provision of improved services to neighborhood residents. Household mobility was not a primary concern. Coordination of existing categorical programs, provision of new, more flexible federal funding, and citizen empowerment were the chosen federal strategies to redeem cities and their residents. (664)

These new urban policies were geographically targeted and focused on service integration rather than the people-based and categorical approach of the New Deal.

Model Cities and the War on Poverty programs differed from the city bureaucracy-dominated strategies of the New Deal and Urban Renewal. According to Mollenkopf (1983), "While these programs vaguely resembled the old WPA, they broke new ground by funding local non-profit groups to deliver community services. They often bypassed local as well as state government, thus dramatically extending the tactic FDR had invented when he used federal programs to reach directly into and organize local jurisdictions" (87). These new policies emphasized engaging and empowering the poor by creating new structures outside of city governments. Citizen participation and empowerment was seen as a means of both improving program implementation and solidifying the Democratic Party relationship with minorities, the poor, and community activists (Mollenkopf 1983).

The Johnson administration's core urban programs also drew on the experience of two foundation-sponsored efforts of the 1950s: the Ford Foundation's Gray Areas program and Mobilization for Youth (MFY). The Gray Areas program sought to address

the problem of urban poverty by integrating the “urban in-migrant and slum resident” into the urban economy by strengthening the capacity of mainstream and local urban institutions – schools, police, training programs – to serve poor, inner-city residents. The program established neighborhood-coordinating agencies to integrate and improve service delivery to the residents of poor, urban communities. MFY was an effort funded by the federal government, the Ford Foundation, and local foundations to address the problem of juvenile delinquency through comprehensive and integrated services that sought to change local living conditions in the Lower East Side of New York City. As with the Gray Areas program, MFY recognized the need for integrated local services, but it also included a significant emphasis on community organizing along the Chicago School model. (O’Connor 1995, 1999).

Together, the Gray Area’s Program and MFY informed Model Cities and the War on Poverty by calling for institutional change to better serve poor communities, integration to provide comprehensive services, the participation of local residents and leaders in program planning and implementation, and, in the case of MFY, a central role for community organizing (Halpern 1995; O’Connor 1999). According to O’Connor (1999), the Gray Areas Program and Mobilization for Youth were based on the principles of planned social change that were emerging from universities and the foundation community. These social change principles consisted of three basic strategies:

- Institutional innovation and administrative reform to promote more integrated social service delivery by the fragmented urban service bureaucracies;
- Citizen participation as a means creating consensus among diverse constituents and involving residents in planning and implementation; and
- Application of social science through formal planning, experimentation, and evaluation. (O’Connor 1995).

These strategies and reforms were incorporated as the central guiding principles of the Great Society's urban programs, most importantly the Community Action Program (CAP) and the Model Cities Program. These two programs were the core urban policies implemented by the Johnson administration. They directly addressed the causes of poverty through geographically-targeted, place-based delivery of integrated and comprehensive services with a focus on the empowerment of target populations through community participation. However, both programs faced problems in design and implementation that reduced their effectiveness.

The Economic Opportunity Act of 1964 authorized the CAP. This act created the Office of Economic Opportunity (OEO) to coordinate all federal activities relating to poverty. It specifically targeted poverty alleviation through the coordination of the wide range of programs that addressed the causes and effects of poverty. The OEO had two major goals: coordinating the services available to poor communities and integrating the residents of poor communities into program planning and implementation. It was this second goal that caused the CAP the most difficulties. The CAP was based on the experience of the Gray Areas and MFY initiatives. Like Gray Areas and MFY, the CAP created local organizations to design and implement programs. Local Community Action Agencies (CAAs) served as the fiscal agent for federal program spending and provided a structure for poor communities to mobilize local resources and organize local residents. The goal for the CAP was the "maximum feasible participation" by local residents, although the exact meaning of this term was never defined in the legislation.<sup>5</sup>

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<sup>5</sup> In fact, Moynihan (1969) argues that this term was taken to mean the inclusion of residents in the implementation of the program, but in reality "the record, such as can be had, and recollection indicates that it was intended to do no more than ensure that persons excluded from the political process in the South

CAAs had the dual mission of implementing programs and advocating on behalf of poor communities to city bureaucracies that were seen as unresponsive to the needs of the poor and minorities. The CAP and the CAAs generated considerable resistance from city mayors and bureaucracies. The CAA's role in funding decisions reduced the control of mayors and their bureaucracies over the federal funding pipeline. The empowerment and advocacy roles of CAAs in calling for the reform of cities' bureaucracies gave voice and standing to opponents of big city mayors. These mayors, who were vital to the Democratic Party, were threatened by, and thus opposed to, the CAP and its CAAs. (Mollenkopf 1983). According to Frieden and Kaplan (1975), the CAAs "tried to strike a balance among the three local interest groups that had to be involved in community action: public officials, private agencies, and representatives of the poor . . . But the three groups could not be reconciled, and bitter controversies erupted whenever the mayors viewed community action agencies as mobilizers of the poor against city hall" (32). As a result, mayors lobbied for reform and, with the Green Amendment in 1967, mayors assumed control over OEO grants (Mollenkopf 1983; O'Connor 1999).

While the CAP program did increase awareness of urban problems, it was considered a failure. In the title of his book reviewing the program, Moynihan (1969) termed the legacy of the program "Maximum Feasible Misunderstanding." He accused the program of polarizing the debate over urban issues between central city residents and the established urban political leadership, thereby hindering not helping reform and anti-poverty program implementation. To Moynihan (1969), the core lesson of the CAP is how not to fight poverty. Marris and Rein (1967) concluded that community action

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and elsewhere would nonetheless participate in the *benefits* of the community action programs of the new legislation" (87).

“went most seriously astray” by trying to do too much. No attempts at such radical and comprehensive reform had been so broadly attempted before. Internally, CAAs did not balance their own competing goals or interests, resulting in “indecision, unworkable compromises, and endless disputes” (229). Externally, CAAs had little power to impose solutions. By simultaneously pressing for both systemic coordination and reform, they only caused city bureaucracies to become “self protective.” As new organizations, CAAs “could not appeal to any community of interest compelling enough to override more immediate loyalties to agency or personal advantage” (229). As a result, they failed to achieve their desired goal of improving services and conditions in urban communities.

Halpern (1995) was somewhat more favorable. He termed the CAP a small program in relation to the overall scope of the Great Society’s reforms that included Medicare, Medicaid, food stamps, and many other programs. It had a modest, positive influence on poor families. Most importantly, to Halpern (1996), the CAP facilitated the emergence of new leaders from and organizations serving poor communities. These leaders and organizations played a role in city programs long after the end of the program. Greenstone and Petersen (1973) viewed the CAP as failing to reduce economic and political poverty among the poor minority populations it targeted, but they viewed the goal of engaging minorities and the poor into the policy process as the only means of facilitating needed social change. To many, the most important achievement of the CAP was its acknowledgement of the needs of the poor and minorities and the development of community leaders to advocate for them.

The 1965 Presidential Task Force on Urban Problems designed the Model Cities program. It became the first new major urban program to be implemented by the newly

created Department of Housing and Urban Development. The original Model Cities program was intended to demonstrate what could be achieved if available federal assistance efforts were coordinated and focused on a limited number of targeted neighborhoods.

Model Cities was designed to replace the controversial CAP. As with the CAP, Model Cities departed from Urban Renewal by integrating social and economic development and coordinating federal grant programs; however, it did so without the reform emphasis that threatened cities' political leadership and doomed the CAP. Model Cities also maintained the goal of citizen participation by requiring cities to develop City Demonstration Agencies (CDAs) with citizen participation. However, the formal requirement for citizen participation was reduced from maximum feasible participation to "meaningful dialogue" and "widespread citizen involvement" (Cramer 1998). Final program authority rested with city government, thereby avoiding the bypassing of city government that caused much controversy with the CAP.

Despite these changes in program design, Model Cities immediately experienced significant problems that limited its effectiveness. The program was designed as a demonstration grant program for a small number of cities to coordinate federal resources for inner city development. By the time the program was passed by Congress, the number of cities to be served more than doubled, its budget was cut in half, and its time frame was reduced from six to two years. Model Cities was too broadly implemented, insufficiently funded, and given too little time to achieve its goals. Within the federal government, HUD was never able to convince or force the larger federal bureaucracy that

controlled most anti-poverty programs and spending to coordinate their efforts through Model Cities programs.

Charles Haar (1975), who served on the task force that recommended Model Cities and as Assistant Secretary of HUD during its early implementation, concluded that Model Cities failed to live up to its promises but did set in motion positive changes in urban policy. The positive impacts of Model Cities was its recognition that physical development alone is insufficient to improve urban conditions and that human concerns must be integrated into federal urban policy. Model Cities also established the transfer of considerable control over the use of federal funds to cities; a reform that continues to dominate federal urban policy today. Model Cities maintained the goal of citizen participation that contributed to local politics, built local development capacity, enhanced the ability of communities to define and organize around socio-political issues, and made mayors aware of and more sympathetic to the plight of disadvantaged communities. However, the program suffered from a cumbersome federal implementation process.

Haar (1965) called Model Cities a “Waterloo for Urban Planning” because of its unrealistically complex and burdensome planning requirements as well as a “Pearl Harbor for Local Capacity” as local implementation suffered from poor planning and technical assistance. One of Haar’s core conclusions was that, for federal devolution to work, a major emphasis and commitment of resources is necessary to improve local capacity.

Frieden and Kaplan (1975) reported, “the gap between promise and performance was conspicuously large in the Model Cities program” (234). The Model Cities program

required the cooperation of many federal agencies, yet even the strong Johnson administration was unable to force the federal bureaucracy to cooperate:

The power of the White House turned out to be unexpectedly limited. Its ability to cajole and persuade reluctant Congressmen to vote for the Model Cities program proved far superior to its ability to move reluctant federal administrators to support Model Cities policies. Funds appropriated for other grant-in-aid programs were simply out of the range of White House staff members. (Frieden and Kaplan 1975, 235)

Robert Weaver, then HUD Secretary, reported that “HUD as a junior federal department lacked the capacity to coordinate the programs of its more mature peers” (1985, 465). Model Cities also suffered from “the lack of consensus on effective strategies for dealing with the perplexing problems of urban poverty” (Frieden and Kaplan 1975, 237). Frieden and Kaplan concluded, “If the designers of future urban policies take away any single lesson from Model Cities, it should be to avoid grand schemes for massive concerted federal action” (238). Weaver (1985) disagreed and argued that if the number of Model Cities neighborhoods had been kept small and proportional to available funding, federal interagency conflicts would have been reduced, the legislation would have been less confusing, and HUD would have been able to provide more technical assistance. He concluded, “The principal objective of Model Cities, to provide decent community services and rehabilitate the neighborhoods where the poor are concentrated, was a valid goal in 1965 and remains so today” (465).

The legacy of core urban initiatives of the Johnson administration, the Community Action Program and Model Cities, was one of failure to meet the promises made. These programs did not halt the decline in urban employment and population or reduce poverty, and cities experienced mounting problems over the next three decades. Indeed, after Model Cities, the persistence of urban poverty led to questioning the very

ability of the government to stabilize cities in the face of larger national social and economic trends, most importantly the suburbanization of the population, the movement of manufacturing from the Northeast and Midwest to the South, and the movement of jobs from cities to suburbs and rural locations. The CAP and Model Cities did not attain their goals of reversing urban decline; however, the successes and failures of both programs contributed to the evolution of urban policy.

There were three core changes in urban policy that evolved from the CAP and Model Cities that would continue to play a major role in future urban policies. These were:

- The recognition that urban policies needed a “human side” and should not narrowly focus on real estate projects;
- The acceptance that, because the causes of poverty are complex and interrelated, poverty alleviation requires the integration of the various categorical social programs; and
- The first implementation of federal programs through local community-based organizations rather than through city or state bureaucracies.

The record of the CAP and Model Cities in the two policy areas of geographic targeting and community participation is mixed. Both the CAP and Model Cities experienced significant problems in implementation, and these problems led to questioning both geographic targeting and citizen participation. However, both concepts proved amazingly resilient and continue to be a core aspect of urban policy interventions. It is in these two areas that lessons can be learned from the CAP and Model Cities.

Geographic targeting of policy was never truly tested by CAP or Model Cities because of the failure of either to secure the promised increases in or coordination of program spending or sufficient time for implementation. By the end of the Johnson administration, the Vietnam War had consumed most of the administration’s time and

resources, leaving little for these urban programs. Community participation in urban policy implementation failed under CAP when the Federal government tried to do an end run around city mayors and bureaucracy. Never-the-less, the CAP and Model Cities engaged communities in program design and implementation far more than their New Deal or Urban Renewal predecessors, which were controlled by the federal and local bureaucracy and required little citizen engagement. As a result of this change, the citizen participation became and remains a core goal of urban policy.

The EZ/EC initiative drew substantially on the lessons of Model Cities and, to a lesser extent, the CAP, and numerous urban scholars have noted the link between the Clinton administration's EZ/EC initiative and Model Cities (M. M. Rubin 1994; Kaplan 1995; Riposa 1996; O'Connor 1999). Like Model Cities, the EZ/EC initiative was geographically-targeted, focused on coordinated federal programs, and relied on local mobilization through community participation. Learning from the CAP, the EZ/EC initiative required that city governments serve as the organizers of the application process, but still required substantial citizen participation. While the Clinton administration did not define or prescribe community participation, it provided both technical assistance and continuous evaluation to the EZ/EC cities to ensure citizen representation. Learning from Model Cities, which was doubled in size and reduced in budget by Congress, the EZ/EC initiative balanced the goal of demonstrating that improvements can be achieved by targeted and concentrated efforts with Congressional preferences for thin and widely distributed programs through a novel approach. It designated a limited number of large-scale EZ/EC demonstration sites (six full and two supplemental were ultimately selected) with a large number of smaller sites. Unlike

either CAP or Model Cities, the EZ/EC initiative was given ample time, ten years, for implementation.

### **Devolution and New Federalism**

The election of the Nixon administration brought significant changes in federal urban policy. The Nixon administration inherited a large number of Great Society urban programs that bypassed local government, rewarded unfriendly constituencies, and slowed development projects. The federal bureaucracy overseeing these programs was viewed as being under the influence of unfriendly interest groups and as opposing the new administration's goals (Mollenkopf 1983). In response, the Nixon administration sought to change the fundamental relationship between the federal, state, and local governments through "New Federalism" that would shift policy implementation power from the federal bureaucracy to the states, especially in the area of federal urban policy.

A suburban and urban white constituency that had come to oppose the societal changes promoted by the Johnson administration elected the Nixon administration. As a result, "Many of the programs which Nixon inherited were therefore targets for termination" (Mollenkopf 1983, 126). In targeting these programs, the Nixon administration further sought to take power away from the federal bureaucracy in a way that rewarded its own political constituencies. The answer was Nixon's New Federalism that emphasized revenue sharing and block grants.

Revenue sharing sought to reform federal aid to localities by providing funds to states and localities automatically rather than through categorical grants. Revenue sharing was a topic of longstanding discussion in the federal government and first received serious national attention in 1964 when Walter Heller, President Johnson's

Council of Economic Advisors Chairman, championed its cause (Dommel and Associates 1982). Political conservatives immediately adopted it as a core goal. The Nixon administration was unable to push its revenue sharing programs until 1972, when it proposed two types. *General revenue sharing*, which passed with both conservative and liberal support, sought to redistribute some of the federal surplus to the states and provide a predictable, steady source of program funds. These funds were distributed automatically to state and local governments through a statutory formula rather than through traditional grants-in-aid. They could be used for any purpose and were under the control of local governments (Frieden and Kaplan 1975). *Special revenue sharing*, from which block grants ultimately arose, sought to consolidate the numerous existing federal categorical grant-in-aid programs in six areas – urban development, rural development, education, job training, and law enforcement – into single sources of funding to be allocated by formula to state and local governments without federal application, approval, or plans. Of the six special revenue sharing proposals, only two were ultimately enacted: job training in 1973 under the Comprehensive Employment and Training Act and urban development in 1974 under the Housing and Community Development Act (HCDA) that created the Community Development Block Grants (CDBG) (Dommel and Associates 1982).

State and local governments supported block grants because they offered increased flexibility in the use of federal funds to meet local needs, simplified administration, and provided a predictable and more equitable source of funding. (Frieden and Kaplan 1975). State and local political leaders supported block grants because the federal categorical grants that they replaced, especially the Great Society

programs, bypassed local officials and agencies and fragmented implementation by creating special purpose agencies outside of state and local governments. Block grants enhanced local bureaucratic control and, therefore, the power of the elected officials and bureaucracy (Dommel and Associates 1982).

The 1974 Housing and Community Development Act did not abolish the Great Society urban programs targeted by the Nixon administration, but it did consolidate them and other urban programs into the CDBG. Seven categorical programs, most importantly the Great Society's Model Cities program and the Urban Renewal program, but also historic preservation, water and wastewater utilities, urban beautification, and public housing rehabilitation loan programs, were merged into a single CDBG.

The CDBG program addressed many of the perceived shortcomings of the categorical programs it replaced. It provided control and flexibility to state and local governments in defining and implementing programs. It put local politicians and agencies at the center of urban policy implementation. The combination of CDBGs and revenue sharing had two main impacts on federal urban policy. They changed who was in control of federal urban programs, and they reallocated funding priorities programmatically and geographically.

CDBGs changed the control of urban policy by placing state and local politicians and bureaucrats firmly in charge, thereby diminishing the power of both the federal bureaucracy and local activists (Mollenkopf 1983). This suited the political needs of the mostly Democratic big city mayors and the Republican Nixon administration because, under the New Deal and Great Society programs, federal urban policy had been under the control of the federal bureaucracy and local organizations. The Nixon administration saw

the federal bureaucracy at best as being under the control of their clients and at worst as opposing the administration's policy goals. Local bureaucracies also resented federal bureaucratic control over program spending as well as the application and reporting requirements imposed by federal agencies. Furthermore, the non-governmental agencies involved in the local administration and service delivery for the Great Society's urban programs were often run by the liberal activist community. This community represented a politically unfriendly constituency to both the Nixon administration and to city governments that were still under the control of ward bosses and machine politics. This created a strange coalition between the Republican administration and big city Democratic mayors to change who was in charge of urban policy with CDBGs passing Congress with both Republican and urban-Democratic support (Mollenkopf 1983).

CDBGs changed the programmatic and geographic allocation of federal urban funding. The categorical grants of the Great Society and New Deal were specifically targeted geographically on high poverty areas and programmatically on the causes and effects of poverty. Federal categorical grants specified where, how, and on what federal aid could be spent. Local governments had to apply annually for the aid and report on its use. This made budgeting difficult, created administrative hurdles, and often led to a long process for obtaining and spending federal funds. Categorical grants also made it more difficult to spend money on redevelopment projects, where local spending needs often cut across federal spending categories. The geographic targeting of the spending also limited the ability of local governments to set their own programmatic goals for the larger city or urban areas. As a result, local bureaucracies approved of the block grant

reforms, because CDBGs and revenue sharing gave them control over how funds were spent both programmatically and geographically.

CDBGs allowed local governments to spend allocated money in any of the spending areas allowed in the grants, and funds were no longer targeted on high poverty communities, but could be spent anywhere in the city. The HCDA called for CDBG spending to “principally benefit” persons of low- and moderate-income; however, it did not set targets for spending on poor communities. It did set the goal that the CDBG program must “give maximum feasible priority to activities which will benefit low- or moderate-income families or aid in the prevention of blight”; however, the law failed to quantitatively define the meaning of either “principally benefit” or “maximum feasible priority” (Dommel and Associates 1980).

According to Wong and Petersen (1986), the CDBG program resulted in federal spending being less redistributive and more focused on economic development. CDBGs led to an intrajurisdictional reallocation of spending from programs targeted on serving the poor neighborhoods within cities to more broad-based spending priorities across the cities. The 1980 HUD evaluation of the CDBG program that was the final of four HUD-funded evaluation reports found both geographic and programmatic changes in federal spending as a result of CDBGs. In the area of geographic targeting, this report found that 62% of CDBG allocations were targeted on low-income neighborhoods, less than in the Great Society era. In the area of programmatic changes, Dommel and Associates found, “The pattern that emerged at the beginning of the program was that communities were using the increased flexibility of the block grant to emphasize housing activities and public improvements while de-emphasizing large redevelopment activities and social

services” (1980, 154). Thus, CDBGs shifted the focus of federal urban programs away from the activities of past eras. Large redevelopment projects were the focus of the Urban Renewal program, and social services and service integration were the focus of the Model Cities program; and spending on both declined with CDBGs.

Finally, the CDBG allocation formula put in place by the Nixon administration nationally reallocated spending. The New Deal and Great Society programs favored old, large urban areas with high concentrations of poverty found mainly in the Northeast and Midwest. The new allocations doubled the number of cities that could receive aid to include suburbs and the rapidly growing cities of the South and Southwest that had twice elected the Nixon administration. This led to an inter-jurisdictional reallocation from high poverty, old, large cities to more affluent suburbs and regions (Mollenkopf 1983).

In addition to CDBGs, the Housing and Community Development Act of 1974 established Section 8 housing vouchers under which eligible families could receive a certificate or voucher to find and lease an apartment and pay a reasonable rent, defined as 30% of income. The local housing authority paid the owner the remaining rent that was capped by the Fair Market Rent, determined by HUD. This was the first step in making Federal housing policy more people-based.

The Nixon administration’s New Federalism fundamentally reshaped federal urban policy. According to Mollenkopf (1983):

The cloud of Watergate has tended to obscure Nixon’s tremendous legislative achievements. He had as much impact on the logic, politics, and distribution of federal urban development program grants as any Great Society liberal. Over seven years, Richard Nixon largely undid their work, killing or severely restricting most of the new agencies the Great Society created. Nowhere was his success more evident than in the Community Development Block Grant program. (134)

The Nixon administration refocused federal urban programs from a narrow focus on poverty alleviation and poor communities to a broader focus on general urban conditions. He shifted programmatic control from the federal bureaucracy and citizens to city agencies and politicians.

The combination of the change in programmatic control over urban policy, the reallocation of spending priorities, and the development of housing vouchers effectively ended the New Deal and Great Society programs' emphasis on establishing direct federal government ties to poor communities. This furthered the transition of federal policy from place-based to people-based. While the Nixon administration criticized and reformed the previous administration's Great Society programs, it did not cut federal urban expenditures, which actually continued to rise in his administration. However, under devolution, federal and community control were diminished as categorical programs were converted to block grants under the control of state and city governments (Mollenkopf 1983). According to Kaplan (1995), "Citizens were out, or their role was reduced regarding the distribution of funds; governors and mayors were in; or their roles were increased regarding how federal monies were spent" (666).

The CDBG program created by the Nixon administration and implemented by the Ford administration continues to be the core federal urban program to this day. There is general agreement in the policy literature that the CDBG shifted control over urban programs to city halls across the nation; yet, the gains made in citizen participation in federal urban policies during the Great Society did not end there. They were, however, altered. The concept of citizen participation in urban policy remained resilient, protected by both Congress and political action by the newly empowered urban residents

themselves. Congress refused the Nixon administration's goal for citizens only to be informed of CBDG plans through public hearings, and mandated that they be given the opportunity to participate in the development of the application. However, Congress failed to establish procedural or structural requirements for this participation (Kaplan 1995).

Under CDBGs, citizen participation became more broad-based and included representatives and interests from across each city, not just from poor communities. Noted urban scholars, Frieden and Kaplan, writing immediately after the passage of the HCDA, argued that with CDBGs, "Performance criteria on the role of poverty area residents in community development decisions are weak and diffuse and suggest a return to the very limited city-wide citizen advisory boards used in conjunction with Urban Renewal more than a decade ago" (1975, 252). This turned out to be the case. Dommel and Associates (1982) found that "Formal citizen participation was an important part of local processes, and local executives made use of their discretion to structure that participation in a way that would support their broader objective of having a relatively conflict free process" (229). As a result, citizen participation under CDBGs favored citywide constituencies rather than neighborhood activists or organizations. Still, citizens did influence the use of CDBGs, most importantly through their access to elected officials (Dommel and Associates 1982). The second HUD evaluation of CDBGs in 1978 that covered the 1974 to 1976 period of the program found increased levels of citizen participation in the program when compared to the first review in 1977 (Dommel and Associates 1978). The most important determinants of citizen participation were the

support of local officials and the establishment and ease of a formal participation mechanism (Dommel and Associates 1982).

Devolution continued under the Carter administration; however, this administration sought to refocus existing federal programs on poor communities. According to Kaplan (1995), “Carter put the urban back in urban policy” (669) by retargeting the Nixon block grants to distressed areas and the poor. With the 1977 Housing and Community Development Act, the Carter administration also returned to the Great Society goal of encouraging greater involvement of neighborhoods in community development projects, by calling for citizen participation in project decisions. Under the Carter administration, HUD issued CDBG guidelines that called for all community development funds to be used on activities that principally benefited low- and moderate-income persons, and it adopted a 75-25 rule that stated that 75% of funding should be directly targeted on low- and moderate-income persons while the other 25% should be focused on preventing slums and blight or urgent city needs. The 1980 evaluation of the CDBG program (Dommel and Associates 1980) found that the change in administration in 1976 led to changes in CDBG implementation. This report “concluded that HUD’s social targeting policies have affected the distribution of program benefits. In the third and fourth years [1977 and 1978], fewer jurisdictions allocated less than half of their program benefits to low- and moderate-income groups than occurred in previous years” (209). The report found that the changes in CDBG implementation during the Carter administration included an increase in the role of HUD in local decision-making; a return to emphasizing social service and physical development; and more targeting of the

benefits of program spending on lower-income groups (Dommel and Associates 1980, 209).

The 1977 Housing and Community Development Act also created Urban Development Action Grants (UDAG) to foster development in distressed communities. Under Carter, the UDAG program was a return to categorical programs through the creation of a new, more flexible means for cities to leverage private development than the Urban Renewal programs of the past (Rich 1992). UDAGs were designed to augment CDBGs and were used for neighborhood improvements, housing rehabilitation, and redevelopment projects (Rich 1992). One evaluation found that “UDAG formed the centerpiece of urban economic development policy in America for almost a decade” (Barnekov and Hart 1993, 1469). Evaluations of UDAGs were nearly all positive, and they found that UDAGs leveraged significant private investment with minimal federal or local government administrative burden (Barnekov and Hart 1993; Rich 1992). Finally, the Carter administration announced a formal federal urban policy in 1978 that sought to establish a “new partnership” among federal, state, and city governments; the private sector; neighborhoods; and community organizations (Mollenkopf 1983).

The Carter administration returned federal attention to urban issues. Its efforts, however, were constrained by tight federal fiscal conditions and global economic changes. As a result, little was accomplished in reversing urban decline (Weaver 1985; Kaplan 1995). Evaluations of the Carter administration’s urban policies found that “The Carter initiatives can fairly be summed up as imitating the New Deal without the financial commitment or the political reform” (Mollenkopf 1983, 275). According to Mollenkopf (1983), while the Carter administration sought to bring back the federal

emphasis on urban issues it simply “revived the federal urban programs which the Nixon-Ford years had starved and demoralized” and “did not reorganize the programs, make them more accountable to the intended beneficiaries, nor successfully use them to encourage political reform” (276). Administratively, the Carter administration’s urban policies led to the urban program system becoming more, not less, fragmented. The HUD regulatory system became more complicated, not more responsive or effective. In the area of public participation, Mollenkopf (1983) found, “Despite its emphasis on neighborhoods and voluntary associations, however, the ‘new partnership’ contained little more than a symbolic nod toward the community organizations which had battled for a place in urban politics” (277).

The period of devolution in federal urban policy fundamentally redirected federal urban initiatives in a way that continues to guide urban policy today. No longer do federal policies seek to reform service delivery through federally-guided integration as the Great Society programs attempted. No longer would federal programs seek to reform local city politics by creating and supporting new local organizations outside of local government control. Federal urban policy after devolution funds local initiatives under the control of the local bureaucracies and political leadership. Federal programs would target the problem of poverty through people-based programs, not place-based initiatives. While formal requirements for citizen participation were weakened, CDBGs indirectly supported mechanisms for enhanced community and citizen participation in urban housing and social service delivery. According to Thomas (1986), CDBGs gave city hall control over the programs, but residents and community organizations retained a significant interest in their allocation and use. CDBGs also allowed for local community

organizations to become directly involved in federally funded redevelopment activities and service delivery under contract to city governments. This ultimately enhanced the development of the community movement.

Programmatically, the EZ/EC initiative did not draw substantially on the policies or lessons of the Nixon-Ford-Carter years. However, the urban policy changes enacted during this period, along with the far more radical changes that occurred in the 1980s, did set the context for the Clinton administration's urban policy agenda. This agenda, as is true of all federal urban programs since Nixon's new federalism, was implemented as a flexible grant to city governments. Like the Carter administration, the Clinton administration sought to bring the federal government back into urban policy with new programs, a stated urban policy, and an emphasis on poor communities. Unlike the Carter programs, the EZ/EC initiative made more than a "symbolic nod" to community organizations and citizen participation. Community empowerment was a primary goal of the Clinton program. In implementing policy, the EZ/EC initiative drew on community organizations that became involved in urban policy implementation and were funded by CDBGs.

### **Privatization: The Rise of CDCs, Enterprise Zones, and CCIs**

Federal urban policy changed with the election of the Reagan administration. While the federal government reduced its presence in urban areas in the 1970s, after 1980 with the election of the Reagan administration, the federal government fundamentally retreated from urban areas. The Reagan administration reduced the direct federal role in housing and community development and emphasized private sector and market

solutions. These policies continued under the first Bush administration. Between 1980 and 1990, federal spending fell from 18% to 6.4% of city budgets (Wilson 1997).

Just as the federal War on Poverty programs were supported by the emergence of national literature on poverty and its causes in the 1960s, the Reagan assault on federal urban policy was influenced by the emergence of national literature on the culture of poverty. Books such as George Gilder's *Wealth and Poverty*, Charles Murray's *Losing Ground*, and Lawrence Mead's *Beyond Entitlement* blamed the problems of persistent and concentrated urban poverty on the combination of underclass values and behavior as well as liberal social policies (Wilson 1997). According to the new conservative movement, the Great Society and other liberal policies did not ameliorate, but actually contributed to, urban problems (Wilson 1997). As a result, the Reagan and first Bush administrations sought to reduce the direct federal role in urban policy and to let free market principles guide federal housing and urban policy. Keating and Smith (1996) called the Reagan/Bush years "the Conservative Attack on HUD" and argued:

The election of Ronald Reagan in 1980 marked a shift in political power and the beginning of extensive cutbacks in urban programs and outlays. Reagan sought to roll back the prevailing New Deal and Great Society programs while reducing federal taxes and increasing military spending. As for housing and community development, he intended to reduce federal intervention drastically in order to leave this role to the private sector. (54)

Accordingly, Reagan cut HUD more than any other agency, eliminated the Office of Neighborhoods, eliminated the Carter CDBG oversight and targeting policies, and reduced UDAG spending (ultimately eliminating the program in 1986), drastically reducing the direct role of the federal government in urban policy (Wilson 1997). According to Robert Weaver, the first Secretary of HUD, the "priority for urban development and housing as well as the image and credibility of HUD reached their nadir

with the advent of the Reagan administration and the tenure of Secretary Samuel R. Pierce” (1985, 469), under whose tenure HUD was accused of political favoritism, fraud and mismanagement and administrators were convicted of defrauding the federal government.

Weaver (1985) argued that the Reagan administration “proposed a fundamental redirection in U.S. housing policy” (469). According to Weaver (1985), the new administration reduced the federal role in low-income housing production and mortgage credit programs. Under Reagan, housing vouchers became the federal government’s primary program for providing housing assistance to the poor. Housing vouchers made federal housing programs both people-based and market-based by providing a housing subsidy rather than housing itself. This emphasis on market solutions effectively privatized urban policy.

As the federal government reduced its direct role in urban policy, national and international economic trends and regional demographic changes led to a substantial worsening of economic and social conditions in most urban areas. Older urban areas lost much of their manufacturing base, urban populations declined, and poverty became more concentrated as a result of the suburbanization of the middle class. The problem of concentrated poverty, crime, and blight in urban neighborhoods worsened in the 1980s and began to emerge as a national policy issue. Furthermore, the combination of the declining urban tax base resulting from suburbanization, high concentrations of urban poverty, and cuts in federal urban aid resulted in fiscal crises in most major cities, limiting their ability to address urban problems such as poverty, crime, education, and development (Jagowsky 1997; Wilson 1997).

Despite the decline in federal attention to urban issues and cuts in urban spending that occurred in the Reagan and Bush administrations, the 1980s were a period of urban policy innovation that would ultimately shape the Clinton administration's EZ/EC initiative. During this period, three initiatives emerged that impacted later urban policy: the emergence of community organizations as implementers of urban policy; the efforts to create federal Enterprise Zones; and the initiation of foundation efforts to improve conditions in urban neighborhoods.

The most important urban policy changes in the 1980s occurred outside of the federal government with the emergence of non-profit community based organizations (CBOs), most importantly community development corporations (CDCs), that assumed control of urban policy interventions in poor neighborhoods as the federal government retreated. The second most important urban policy innovation of the 1980s occurred within the federal government as the Reagan and Bush administrations promoted the concept of Enterprise Zones to provide tax and regulatory benefits for inner city investment. The final innovation occurred in the late 1980s with the foundation of community responding to continued urban problems and building on the momentum of CDCs and other non-profit organizations by establishing Comprehensive Community Initiatives (CCIs) to address the problems related to concentrated urban poverty.

### **Community Based Organizations and Community Development Corporations**

The 1980s were a period of economic and fiscal distress in America's urban areas. However, according to Von Hoffman (2003), "Just as inner city neighborhoods reached a nadir of misery, sprouts of life began to appear. Hardly noticed at first, a wide variety of small non-profit organizations emerged to take up the cause of the beleaguered

communities” (14). These non-profits, CBOs and CDCs, would emerge to play a leading role in future urban policy. CBOs are non-profit organizations that focus on serving, organizing, and representing the residents of poor and moderate-income communities. CDCs are a subset of CBOs that are community-based non-profit organizations that focus on improving conditions in low- and moderate-income communities through development activities, housing production, and social services.<sup>6</sup>

CBOs have been active in urban neighborhoods as long as cities have been in existence. Early informal neighborhood organizations focused on civic or political issues or on the needs of immigrants since the mid-1800s. These organizations often became involved in local politics as organizing agencies for ward politics or as settlement houses for service delivery. The formal participation of neighborhood organizations in urban policy emerged as the major cities annexed surrounding towns and as local residents sought to protect their own interests in the face of the larger and less responsive city governments. According to Kotler (1969), many of today’s urban neighborhoods were once self-governing towns until they were annexed by expanding cities. The rise of neighborhood activism in the 1960s was, in many ways, the attempt by these communities to regain some level of self-rule and representation from the larger municipal government. Thomas (1986) traced the origins of the contemporary

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<sup>6</sup> The distinction between CBOs and CDCs is largely artificial and used in this analysis to distinguish between CDCs that have been very well studied, and other community based organizations that range from formal neighborhood associations and non-profit service delivery organizations to informal block clubs, tenant associations, and other neighborhood and community associations that, because of their depth and breadth of activities, have been far less comprehensively analyzed. Some authors (Chaskin 2001) call all community organizations, including CDCs, CBOs while others use the terms Community Based Development Organizations (CBDOs) to refer to community organizations involved in both development and service delivery (Fredrickson and London 2000; Rubin 2000) while Steinbach (1999) used the term CBDO to refer to CDCs only. Silverman (2001) distinguished between CDCs and charitable organizations. The remainder of this discussion will focus on the well-documented history of CDCs and, where possible, provide information on CBOs in general.

‘neighborhood movement’ to the 1950s as citizens sought more control over urban life through community and neighborhood organizations.

CBOs serve two urban policy functions. As described by Thomas (1986); Berry, Portney and Thomson (1993); and Ferman (1996), community and neighborhood organizations serve a political function by organizing and representing the needs and concerns of neighborhood residents to the larger city government. CBOs also play a role in urban policy implementation through the delivery of services to local residents. It is here that government policy contributed to the rise of the neighborhood movement as these organizations became involved in service oversight and delivery through the CAP and Model Cities, and later as service delivery contractors to city governments under devolution and block grants (Smith and Lipsky 1993). This dissertation will focus on this later role of CBOs (with the most significant emphasis on CDCs) and their direct participation in urban services delivery, rather than their predominantly local political role. Both functions, however, are important to CBOs which often rely on their political activities to obtain funding.

CDCs trace their history to the War on Poverty. Small non-profit development organizations arose in a few urban minority areas in the 1960s to promote local economic autonomy, develop housing, and implement social programs (O’Connor 1999). The early formation of CDCs was facilitated by the urban policy efforts of Senators Robert Kennedy and Jacob Javitts who amended the Great Society’s Economic Opportunity Act to create the Special Impact Program (SIP). The SIP invested in thirteen emerging urban and rural CDCs and began the formal CDC movement (O’Connor 1999).

The development and expansion of the role of CDCs occurred in three stages. The first CDCs were formed out of the urban activist experience of the 1960s and of the War on Poverty programs. The second stage occurred in the 1970s as new CDCs were formed across the country and, under devolution, began to take an active role in housing production and other activities. These CDCs received less federal support than under the War on Poverty programs, but still received federal funding for housing production and other services through CDBGs and government contracts. The third stage, beginning in the 1980s and continuing into the 1990s, saw the rapid expansion of CDCs despite the Reagan-Bush cuts in urban spending. In the 1980s, CDCs became more professional and were able to obtain local government and foundation support as well as tax credits and financing through the CDC financial intermediaries (Halpern 1995; Stoutland 1999).

The ability of CDCs to leverage government programmatic funding with additional outside money was central to this increase in activities in the 1980s. The CDCs were able to attract investment from foundations and the private sector, with private sector investors benefiting from the Low Income Housing Tax Credit passed by the Reagan administration (Von Hoffman 2001; Keyes, et al. 1996; Rosen and Dienstfrey 1999). The financial leveraging impact of CDCs was further supported by the development in the 1980s of the national community development financial intermediary system that consisted of the Enterprise Foundation, the Local Initiatives Support Corporation (LISC), and the Neighborhood Reinvestment Corporation (NRC) that generated investments, provided financing, and assisted with technical support to CDCs (McDermott 2004; Von Hoffman 2001; Liou and Stroh 1998). Because CDCs could attract outside funding to leverage government funding and, in many cases, implement

local programs without direct government funding, they stepped in to fill the void created by federal devolution and the Reagan administration's de-funding of urban programs.

CDCs vary tremendously, so there is no singular model describing them. CDCs are essentially community-run organizations that finance, develop, and manage housing and commercial real estate projects as well as many other services in targeted communities (Twelvetrees 1996). Larger CDCs are often vertically integrated and finance, develop, and manage their own properties while smaller CDCs focus on one aspect of the development process. CDC activities were initially concentrated in housing development, but they have since become involved in nearly every area of urban policy.

The National Congress for Community Economic Development (NCCED 1991, 1995, 1999, 2006) tracked the evolution of the CDC movement through surveys conducted every five years. According to NCCED, the number of CDCs increased from approximately 200 in the 1970s to approximately 1,750 in 1988, 3,600 in 1999 to 4,600 in 2005. They produced or renovated more than 1.2 million housing units since the 1980s. CDCs diversified their operations to include activities in a number of policy areas outside of housing, including workforce development, public safety, economic development, and education (NCCED 1991, 1995, 1999, 2006). CDCs filled the void that was created when the federal government exited the direct production of low-income housing to focus on subsidies, tax credits, and vouchers under devolution. This allowed CDCs to become the major producer of low-income urban housing (Vidal 1995).

Unlike earlier periods of urban policy history, there were few major comprehensive evaluations of the impact of CDCs or CBOs on urban policies. According to De Souza, Briggs, and Mueller (1997):

Unfortunately, very little research to date has directly assessed the impacts of CDC activities, in housing or other areas, on the lives of residents. Most studies have focused on challenges to and successes in housing development and management. Claims about social effects have been largely rhetorical, based on anecdotal evidence about visible CDC successes in particular contexts. Based largely on program records, interviews with CDC staff and funders, and CDC self-reports, previous research has informed us about what CDCs can produce, not how residents and communities benefit from these products. (2)

The main arguments put forward to defend CDC activities were that they:

- Focus on the housing needs of poor communities from which the federal government and the private sector had withdrawn;
- Provide housing and other services needed by the residents of these poor communities;
- Leverage outside financial resources; and
- Integrate the poor residents of these communities into city planning and the political structure (H. Rubin 1993, 1994, 1995).

CDCs also defended resident interests from the stronger corporate and regime interests of city governments and, when integrated into the city development process, served as a viable partner in promoting community-sensitive development (Robinson 1996). Through networking, CDCs developed bargaining power within cities to represent the interests of poor communities (Rubin 2000; Keyes et al. 1996).

Neighborhoods with strong CDCs were more stable and better able to resist negative changes (Temkin and Rohe 1998). Vidal (1995) identified five arguments for the potential of CDCs in urban policy. CDCs:

- Responded to the ‘spatial gap’ in housing production and service delivery in poor communities.
- Demonstrated that they are flexible and persistent in housing and service delivery.
- Provided a means to target the benefits of urban policy to poor residents.
- Have ‘passed a market test’ and demonstrated an ability to fundraise and deliver services.

- Are part of a sophisticated support system of foundations, financial intermediaries, and tax incentives.

De Souza, Briggs, and Mueller (1997) conducted a multiyear quantitative and qualitative research project to assess the impacts of community-based organizations on their target neighborhoods in three locations. They found that the local demographic, institutional and political context in which they operated shaped the impacts of CDCs. The success of CDCs in impacting their communities depended on their access to sufficient resources and substantial local effort. Sustained hard work was required for CDCs to impact their communities, “not just good intentions and a non-profit label.” CDCs were found to be successful in offering improved housing conditions to low-income residents and in improving public safety in target communities; however, they were found to be only moderately successful in mobilizing the community and building “social capital.”

CDCs have some challenges to overcome. They are often small and under-capitalized and offer low pay, making it difficult to find and maintain a core professional staff (Vidal 1995). Furthermore, CDCs function best when they operate within a supportive political and economic environment, and few cities have created such a framework (Ferman 1996; Yin 1998). In an influential *New York Times* article, Nicholas Lehman (1994) argued that community development has and will continue to fail because nothing can revitalize inner cities in the face of larger economic trends. He argued that the community development movement acted at the fringe of urban issues and has failed to create jobs in urban areas.

University of Toledo sociologist Randy Stoecker published several influential critiques of CDCs and community development (1995, 1997, 2003). Stoecker’s central

criticism of CDCs was that they were too small and under-capitalized to truly impact the communities that they served. Stoecker also argued that the call for CDCs to rebuild communities through community organizing in the same way that they rebuild housing ignores the inherent contradictions between community development and community organizing. He argues that community organizing involves advocacy on behalf of poor communities, and this advocacy is often confrontational. In contrast, community development involves building housing and implementing programs and requires cooperation with public and private entities. According to Stoecker (1995, 1997, 2003), CDCs must rely on funding from the very same city governments and businesses that are responsible for the marginalization of poor communities in the first place. As a result, they cannot truly organize and represent the communities that they serve. To him, it is impossible for CDCs to simultaneously cooperate with and seek to change the actions of the existing urban power structure. CDCs should continue to develop housing and provide services in underserved communities and not be called upon to do more than they are capable of (Stoecker 2003). Truly improving conditions in poor communities requires economic and political sacrifices that society has so far been unwilling to make, and CDCs are unable to implement them alone.

Halpern (1995) and Rubin (2000) summed up the arguments for and against CDCs. According to Halpern (1995), “Community economic development has proven to be both a fragile and a vital strategy” (145). CDCs have been vital because they provided a means of balancing and integrating social and economic goals, and they delivered, on a small scale, housing and economic development in poor, disinvested communities. It has been a fragile strategy because of the difficulties inherent in providing services to and

developing housing in the poorest and most isolated communities. Overall, CDCs have been unable to reverse the process of economic decline in poor communities, but their activities have benefited community residents. They have been innovative in developing programs and have been able to “create a middle ground between laissez faire and radical reform that has been all too scarce in social problem solving” (Halpern 1995, 148). To Halpern, “CDCs remain an inadequately supported and underutilized community development resource” (146).

Rubin’s *Renewing Hope Within Neighborhoods of Despair* (2000) presented the results of the ten years he spent studying community development. Rubin argued that the alternative to community development is “throw up our hands in resignation” at the visible signs of despair in poor communities. To Rubin, “Community-based development organizations bridge the gap between the harshness of market driven capitalism and the obligations imposed to help those in need” (273). According to Rubin, “The CBDO ties together a social mission with capitalist reality. Community-based development organizations leverage a diverse array of social and economic resources and adapt to changing political climates, yet do so in ways that keep in mind the core agenda of empowering those within neighborhoods of deprivation” (273-274).

The CDC movement recognizes that it alone cannot solve the problems of inequality and poverty that developed over generations, but it does offer a means to balance capitalism and social concerns. Halpern and Rubin reached similar, balanced conclusions regarding CDCs. CDCs represent a means of modestly improving conditions in poor communities that are poorly served by existing federal policies and negatively

impacted by existing economic relationships, yet CDCs alone cannot redevelop these communities.

Despite the lack of objective evidence on their efficacy, the tremendous expansion in the activities of CDCs and other CBOs has impacted urban policy and seems destined to continue to do so. While the major federal place-based community programs were phased out in the 1970s, non-governmental community initiatives in poor communities, including CDCs in housing and other CBOs in a variety of other policy areas, expanded in the 1980s and accelerated in the 1990s. Based on this experience, urban scholars called for an expanded “community option” in urban policy consisting of the further decentralization of services and decision-making responsibilities directly to community-based organizations (Clavel, Pitt, and Yin 1997). While this expanded “community option” harkens back to failed attempts to bypass local bureaucratic and political control and ignores the substantial barriers to implementing devolution on such a broad scale, their call demonstrates that community participation and community-based organization involvement in urban policy remains strong and continues to shape urban policy interventions.

Recent urban writing has concentrated on continued urban decline and the problems of persistent urban poverty. To liberals who bemoaned the lack of federal government attention to urban problems, CDCs represented the triumph of community action and community organizing in the otherwise negative context of federal inaction. To conservatives, CDCs and community action represented the success of devolution and free markets as these new organizations offered improved services and implementation outside of historical bureaucratic control. Thus, the experience of CDCs and other

community organizations represented an area of political common ground that was exploited by the Clinton administration.

The EZ/EC initiative explicitly acknowledged and drew on the rapid expansion in the activities and roles of CDCs and other CBOs in urban policy in the 1980s and called for their inclusion in the Empowerment Zone application and implementation process. The Empowerment Zone program specifically called for a central role of community residents and organizations in service delivery. CDCs and other CBOs were consulted and often took a central role in each city's Empowerment Zone application process. In many EZ/EC cities, CDCs and other CBOs played a major role in the service delivery under contract to each city's EZ/EC management agency (Gittell, M. 1998). In Baltimore, the Empowerment Zone strategy was specifically organized around the city's nationally recognized community-based organizations, and it called for the implementation of programs through existing CDCs and other CBOs (Baltimore City 1994; Interview with Michael Seipp 2004).

### **Enterprise Zones**

The 1980s was a period of federal retrenchment from urban policies. Big government programs were deemphasized and de-funded, and the Reagan and first Bush administrations promoted free market solutions. Not only were government social programs seen as contributing to the culture of poverty in urban areas, government taxes and regulations were seen as significant factors behind the decline in urban employment. Drawing on policies implemented in England, the Reagan and first Bush administrations promoted the concept of Enterprise Zones as a private sector approach to address both urban poverty and economic decline. Enterprise Zones created tax and regulatory

incentives for companies to invest in targeted, poor communities. The basic concept of Enterprise Zones was that tax and regulatory relief would stimulate investment in urban communities, creating jobs for urban residents, and thereby reduce poverty.

According to Butler (1981), the concept of Enterprise Zones originated in England and was first proposed by a Conservative Party politician, Sir Geoffrey Howe, in 1978. As in the United States, England was dealing with the problems of urban decay and blight caused through economic restructuring. Cities in England, as in the U.S., had large areas of abandoned industrial land, and Enterprise Zones were proposed as a means of redeveloping this underutilized land. Howe argued that the centrally planned economic policies of the then-Labor government failed to redevelop this land, and that the best way to promote redevelopment was to stimulate private sector activity by removing tax and regulatory burdens. The election of Margaret Thatcher as Prime Minister in 1979 created the first opportunity for the concept of Enterprise Zones to be tested and, by 1980, a dozen Zones had been created (Cramer 1998).

According to Cramer (1998), Howe credited the work of English city planning professor Peter Hall as providing the basis for his concept of Enterprise Zones. Hall proposed a similar concept called “the Freeport” a year earlier. Hall modeled his approach on the experience of Hong Kong where low taxes and minimal regulations spurred the development of a strong and vibrant economy. Hall sought “to recreate the Hong Kong of the 1950s and 1960s inside inner Liverpool or inner Glasgow” (86). According to Cramer (1998), Hall’s Freeport would be opened to the free flow of entrepreneurs and capital, bureaucracy would be kept to a minimum, and residency would be based on choice. Blighted areas would be redeveloped through private activity,

through the attraction of large firms seeking low cost production locations and access to cheap, urban labor.

In the United States, Heritage Foundation scholar Stuart Butler was the earliest and most visible proponent of the Enterprise Zone concept. First writing about Enterprise Zones in 1979, Butler and the Heritage Foundation played an important role in promoting Enterprise Zones in the U.S. (Cramer 1998). Butler espoused the conservative position that government anti-poverty programs contributed to urban decline and that private sector solutions were needed to improve conditions in cities. In his work, Butler combined Jane Jacobs' work on the need to build community-based urban neighborhoods and David Birch's work on the job creation activities of small businesses and entrepreneurship (Cramer 1998). Differing from the English version of Enterprise Zones that sought to promote investment by large firms, Butler's conception of Enterprise Zones sought to emphasize entrepreneurial activity (Butler 1991; Cramer 1998).

Jack Kemp, a Republican Congressman, championed the Enterprise Zone concept and promoted Enterprise Zones both to the new Reagan Administration and in Congress. As a concept, Enterprise Zones appealed to both conservatives and liberals. To the Reagan administration, Enterprise Zones represented an opportunity to promote a "positive approach" to the urban problems it had ignored (Bendick and Rasmussen 1986). Reagan even highlighted the Enterprise Zone concept in his 1982 State of the Union address. Championed by Kemp in Congress, Enterprise Zones were able to attract the support of both conservatives, who supported the tax and regulatory relief elements of the proposal, and of urban liberals, who supported the geographic targeting of poor communities. The administration proposed Enterprise Zone legislation in 1982; however,

this legislation was opposed by key congressional leaders, especially in the House, and became ensnared in the political battles over the federal budget. Despite repeated attempts, Enterprise Zones failed to be enacted into law during the Reagan administration (Cramer 1998).

According to Bendick and Rasmussen (1986), many state Enterprise Zones were first developed in order to compete for federal Enterprise Zone designation. Despite the failure of Congress to pass the Enterprise Zone legislation, states went forward with their own Enterprise Zone programs. According to Engberg and Greenbaum (1999), more than 40 states had operating Enterprise Zones. State Enterprise Zones varied tremendously in terms of the types of regulatory and tax relief offered, but emerged as a major economic development tool. According to Bendick and Rasmussen (1986), state Enterprise Zones differed from the proposed federal legislation in two ways: they targeted manufacturing plants and business relocation rather than the entrepreneurial development envisioned by Butler; and they enhanced rather than diminished the role of government. State and local governments played an active role in Enterprise Zone operations by providing business services, land use planning, property assemblage, workforce development programs, and government infrastructure investment and services.

According to Cramer (1998), the states' experiences with Enterprise Zones impacted the Clinton administration's integration of the Enterprise Zone concept into EZ/EC initiative. Based on states' experiences, the EZ/EC initiative built on the activist government role in state Enterprise Zones: "Rather than creating deregulated zones where the free market would allow entrepreneurial activity to thrive in areas unencumbered by

government interference, state zones generally became areas of targeted and concentrated public effort” (102). The EZ/EC initiative combined the tax and regulatory relief of the traditional Enterprise Zone concept with the targeted government investments of state Enterprise Zones.

The impact of Enterprise Zones has been widely studied. Wilder and Rubin (1996) reviewed the existing base of Enterprise Zone evaluation literature. They found that Enterprise Zones increased job growth and investment in the targeted areas. The chief advantage of Enterprise Zones were the incentives, tax and others, offered to the businesses already in the Zones or that were moving to the Zones; however, there was a lack of evaluation of the costs of Enterprise Zones to assess their cost-benefit ratio. Two important criticisms of Enterprise Zones were the quality of the jobs created and the extent to which local residents benefited from the Zones. Wilder and Rubin (1996) reached two conclusions: “Enterprise Zones have not lived up to the broad panacea-like imagery conjured up by early federal proposals and rhetoric; neither, however, have they brought about the massive dislocations and dominance of large industries predicted by zone critics” (474). According to Wilder and Rubin, for Enterprise Zones to provide more benefits to small communities, more formal planning for Zone implementation and targeted efforts to employ the poor local residents of the Zones are needed (1996).

While the evaluations of Enterprise Zones found positive impacts on job creation, there is little evidence that Zones benefited the poor communities they were meant to serve. The lack of community benefits from Enterprise Zones was examined by Papke (1993) who found that non-Zone residents were the primary beneficiaries from much of the employment gains from Enterprise Zones. Boarnet and Bogart (1995) found that

New Jersey Enterprise Zones were ineffective at improving socioeconomic conditions around the Zones. Engberg and Greenbaum (1999) found no positive impact of Enterprise Zones on housing values.

Peters and Fisher (2002) reviewed and extended the Enterprise Zone literature in their book *State Enterprise Zone Programs: Have They Worked?* Their conclusions differed from Wilder and Rubin's (1996). Peters and Fisher argued that state Enterprise Zones had little or no impact on establishment growth. They reported:

Why are Enterprise Zone incentives not affecting growth? Part of the explanation probably lies in the fact that many zones are in older, distressed inner-city neighborhoods. Such places suffer from a number of important locational deterrents—high levels of crime, poor infrastructure, poorly skilled workers and so on—and it is unlikely that tax incentives alone, small as they usually are, will make up for these negatives. (2002, 226)

They also found that most of the job gains of Enterprise Zones went to non-residents, and efforts to hire local residents were not successful. Peters and Fisher (2002) concluded that Enterprise Zones were an inefficient strategy to promote employment in distressed communities and that better job placement efforts, training, and mobility strategies would be a better use of state and local funds.

According to Cramer (1998), when Kemp became Secretary of HUD under the first Bush administration, Enterprise Zones again rose to prominence. The first Bush administration formally endorsed Enterprise Zones. Kemp, as HUD Secretary and leader of the Bush administration's 1990 Economic Empowerment Task Force that was charged with developing a new federal antipoverty strategy, continued to actively promote federal Enterprise Zone legislation. These efforts were given a boost by support from a senior Democratic Congressman, Charles Rangel, who represented Harlem. Senior Democratic leaders had come to see Enterprise Zones as the only type of new urban antipoverty

program likely to be proposed by the Republican administration. The Los Angeles riots of 1992, much like the urban riots of the 1960s, created the impetus for both the administration and Congress to pass urban legislation, and the Urban Aid Tax Bill that included fifty Enterprise Zones was proposed. Under this bill, new revenue was needed to offset the tax costs of Enterprise Zones. This bill, however, was caught in the politics leading up to the 1992 presidential election, and President Bush, who was facing pressure on raising taxes in 1990, was unable to support a bill with tax increases so close to the election. Despite political compromise and maneuvering, Bush ultimately vetoed the bill after his election defeat. In addition, despite bipartisan support and twelve years of effort, Enterprise Zones were not implemented by either of the Republican administrations that had championed the cause (Cramer 1998).

The 1992 election brought renewed attention to urban issues. President Clinton directly appealed to and received the support of urban voters. As governor of Arkansas and as a Presidential candidate, he was familiar with Enterprise Zones, including the bill vetoed by President Bush. As President, Clinton proposed and passed the first new federal urban policy since the Carter administration, the EZ/EC initiative, which incorporated key elements of Enterprise Zones (Cramer 1998).

The link between the EZ/EC initiative and past Enterprise Zone proposals was well documented in the urban policy literature (Rubin M.M. 1994; Wilder and Rubin 1996; Peters and Fisher 2002). The EZ/EC initiative geographically-targeted poor communities and provided both regulatory relief in the form of waivers as well as tax credits, including a wage tax credit, expensing of investments made in the Zones, and tax-exempt bond financing. The EZ/EC initiative went further than Enterprise Zones and

included federal grants and requirements for citizen participation; thereby addressing Wilder and B. Rubin's criticisms of the lack of planning for and targeting of residents in state Enterprise Zones.

### **Comprehensive Community Initiatives (CCIs)**

As described by Kasarda (1993), Kasarda and Ting (1996), and Wilson (1997), urban areas faced significant economic challenges leading to a worsening of the problem of concentrated urban poverty described by Jagowsky (1997). In response to the perceived failure of federal devolution and people-based policies to prevent the continuing decline in urban areas, in the mid-1980s, the foundation community began to fund the implementation of new place-based strategies to promote redevelopment and renewal in urban neighborhoods through Comprehensive Community Initiatives (CCIs). These efforts sought to capitalize and build upon the successes of community organizations, CDCs, and other CBOs that assumed a central role in the implementation of urban programs under devolution. CCIs were a return to the urban efforts of foundations, like the Ford Foundation's Gray Areas and MFY efforts, in that they were place-based and focused on offering integrated social services to residents of poor communities.

There is no generally accepted definition of CCIs. One national study of CCIs stated, "Defining comprehensive community initiatives is difficult because they vary dramatically in their form and content" (Hayes et al. 1995, 2). In a study of lessons learned from CCIs, Kubisch et al. (1997) defined CCIs as neighborhood-based efforts that seek to improve the lives of individuals and families as well as the conditions in the neighborhoods in which they reside" (3). Chapin Hall Center scholar Robert Chaskin,

the principal investigator of a ten-year study of one of the largest CCIs, the Ford Foundation's Neighborhood and Family Initiative, argued that CCIs share two principles. The first is *comprehensive change* through integrating multiple categorical interventions into a strategic whole that should work together to foster sustainable change. The second is a focus on *relationships and community-building* through organizational collaboration among the public and private organizations involved in the community and citizen participation in the planning and implementation of the initiative (Chaskin 2000). CCIs represent the integration of people- and place-based strategies. Because they provide the comprehensive services needed by poor residents and families, they also take a holistic approach to community revitalization (Gittell and Vidal 1998).

CCIs trace their intellectual origins to the community-oriented policies of the War on Poverty programs. According to Walsh (1997), they integrated the lessons of the failures of these programs into their design and operations. CCIs reject that people-based categorical programs can solve the problems of urban poverty and instead focus on creating an ongoing process to improve the targeted communities. Instead of calling for "maximum feasible participation" of poor residents, CCIs seek to engage business, foundation, and government leaders in collaboration with residents through community-building activities. Building on the recent experience of CBOs and CDCs, these community-building activities have been implemented through local community organizations. The organizations funding CCIs have either worked through existing CBOs or created new organizations to serve as the focal point for creating or strengthening bonds between community residents (bonding social capital) and networks connecting residents together and to outside resources (bridging social capital) (Gittell

and Vidal 1998). Rather than focusing only on the deficits of these communities, CCIs learned from the “asset-based community development” approach of McKnight and Kretzman (1994) to incorporate and build upon local strengths. Finally, rather than focusing on welfare rights, CCIs focus on workforce development (Walsh 1997). These changes represent the modern implementation of the lessons learned from the War on Poverty’s programs.

Most CCIs are foundation-sponsored with the large national foundations taking the lead through multi-city efforts, such as the Annie E. Casey Foundation’s New Futures effort in five cities, the Ford Foundation’s Neighborhood and Family Initiative in five cities, and the Rockefeller Foundation’s six city Community Planning and Action Program (Walsh 1997). Local foundations, such as New York’s Comprehensive Community Revitalization Program, have formed other CCIs through foundation-private sector collaboration, as seen in The Atlanta Project, or through local city government-private sector collaboration, as seen in Baltimore’s Sandtown-Winchester Project (Walsh 1997). The Finance Project identified fifty CCIs in operation around the country as of 1995 (Hayes et al. 1995), and by the year 2000, there was one in nearly every major city (Kubisch et al. 2002). This list was overly broad and included everything from small, single site efforts to statewide legislative efforts. Chaskin lists 16 large-scale CCIs as of 2000, and classified the federal Empowerment Zone/Enterprise Communities as a CCI (2000). Many cities, such as New York, have multiple CCI neighborhoods. Excluding the EZ/EC initiative, these 15 CCIs operating in 56 locations are the larger, well-funded CCIs that truly represent comprehensive neighborhood interventions.

There have been no comprehensive national evaluations of the impact of CCIs on urban policy. In a review of the activities of 50 CCIs across the nation, the Finance Project found that few CCIs have been rigorously evaluated (Hayes et al. 1995). Chaskin (2000) lists 32 evaluations and other CCI-related reports in his bibliography of published CCI reports in addition to the five Chapin Hall Center's Neighborhood and Family Initiative evaluation reports. Most evaluations, however, are anecdotal and focus on process variables, lessons learned, and number of people served not actual impact or outcome measures. Thus, there is a lack of good CCI evaluation data. While it is outside of the scope of this dissertation to review the entire CCI evaluation literature, the major national evaluation reports and studies have been reviewed.

In 1995, the Finance Project reviewed the activities of 50 CCIs around the country to document their costs, outcomes, and funding. They found that the continued categorical nature of most available public funding makes it difficult for CCIs to offer integrated services and that innovative governance structures and public policies are required for CCIs to improve service delivery. Foundation funding often provides the impetus for the formation of CCIs and gives CCIs the ability to attract other funding, but the time-limited nature of foundation funding creates long-term sustainability problems for CCIs. The sustainability issues related to foundation funding of CCIs has been identified and analyzed by numerous other CCI evaluations and reports. The Finance Project report, however, was unable to find evaluation data on the costs and benefits that could be generalized to all CCIs. It found very little information on the start-up, operational, and program costs of CCIs, and that benefits data were concentrated on process variables like number of clients served, not outcomes. As a result, it was unable

to link program costs and benefits. They found that CCIs present a rich opportunity to “test new concepts of service delivery, community building, and economic development” and demonstrate that “changing established systems is a slow and cumbersome process” (Hayes et al. 1995).

In 1997, the Office of the Assistant Secretary for Planning and Evaluations (ASPE) in the U.S. Department of Health and Human Services (Gray et al. 1997) conducted a study of the lessons learned from fourteen CCIs judged to be “successful” by a panel of experts. This report found that “though evaluators are making progress in this area [of evaluating CCIs] it remains difficult at this time to document success or test the elements of success for CCIs” (4). ASPE found that successful CCIs: arose out of a catalytic event in their community; grew organically; had strong leadership and staff; and participated in a visible signature development that impacted the community. The ability to adapt to change was critical to CCIs as community needs and available funding sources change over time. Successful CCIs achieved community participation through a sustained community outreach effort to overcome the difficulties inherent in reaching out to poor, transient residents. Overcoming racial tensions was an important issue in the diverse communities that CCIs serve. Successful CCIs formed strong alliances with organizations inside and outside of the community. Adequate and stable financing was also critical to CCI success. Administrative funding is another important issue since CCIs are often able to access government or foundation funding to implement particular services, but these funding sources often restrict the use of funds to support the necessary overhead to maintain the organization.

The Aspen Institute Roundtable on Comprehensive Community Initiatives for Children and Families, a national effort to study the policy implications of CCIs, authored two studies of CCIs (Kubish et al. 1997 and 2002). The final report concluded:

The last decade of work by CCIs and related community change efforts suggest that these efforts have considerable potential but also significant limitations. Comprehensive community initiatives have made great strides in identifying the many moving parts that have to come together to achieve change and in understanding the principles that should guide the work. But they have underestimated how difficult it is to implement complex community-change strategies and to acquire the capacities and resources needed to make them work effectively. They have also overestimated what community-based initiatives can be expected to do in order to overcome poverty in distressed neighborhoods. (Kubisch et al. 2002, 100)

While most CCIs failed to significantly change conditions in the targeted distressed urban neighborhoods, they have led to short-term improvements in program outcomes and the level of community engagement. The problem of concentrated urban poverty is caused by international and macroeconomic factors as well as broad national and regional social trends. In the face of these factors that are outside of the control of urban policy, local interventions can at best assist in the adjustments to or the easing of the effects of these factors. Walsh (1997) reported:

“It should be clear from the last 30 years of urban reform efforts that three- to five-year foundation initiatives and federal demonstration projects, however inspired, will not solve the long-term problems of low income neighborhoods. What is missing in most communities is a mechanism for continued investment in savvy, long-lasting institutions to attack these problems themselves(42-43).

Thus, a key lesson of CCIs seems to be that the creation of local institutions to engage the community in revitalization efforts will support broader urban policy goals.

The data on the limitations of CCIs were not published until after the EZ/EC initiative was implemented. As a result, the Clinton administration drew on the early literature on the promise of CCIs, not the later information on their failings. The link between the federal EZ/EC initiative and CCIs was established in the urban policy literature, and the EZ/EC program is often analyzed alongside CCIs as a federally sponsored effort to promote comprehensive community change (Kubisch et al. 2002; Chaskin and Peters 1997; Wright 1998). According to Gittell et al. (2001), the Clinton administration specifically drew from the emerging lessons of the foundation-sponsored CCIs into the Empowerment Zone legislation. Just as the War on Poverty programs drew on the experiences of the Gray Areas and MFY programs, the EZ/EC program traces its roots to the foundation-sponsored CCIs. This is especially true in Baltimore where the Mayor was involved in one of the first CCIs, the president of the Empowerment Zone management entity served as the city's representative to that effort, and James Rouse the founder of the Enterprise Foundation participated in the early EZ planning.

### **The Clinton Administration's Empowerment Zone/Enterprise Community Initiative**

The federal Empowerment Zone was the major urban initiative of the Clinton administration. It represented the first major federal program since the 1960s to specifically focus on direct federal intervention to promote the revitalization of poor urban communities through a targeted, well funded, and comprehensive federal program. Four fundamental principles guided the federal Empowerment Zone effort: economic opportunity; sustainable community development; community-based partnerships; and a strategic and comprehensive vision for change (Gittell and Vidal 1998). In the first round of the federal Empowerment Zone/Enterprise Community program, six urban

Empowerment Zones—Atlanta, Baltimore, Chicago, Detroit, New York, and Philadelphia/Camden—were chosen along with three rural Empowerment Zones and 96 Enterprise Communities. Each of the urban Empowerment Zones received \$100 million in block grants as well as tax incentives, regulatory relief, and technical assistance. Two Supplemental Zones in Cleveland and Los Angeles were later designated and received similar benefits as the urban Empowerment Zones, but less funding.

The Clinton administration viewed the EZ/EC initiative as a return to past place-based strategies. According to the administration’s National Urban Policy Report (HUD 1995), the EZ/EC Initiative specifically “rejects the false choice between empowering poor people and revitalizing distressed places” (4). The EZ/EC initiative integrated people- and place-based strategies through a comprehensive, geographically-targeted approach to revitalization where the community would “assume ultimate responsibility” and “foster locally initiated, bottom-up strategies that connect the people, businesses, and neighborhood sectors” (HUD 1995).

The federal Empowerment Zone program was designed with the successes and failures of past federal and foundation urban initiatives in mind. It drew on the success from the 1960s programs by calling for a comprehensive, community-driven approach to reform and integrate social service delivery. By calling for sustainable community development through community-based partnerships, the Empowerment Zone program acknowledged and sought to build upon the experiences of CDCs and other CBOs in urban development in the 1980s and 1990s. The Clinton administration’s National Urban Policy Report specifically recognized the importance of community organizations: “In distressed communities across America, neighborhood-based institutions such as

community development corporations and churches are in the vanguard” (HUD 1995, 5). The Empowerment Zone built upon the emerging experiences of CCIs by calling for a strategic, comprehensive, and collaborative vision for change (Chaskin and Peters 1997). In doing so, the Empowerment Zone, like the links between Model Cities and Gray Areas/MFY in the 1960s, drew from the experience of foundation-sponsored urban initiatives. The Empowerment Zone implementation strategy integrated core aspects of Enterprise Zones by including both tax benefits and regulatory relief.

The Empowerment Zone program integrated the lessons from the failures of past urban interventions into its design and implementation as well. Drawing from the lessons of Urban Renewal and targeting its efforts exclusively on poor neighborhoods, the EZ initiative avoided the conflict between downtown and neighborhood development. The EZ/EC initiative reduced the potential for the program to be dominated by the existing city political and business power structure by requiring substantial citizen participation, control, and oversight. Unlike the Model Cities program, the number of Empowerment Zone communities remained small, funding commitments were large, and the time for implementation was sufficient. The EZ/EC initiative drew from both Model Cities and the Community Action Program by requiring citizen participation in the design and oversight of the program. Unlike CAP, however, citizen participation in the EZ/EC was implemented under the auspices of city government, reducing the opportunity for conflicts between the Empowerment Zone and each city’s political power structure. The EZ/EC initiative provided stable, long-term funding as well as funding specifically for the administrative responsibilities of the EZ communities.

## **Empowerment Zone Governance**

Because this dissertation analyzes the governance structure implemented in Baltimore, this literature review of Empowerment Zones is restricted to an analysis of the governance structures implemented in the eight full Empowerment Zone and Supplemental Empowerment Zone communities, not the full range of programs and impacts of the Empowerment Zone in these cities or the experience of the larger number of cities that received smaller federal Enterprise Community programs.

The goal of the Empowerment Zone was to integrate the communities to be served into the design, planning, and implementation of the program. The federal Empowerment Zone also set broad policy goals, but allowed each site to set its own programmatic focus and goals. The governance structure implemented by each Empowerment Zone created formal mechanisms to engage citizens in strategic planning and oversight as well as facilitate management, coordination, and evaluation of service delivery. According to Chaskin and Peters (1997), two decisions had to be made in Empowerment Zones:

1. What would be the implementation agency for the Empowerment Zone's programs?
2. How would residents be engaged in the process?

Two different strategies emerged among the Empowerment Zones and Supplemental Empowerment Zones for the formal auspices of the Zones. In four of the eight Empowerment and Supplemental Empowerment Zones—Chicago, Cleveland, Detroit, and Philadelphia/ Camden—programs were implemented through local government agencies, and in three Zones—Atlanta, Baltimore, and Los Angeles—a new

non-profit implementing organization was created. New York City adopted a mixed strategy of government and non-profit implementation (Chaskin and Peters 1997). The mechanisms for community representation in the Empowerment Zones generally consisted of an oversight organization, such as a Board of Directors that included a mix of government, business, institutional, and community members. In some cases, additional community or advisory boards were created so that citizens would be informed of or involved in Empowerment Zone decisions (Chaskin and Peters 1997).

Baltimore's two-tiered Empowerment Zone governance system was unique among the six full urban Empowerment Zones. Baltimore created a distributed governance structure highly independent of the city government. The structure consisted of a new non-profit organization, the Empower Baltimore Management Corporation (EBMC), as the lead implementing agency responsible for management and oversight of all Empowerment Zone programs. Unlike most other Empowerment Zones, EBMC had direct control and oversight of federal funds. It also oversaw the creation of six village centers that developed strategic plans and implemented programs in each of the Empowerment Zone communities of Baltimore. EBMC had a 28-member Board of Directors that included community representatives drawn from each of the village centers, an Advisory Council, and the Fairfield Industrial Area (an industrial area that is part of the Zone), as well as two members appointed by the Governor and seventeen appointed by the Mayor. EBMC also had a community Advisory Council that represented community interests on key EBMC decisions (Nathan and Wright 1995; Chaskin and Peters 1997).

## **Empowerment Zone and Housing Policy**

The implementation of Baltimore's Empowerment Zone was also shaped by the Clinton administration's public housing policies and priorities. A complete review of the history of public housing is too large of an undertaking for this review of the rise of community organizations in urban policy. This brief review will, instead briefly summarize the broad trends in public housing policy and how they came to shape Baltimore's Empowerment Zone experience. Federal public housing policy can trace its history back to the New Deal and Urban Renewal periods. According to Vale (2002), public housing advocates "saw the projects as an alternative to slums – enclaves of sturdy construction and carefully vetted households (5)." However, in the post-war period, public housing evolved in a way that doomed the program. According to Vale (2002), federal policy reduced the ability of local housing authorities to control and operate the program. Changes in federal policy emphasized admitting the neediest tenants, often the poor who were displaced by urban renewal redevelopment projects, over the working poor and civil rights reforms limited the ability of housing authorities to operate segregated units. As a result, working poor families began to abandon public housing. According to Vale (2002), "a half century before, public housing had valiantly serviced the working poor, but now it struggled to house America's most desperate urban residents (6)." Furthermore, the federal government capped rent payments at 25% of income and was slow to subsidize operating costs, causing financial pressures at housing authorities. When the federal government limited unit costs, local housing authorities emphasized the

development of the larger high-rise buildings that came to dominate the public housing and often skimmed on construction costs and quality. (Von Hoffman 1996).

As a result of federal policy and local implementation, public housing transitioned from replacing slums to becoming slums. Public housing became areas of concentrated poverty and poor living conditions. According to Vale (2002) “the result of all of this has been a convergence of increasing economic distress among residents, managerial incapacity, design failures, and budgetary contraction, all at a time of persistent violence, struggling public education, lingering racism, and inadequate job opportunities in cities. As a symbol and symptom of these broader societal problems, public housing has been blamed for them (7).” Public housing became seen as contributing to the geographic concentration of poverty and social isolation of the poor, predominantly minority residents. In response, federal policy began to change. Building on the experience of the Gautreaux program, a court ordered housing desegregation effort that gave Section 8 housing vouchers to residents of Chicago Housing Authority projects, federal policy began to target both dispersal, through programs such as Moving to Opportunity, and mixed use redevelopment of former housing projects, through the later HOPE VI.

HOPE VI, or the Public Housing Revitalization program, emerged from the work of the National Commission on Severely Distressed Public Housing. The goal of HOPE VI was to redevelop public housing through mixed-use, mixed income developments. High rise public housing was to be demolished and replaced with low rise town homes that combine public housing, with rental and home ownership opportunities for both the poor and middle class. Baltimore has been awarded six HOPE VI redevelopment projects, all in or abutting the Empowerment Zone. While Baltimore’s EZ strategy

focused on workforce and community development, with housing being a secondary program, these redevelopment efforts would impact the EZ effort. Lafayette Homes, one of the first high-rise public housing projects demolished in the Clinton administration was in the Poppleton neighborhood in the western part of the Baltimore empowerment zone, and several housing projects in the east side of the Zone were demolished and redeveloped under HOPE VI.

### **Evaluation of the Empowerment Zones' Community Involvement**

Successful neighborhood-based governance structures have several characteristics. They engage the community in the decision-making process, are representative of the community served, and empower local residents (Chaskin and Peters 1997, 2000). Overall, the federal EZ/EC initiative varied in the extent to which residents participated in and influenced the EZ governance. In only six of the eighteen Empowerment Zones, Supplemental Empowerment Zones, and Enhanced Enterprise Communities analyzed in the HUD interim evaluation report were residents viewed as influential actors in EZ/EC governance (Hebert et al. 2001).

In many EZ/EC cities, mayors, not the residents, controlled the oversight boards. In communities where participation was high during the application, few sites maintained the high level of participation over the implementation period leading, in many cases, to a lack of true community representation on the Boards of Directors (Gittell et al. 2001). Furthermore, citizen participation in EZ/EC governance in many sites was indirect, through CDCs or other CBOs, rather than direct. This raised questions about the overall level of resident oversight, as these community organizations were often part of each Zone's program implementation strategy. Finally, reliance upon existing community

organizations to represent residents' interests raised the issue of whether these organizations were themselves representative of the communities they served. According to one analysis, the lack of federal oversight of community participation goals, the opposition of city governments, and barriers to citizen participation led to the abandonment of the community capacity-building goal of the Empowerment Zone program (Gitell et al. 2001). To Gitell et al. (2001) the overall impact of the federal Empowerment Zone in building community capacity was questionable.

The findings of the national evaluations that conclude that the federal EZ/EC program fell short in building community capacity were reinforced by the findings of the limited number of published accounts of the experience of individual Zones. The Philadelphia-Camden Empowerment Zone experienced difficulties in building community-driven networks because of the problems associated with having a two-city, two-state Zone as well as political, economic, and structural barriers to integrating service delivery (O'Neal and O'Neal 2003). Chicago's Empowerment Zone integrated the community in the application process, but lost that integration in the implementation phase (McCarthy 2003; Gillis and White 1998). The Boston Enhanced Enterprise Community faced governance problems in coordinating relationships among the federal, state, city, and community organizations (Snow 2000). The Detroit Empowerment Zone was unable to overcome the legacy of distrust between the city's community organizations, especially its CDCs, for the city government and private sector to build real citizen participation (Bockmeyer 2000). The Newark Enterprise Community was unable to integrate individuals into the implementation process or build networks to establish change (Schulgasser 1999). Part of the difficulty in building community

capacity in the Empowerment Zone program was the highly political and public nature of a federal initiative in contrast to a foundation-sponsored CCI (Gitell and Vidal 1998). Evaluations indicated that the EZ/EC effort was not successful in its stated goal of building community capacity and engagement in most cities.

Some evidence suggested that the experience in Baltimore might have been different from that of the other Empowerment Zones. In Baltimore's Empowerment Zone, residents were viewed as influential actors (Hebert et al. 2001). Gitell et al. (2001) reported, "The Baltimore EZ was more successful in promoting citizen and CBO participation than in most other Zones" (49). The potential success in community capacity-building in Baltimore may be due to the time, emphasis, and resources devoted to the creation of the village centers. According to Robert Stoker, the HUD evaluation representative for Baltimore, the success or failure of the village centers in continuing operations after the sunset of EBMC in December 2004 will determine if the Baltimore Empowerment Zone was ultimately successful at empowering residents and building community capacity. Accepting this measure, the Baltimore EZ is at least a partial success, with four of the six original village centers operating in some form in the beginning of 2008, three years after federal funding ended.

### **Synthesis and Review -- The Implications of This Analysis**

This literature review discussed how the role of community organizations evolved over the four broad phases of post-War urban policy. Community organizations evolved from having little or no role in the New Deal and Urban Renewal programs to having a central role in the Great Society. Then they were cut out of a direct role in urban policy during devolution and de-funding during the Reagan/Bush years. Even as the formal role

of community organizations was reduced under devolution in the Nixon, Ford and Carter era, and federal urban funding was cut dramatically under the Reagan and first Bush administrations, community organizations continued to impact urban policy as contractors to provide government services under block grants and as developers of low-income housing under privatization. Numerous urban scholars noted the persistence of community-driven policies despite the changing political and urban policy environment.

In the area of community involvement, the federal Empowerment Zone program represented the synthesis of the post-war urban policy experience. It drew on the 1960s War on Poverty programs through its place-based community focus. It drew on the service delivery experience of CBOs and CDCs from the 1970s to today by specifically calling for a central role for community organizations. Finally, it drew on the planning- and network-driven approach of CCIs in the 1990s by calling for a strategic and coordinated approach to urban redevelopment. Thus, the federal Empowerment Zone integrated the lessons from these eras in urban policy to design a comprehensive, community-driven effort to combine people- and place-based strategies to revitalize a targeted set of communities. Unlike prior community initiatives, the EZ/EC initiative was well-funded, providing \$100 million to each of the six full Empowerment Zone locations, and given sufficient time, ten years, to achieve results.

While the federal Empowerment Zone initiative drew from the experiences of CCIs, the Baltimore Empowerment Zone was actually structured like one. Federal programs were devolved to a local oversight and management entity, and they were implemented through newly created community organizations. Baltimore is a true test of the community option in urban policy proposed by Clavel, Pitt, and Yin (1997). The

success or failure of Baltimore's efforts to build sustainable community capacity, to implement federal programs, and to revitalize communities is an important test case of the viability of other government or private community-driven urban policy efforts.

The record of community organizations in urban policy is, at best, mixed. There are examples of successful community initiatives throughout modern urban policy. Community organizations, working with or without government support, have positively impacted their communities through building housing, implementing social programs, and giving a political voice to residents of often-neglected communities. Community organizations alone, however, cannot reverse the problems of urban decline and concentrated poverty because they are caused by much larger national and international social and economic trends.

The current expectations for community organizations are unrealistic; they have been called upon to do too much. If done successfully, community-driven urban policies can assist and compliment federal urban policies, but they cannot substitute for federal funding and attention. Given the persistence of community organizations in urban policy implementation, the experience of the Baltimore Empowerment Zone is an important case study. Baltimore's experience, recognized as the most community-driven of the EZ/EC initiative and operating with long-term and large-scale federal funding, can inform future efforts to implement federal urban policies through a community-driven strategy.

### **CHAPTER 3 URBAN TRENDS IN BALTIMORE**

As described in Chapter 2, the EZ/EC initiative represented the return of federal urban policy after twelve years of devolution and de-funding under the Reagan and first Bush administrations. The Clinton administration's EZ/EC initiative integrated the lessons and experiences of prior urban policy interventions. Drawing on the historical lessons of the CAP and Model Cities, the EZ/EC initiative was a comprehensive, place-based approach implemented through mayors' offices in the chosen cities. Building on the experience of devolution, the EZ/EC initiative was implemented as a block grant program in which recipients could allocate funding among broad priorities. Building on the experience of privatization, the EZ/EC initiative was structured like a CCI and depended on local community residents, organizations, and CDCs to integrate the public and private agents involved in urban policy. The initiative also drew on the free market Republican policy of Enterprise Zones. Thus, the EZ/EC initiative drew on and integrated all of the lessons and experience of post-War trends in federal urban policy into a new comprehensive approach.

Just as the Clinton administration's EZ/EC initiative integrated the lessons and experiences of prior urban policy interventions, Baltimore's experience with national urban economic and policy trends shaped its Empowerment Zone strategy. The same macroeconomic factors impacting urban communities across America were at work in Baltimore, and the City's policies were shaped by the trends in federal and foundation urban policy.

## Economic and Social Changes in Baltimore

The economic and social decline of America's cities and the problems related to concentrated urban poverty are well documented in the urban policy literature. Kasarda (1988) and Wilson (1987, 1997) described the broad economic and social decline in cities. National and international trends changed the economic fortunes and roles of cities. The decline in urban employment opportunities coupled with social welfare programs led to the concentration of poverty in cities supporting the formation of what Wilson termed jobless ghettos (1997). According to Wilson (1987), "[U]rban minorities have been particularly vulnerable to structural economic changes, such as the shift from goods-producing to service-producing industries, the increasing polarization of the labor market into high-wage and low-wage sectors, technological innovations, and the relocation of manufacturing industries out of the central cities" (39).

Jargowsky (1997) summarized Wilson's and others' analyses of the economic factors behind the rise in concentrated poverty in urban neighborhoods into four distinct causes: deindustrialization, employment deconcentration, occupational bifurcation, and suburbanization – first of the white and later of the black middle class.

*Deindustrialization* refers to the decline in urban industrial production that occurred as manufacturing moved from high cost, unionized facilities in Northern and Midwestern cities to suburban and Southern locations in the 1970s and 1980s, and, more recently, offshore. *Employment deconcentration* refers to the movement of jobs within metropolitan areas from central cities to suburban locations. Garreau (1991) described the dispersal of employment to suburban jurisdictions in his book *Edge Cities* as the third phase of suburbanization. In the first phase, whites and the middle class moved out to the

suburbs, and they were followed in the second phase by the retail and personal services jobs that serve them. In the third phase, professional employment opportunities began to move to “edge cities” or suburban employment locations. This suburbanization reinforced the “spatial mismatch” between the poor urban minorities and suburban employment opportunities as identified by Kain (1968). *Occupational bifurcation* refers to the polarization of the economy into high-wage and low-wage sectors (Jargowsky 1997). *Suburbanization* is the movement of the working and middle class (first white and later African American) out of the cities and into the suburbs.

All of these economic trends were evident in the Baltimore metropolitan area. Deindustrialization had a profound effect on the Baltimore economy. Looking at long-term changes in employment, Baltimore City has fallen from 59% of total private non-farm employment in Maryland in 1951 to 14% in 2000 (see Table 4). Since 1951, Baltimore City has lost nearly 100,000 manufacturing jobs. The City’s economic decline started in the 1970s. As Table 5 suggests, since 1970, Baltimore lost 70% of its manufacturing jobs, with manufacturing employment falling, from 102,172 jobs in 1970 to 28,534 jobs in 2000.<sup>7</sup> Baltimore accounted for 86% of the manufacturing jobs lost in Maryland since 1970, and manufacturing declined from 19% of Baltimore employment in 1970 to 6% in 2000.

The suburbanization of the population and of employment led to employment deconcentration as Baltimore’s economic role declined. As presented in Tables 5 and 6, Baltimore City’s share of Maryland employment fell from 32% in 1970 to 15% in 2000 and its share of Baltimore metropolitan area employment fell from 55% to 30% over the

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<sup>7</sup> Because of the transition from Standard Industrial Classification (SIC) codes to North American Industrial Classification (NAICs) codes, it is not possible to extend historical economic data past 2000.

same period of time. The deconcentration of employment was most pronounced in the retail, transportation, communications and public utilities, and wholesale sectors, which moved out of the City to serve and increasingly suburban population.

As Table 7 illustrates, the suburbanization of the population led to Baltimore City falling from 41% of Maryland's population in 1950 to 23% in 1970 to 11% in 2006. While Baltimore City's economic decline began in the 1970s, its population decline started twenty years earlier, in the 1950s. Regionally, the City fell from 65% of the metro area's population in 1950 to 44% in 1970 to 24% in 2006. The City lost 318,342 residents since 1950, losing 43,949 residents between 1950 and 1970, and 274,393 residents since 1970.

The City's population decline was caused by the combination of the "pull" of suburban development supported by the combination of new highway construction and government backed mortgages, with the "push" of desegregation, declining City services and schools, and later, increased poverty and crime. According to Orser (1994), "In Baltimore and many other cities where African American population had increased significantly during the war but housing space had remained virtually the same as the result of traditional walls of segregation, African American housing needs intensified. In response to the twin forces of postwar residential expansion and the challenge to traditional racial patterns, the white middle and working classes experienced the proverbial pull and push of suburbanization: the attraction of new housing in a suburban setting, the push of groups from whom they sought social distance (63)." Real estate speculators took advantage of the changing housing market through "blockbusting" or placing an African American in an all white neighborhood to panic white residents to sell

at a low price while selling the property to African Americans at a high price.

Blockbusting and white flight led to a dramatic demographic change in Baltimore City.

Orser (1994) in his analysis of blockbusting and demographic change in the Edmondson Village neighborhood in Baltimore describes how in 1956 all of the residents in the area he analyzed were white, by 1964 the south side of the sample area had become nearly entirely African American and by 1970 102 of 108 households in the sample area were African American. The pattern was repeated in neighborhoods across the City.

White out-migration accelerated in the 1970s, after the 1968 riots and continued through the 2000 census. In the 1990s, the African American middle class joined the exodus. According to the Baltimore Sun (Royslance 2001), Baltimore's population fell by 84,860 people between the 1990 and 2000 Census, driven by continued white flight, with five whites leaving the City for each African American, but the City's population decline in the 1990s saw the City's African American population fall for the first time since the Civil War. According to the Baltimore Sun (Siegel 2003) "Part of Baltimore's demographic story of the 1990s, when it lost more people than any city in America, was that large numbers of middle class blacks joined the middle class whites in leaving the City (2b)." In the 1990s, the out-migration of the African American middle class and the continued exodus of the white middle class were driven by the combination of high crime, poor City schools, and a City in social and economic distress.

The Baltimore region, with suburban communities like Columbia, Hunt Valley, and Towson developing into both population and employment centers perfectly illustrated Garreau's edge cities. Garreau (1991) listed Baltimore as having three established and four emerging edge cities. Baltimore was also a prime example of the

spatial mismatch, according to the Job Opportunities Task Force (2003), since Baltimore City was home to the overwhelming majority of the region's low-skilled, poor, and disadvantaged job seekers but less than one-third of low-skill employment opportunities. Finally, the Baltimore region, with its high concentration of professional services, advanced technology, health care, and higher education employment opportunities, had a high degree of occupational bifurcation. According to the Job Opportunities Task Force (2003), 70% of the Baltimore metropolitan area's employment was in occupations that are classified as low-skill and 21% in high-skill. Thus, Baltimore exhibited all of the four major causes of urban decline and concentrated poverty identified by Jargowsky (1997).

**Table 4**  
**Baltimore City vs. Maryland**  
**Private Non-Farm Employment, by Sector**

	1951	1962	1970	1980	1990	2000	1951-62	1962-70	Employment Change			
									1970-80	1980-90	1990-2000	1951-2000
<b>Maryland Private Employment</b>	<b><u>577,151</u></b>	<b><u>714,310</u></b>	<b><u>1,264,045</u></b>	<b><u>1,571,897</u></b>	<b><u>2,233,045</u></b>	<b><u>2,555,998</u></b>	<b><u>137,159</u></b>	<b><u>549,735</u></b>	<b><u>307,852</u></b>	<b><u>661,148</u></b>	<b><u>322,953</u></b>	<b><u>1,978,847</u></b>
Ag. For. & Fish	1,922	2,192	9,882	14,873	26,393	34,202	270	7,690	4,991	11,520	7,809	32,280
Mining	2,426	2,300	2,534	3,001	3,875	2,646	-126	234	467	874	-1,229	220
Construction	50,959	53,144	104,865	124,015	198,214	201,896	2,185	51,721	19,150	74,199	3,682	150,937
Manufacturing	243,178	251,503	273,459	241,124	213,428	188,226	8,325	21,956	-32,335	-27,696	-25,202	-54,952
TCPU	51,481	55,195	90,640	96,109	118,231	136,034	3,714	35,445	5,469	22,122	17,803	84,553
Wholesale trade	39,220	44,992	63,324	92,277	117,559	123,583	5,772	18,332	28,953	25,282	6,024	84,363
Retail trade	112,315	150,329	279,929	355,819	475,393	508,998	38,014	129,600	75,890	119,574	33,605	396,683
FIRE	30,206	44,250	111,381	148,681	231,954	250,091	14,044	67,131	37,300	83,273	18,137	219,885
Services	45,444	110,405	328,031	495,998	847,998	1,110,322	64,961	217,626	167,967	352,000	262,324	1,064,878
<b>Baltimore City Private Employment</b>	<b><u>343,246</u></b>	<b><u>339,665</u></b>	<b><u>453,020</u></b>	<b><u>418,507</u></b>	<b><u>427,127</u></b>	<b><u>365,618</u></b>	<b><u>-3,581</u></b>	<b><u>113,355</u></b>	<b><u>-34,513</u></b>	<b><u>8,620</u></b>	<b><u>-61,509</u></b>	<b><u>22,372</u></b>
Ag. For. & Fish	330	306	779	1,010	1,708	(D)	-24	473	231	698	(D)	(D)
Mining	335	263	72	111	186	(D)	-72	-191	39	75	(D)	(D)
Construction	27,766	19,632	26,068	20,246	21,435	16,207	-8,134	6,436	-5,822	1,189	-5,228	-11,559
Manufacturing	127,427	104,993	102,172	70,697	43,731	28,534	-22,434	-2,821	-31,475	-26,966	-15,197	-98,893
TCPU	41,506	38,728	44,898	41,153	26,525	22,320	-2,778	6,170	-3,745	-14,628	-4,205	-19,186
Wholesale trade	25,108	27,574	33,473	29,359	27,923	19,408	2,466	5,899	-4,114	-1,436	-8,515	-5,700
Retail trade	68,939	64,270	83,829	76,453	65,330	46,668	-4,669	19,559	-7,376	-11,123	-18,662	-22,271
FIRE	22,333	26,535	43,388	48,337	57,667	41,224	4,202	16,853	4,949	9,330	-16,443	18,891
Services	29,502	57,364	118,341	131,141	182,622	191,257	27,862	60,977	12,800	51,481	8,635	161,755
<b><u>Baltimore as a % of Maryland</u></b>												
Total Private Non-Farm:	<b>59%</b>	<b>48%</b>	<b>36%</b>	<b>27%</b>	<b>19%</b>	<b>14%</b>						
Ag. For. & Fish	17%	14%	8%	7%	6%	--						
Mining	14%	11%	3%	4%	5%	--						
Construction	54%	37%	25%	16%	11%	8%						
Manufacturing	52%	42%	37%	29%	20%	15%						
TCPU	81%	70%	50%	43%	22%	16%						
Wholesale trade	64%	61%	53%	32%	24%	16%						
Retail trade	61%	43%	30%	21%	14%	9%						
FIRE	74%	60%	39%	33%	25%	16%						
Services	65%	52%	36%	26%	22%	17%						

TCPU= Transportation, Communications and Public Utilities FIRE= Finance, Insurance and Real Estate

Source: U.S. Bureau of the Census: County Business Patterns

**Table 5**  
**Baltimore City vs. Maryland**  
**Non-Farm Employment, By Sector**

	Employment Change							
	1970	1980	1990	2000	1970-80	1980-90	1990-2000	1970-2000
<b>Maryland</b>	<b><u>1,674,224</u></b>	<b><u>2,044,928</u></b>	<b><u>2,737,741</u></b>	<b><u>3,072,472</u></b>	<b><u>370,704</u></b>	<b><u>692,813</u></b>	<b><u>334,731</u></b>	<b><u>1,398,248</u></b>
Private employment	<u>1,264,045</u>	<u>1,571,897</u>	<u>2,233,045</u>	<u>2,555,998</u>	<u>307,852</u>	<u>661,148</u>	<u>322,953</u>	<u>1,291,953</u>
Ag. For. & Fish	9,882	14,873	26,393	34,202	4,991	11,520	7,809	24,320
Mining	2,534	3,001	3,875	2,646	467	874	(1,229)	112
Construction	104,865	124,015	198,214	201,896	19,150	74,199	3,682	97,031
Manufacturing	273,459	241,124	213,428	188,226	(32,335)	(27,696)	(25,202)	(85,233)
TCPU	90,640	96,109	118,231	136,034	5,469	22,122	17,803	45,394
Wholesale trade	63,324	92,277	117,559	123,583	28,953	25,282	6,024	60,259
Retail trade	279,929	355,819	475,393	508,998	75,890	119,574	33,605	229,069
FIRE	111,381	148,681	231,954	250,091	37,300	83,273	18,137	138,710
Services	328,031	495,998	847,998	1,110,322	167,967	352,000	262,324	782,291
Government	410,179	473,031	504,696	516,474	62,852	31,665	11,778	106,295
<b>Baltimore City</b>	<b><u>533,697</u></b>	<b><u>504,056</u></b>	<b><u>513,104</u></b>	<b><u>450,940</u></b>	<b><u>(29,641)</u></b>	<b><u>9,048</u></b>	<b><u>(62,164)</u></b>	<b><u>(82,757)</u></b>
Private employment	<u>453,020</u>	<u>418,507</u>	<u>427,127</u>	<u>367,605</u>	<u>(34,513)</u>	<u>8,620</u>	<u>(59,522)</u>	<u>(85,415)</u>
Ag. For. & Fish	779	1,010	1,708	(D)	231	698	(D)	(D)
Mining	72	111	186	(D)	39	75	(D)	(D)
Construction	26,068	20,246	21,435	16,207	(5,822)	1,189	(5,228)	(9,861)
Manufacturing	102,172	70,697	43,731	28,534	(31,475)	(26,966)	(15,197)	(73,638)
TCPU	44,898	41,153	26,525	22,320	(3,745)	(14,628)	(4,205)	(22,578)
Wholesale trade	33,473	29,359	27,923	19,408	(4,114)	(1,436)	(8,515)	(14,065)
Retail trade	83,829	76,453	65,330	46,668	(7,376)	(11,123)	(18,662)	(37,161)
FIRE	43,388	48,337	57,667	41,224	4,949	9,330	(16,443)	(2,164)
Services	118,341	131,141	182,622	191,257	12,800	51,481	8,635	72,916
Government	80,677	85,549	85,977	83,335	4,872	428	(2,642)	2,658
<b><u>Baltimore as a % of Maryland</u></b>								
Total Non-Farm Employment	<b>32%</b>	<b>25%</b>	<b>19%</b>	<b>15%</b>				
Private employment	36%	27%	19%	14%				
Ag. For. & Fish	8%	7%	6%	(D)				
Mining	3%	4%	5%	(D)				
Construction	25%	16%	11%	8%				
Manufacturing	37%	29%	20%	15%				
TCPU	50%	43%	22%	16%				
Wholesale trade	53%	32%	24%	16%				
Retail trade	30%	21%	14%	9%				
FIRE	39%	33%	25%	16%				
Services	36%	26%	22%	17%				
Government	20%	18%	17%	16%				

TCPU = Transportation, Communications and Public Utilities    FIRE = Finance, Insurance and Real Estate

Source: BEA

**Table 6**  
**Baltimore City vs. Baltimore Metro Area**  
**Non-Farm Employment, By Sector**

	Employment Change							
	1970	1980	1990	2000	1970-80	1980-90	1990-2000	1970-2000
<b>Baltimore Metro</b>	<b><u>978,115</u></b>	<b><u>1,125,795</u></b>	<b><u>1,397,100</u></b>	<b><u>1,522,920</u></b>	<b><u>147,680</u></b>	<b><u>271,305</u></b>	<b><u>125,820</u></b>	<b><u>544,805</u></b>
Private employment	<u>757,894</u>	<u>875,954</u>	<u>1,141,120</u>	<u>1,263,189</u>	<u>118,060</u>	<u>265,166</u>	<u>122,069</u>	<u>505,295</u>
Ag. For. & Fish	3,401	5,036	10,591	(D)	1,635	5,555	(D)	(D)
Mining	(D)	(D)	1,075	(D)	(D)	(D)	(D)	(D)
Construction	51,859	60,116	89,149	89,188	8,257	29,033	39	37,329
Manufacturing	197,064	162,092	132,005	99,877	(34,972)	(30,087)	(32,128)	(97,187)
TCPU	61,907	62,662	61,739	70,488	755	(923)	8,749	8,581
Wholesale trade	45,091	56,940	68,202	70,781	11,849	11,262	2,579	25,690
Retail trade	151,555	184,079	228,026	239,235	32,524	43,947	11,209	87,680
FIRE	63,654	84,645	122,771	125,809	20,991	38,126	3,038	62,155
Services	182,887	259,890	427,562	552,044	77,003	167,672	124,482	369,157
Government	220,221	249,841	255,980	259,731	29,620	6,139	3,751	39,510
<b>Baltimore City</b>	<b><u>533,697</u></b>	<b><u>504,056</u></b>	<b><u>513,104</u></b>	<b><u>450,940</u></b>	<b><u>(29,641)</u></b>	<b><u>9,048</u></b>	<b><u>(62,164)</u></b>	<b><u>(82,757)</u></b>
Private employment	<u>453,020</u>	<u>418,507</u>	<u>427,127</u>	<u>367,605</u>	<u>(34,513)</u>	<u>8,620</u>	<u>(59,522)</u>	<u>(85,415)</u>
Ag. For. & Fish	779	1,010	1,708	(D)	231	698	(D)	(D)
Mining	72	111	186	(D)	39	75	(D)	(D)
Construction	26,068	20,246	21,435	16,207	(5,822)	1,189	(5,228)	(9,861)
Manufacturing	102,172	70,697	43,731	28,534	(31,475)	(26,966)	(15,197)	(73,638)
TCPU	44,898	41,153	26,525	22,320	(3,745)	(14,628)	(4,205)	(22,578)
Wholesale trade	33,473	29,359	27,923	19,408	(4,114)	(1,436)	(8,515)	(14,065)
Retail trade	83,829	76,453	65,330	46,668	(7,376)	(11,123)	(18,662)	(37,161)
FIRE	43,388	48,337	57,667	41,224	4,949	9,330	(16,443)	(2,164)
Services	118,341	131,141	182,622	191,257	12,800	51,481	8,635	72,916
Government	80,677	85,549	85,977	83,335	4,872	428	(2,642)	2,658
<b><u>Baltimore as a % of Metropolitan Area</u></b>								
Total Non-Farm Employment	<b><u>55%</u></b>	<b><u>45%</u></b>	<b><u>37%</u></b>	<b><u>30%</u></b>				
Private employment	60%	48%	37%	29%				
Ag. For. & Fish	23%	20%	16%	(D)				
Mining	(D)	(D)	17%	(D)				
Construction	50%	34%	24%	18%				
Manufacturing	52%	44%	33%	29%				
TCPU	73%	66%	43%	32%				
Wholesale trade	74%	52%	41%	27%				
Retail trade	55%	42%	29%	20%				
FIRE	68%	57%	47%	33%				
Services	65%	50%	43%	35%				
Government	37%	34%	34%	32%				

TCPU = Transportation, Communications and Public Utilities    FIRE = Finance, Insurance and Real Estate  
Source: BEA

**Table 7**  
**Total Resident Population for Maryland's Jurisdictions, 1950-2004**

Jurisdiction	1950	1960	1970	1980	1990	2000	2006
<b>Maryland</b>	<b>2,343,001</b>	<b>3,100,689</b>	<b>3,922,399</b>	<b>4,216,975</b>	<b>4,780,753</b>	<b>5,311,508</b>	<b>5,615,727</b>
Baltimore Metro as a % of MD	62%	58%	53%	52%	49%	47%	47%
Baltimore City as a % of MD	41%	30%	23%	19%	15%	12%	11%
<b>Baltimore Metro</b>	<b><u>1,457,181</u></b>	<b><u>1,803,745</u></b>	<b><u>2,070,670</u></b>	<b><u>2,174,023</u></b>	<b><u>2,348,219</u></b>	<b><u>2,516,617</u></b>	<b><u>2,612,164</u></b>
Anne Arundel County	117,392	206,634	297,539	370,775	427,239	491,347	509,300
Baltimore County	270,273	492,428	621,077	655,615	692,134	755,995	787,384
Baltimore City	949,708	939,024	905,759	786,775	736,014	648,554	631,366
Carroll County	44,907	52,785	69,006	96,356	123,372	151,639	170,260
Harford County	51,782	76,722	115,378	145,930	182,132	219,506	241,402
Howard County	23,119	36,152	61,911	118,572	187,328	249,576	272,452
<b>Percentage of Baltimore Metropolitan Area</b>							
Total	<b><u>100%</u></b>						
Anne Arundel County	8%	11%	14%	17%	18%	20%	19%
Baltimore County	19%	27%	30%	30%	29%	30%	30%
Baltimore City	65%	52%	44%	36%	31%	26%	24%
Carroll County	3%	3%	3%	4%	5%	6%	7%
Harford County	4%	4%	6%	7%	8%	9%	9%
Howard County	2%	2%	3%	5%	8%	10%	10%

Source: U.S. Bureau of the Census

The combination of the suburbanization of the middle class and the decline in the economic fortunes of cities is a principal cause of the rise in concentrated urban poverty that has occurred since the 1970s. Starting in the 1960s, poverty became a recurring theme in urban literature, but the publication of Wilson's *Truly Disadvantaged* in 1987 refocused national attention on the rise of concentrated poverty in America's cities. The study of high poverty neighborhoods again became a central national issue as academic literature emerged on the "neighborhood effects" on various social outcomes such as child wellbeing, education, employment, and poverty itself. Poor neighborhoods were found to have an independent effect on individual social and economic outcomes. The academic community spent considerable effort on measuring the causes and effects of the

increased concentration of urban poverty. As a result, efforts to define and measure the impacts of high poverty neighborhoods became central to this discussion.

The academic community undertook many efforts to define and measure neighborhood distress, poverty, and socio-economic status. Most of these efforts relied on census data. Kasarda (1993) defined distressed neighborhoods as census tracts that simultaneously exhibit disproportionately high levels of poverty, joblessness, female-headed families, and welfare recipients. In his detailed analysis of the problem of concentrated urban poverty, Jargowsky (1997) focused on census tracts with 20% to 40% of the population living in poverty as well as tracts with 40% or more of residents living in poverty. He analyzed a variety of characteristics of neighborhood distress including housing occupancy, vacancy, and quality; employment and labor force participation; income; family structure; and educational attainment. A Russell Sage foundation-sponsored, two-volume set of books called *Neighborhood Poverty*, summarized the debate on neighborhood effects. In this review Gephart (1997) summarized 20 efforts to measure neighborhood distress, and they identified more than 25 measures that were used to classify neighborhood socio-economic status.

Baltimore exhibited most, if not all, of the various measures of increased concentration in urban poverty and neighborhood distress. Because a complete analysis of neighborhood poverty in Baltimore is unrealistic for this dissertation, six measures of neighborhood distress and socio-economic status that are accepted in the broad national literature are used. They were all measures for which data from 1970 through 2000 were readily available. These indicators included Census tracts with:

- More than two-thirds African-American residents;
- High poverty (20% to 40% as well as 40% or more);

- Low labor force participation (less than 50%);
- More than 50% female-headed families;
- Low housing tenure (less than 50% of residents in the same house for five years); and
- High housing vacancy (more than 10 percent).

Table 8 shows that the percentage of Baltimore City census tracts exhibiting these measures of neighborhood distress increased dramatically after 1970.<sup>8</sup> The percentage of tracts with more than two-thirds African American residents increased from 40% in 1970 to 58% in 2000 as the City went from 46% African-American in 1970 to 64% in 2000. The percentage of high poverty census tracts increased from 24% in the 20% to 40% poverty rate range and 10% in the more than 40% poverty rate range in 1970 to 40% and 15%, respectively, in 2000. In 2000, more than half of the neighborhoods in the City had 20% or more of the residents living in poverty. The percentage of tracts with more than 50% of families headed by a single woman increased from 9% to 59%, and the percentage of tracts with more than 10% of housing units vacant increased from 15% to 60%. The geographic spread of housing vacancy, poverty, and concentration of African American residents from 1970 to 2000 are presented in Map 2, Map 3, and Map 4. Many of Baltimore City's neighborhoods exhibited multiple instances of distress. As presented in Map 5, of Baltimore City's 200 census tracts in the 2000 census, only 24 exhibited none of the measures of distress, while 5 tracts exhibited all 6, 36 exhibited 5, 38 exhibited 4, and 25 exhibited 3. More than 50% of the census tracts in the City exhibited three or more indicators of neighborhood distress.

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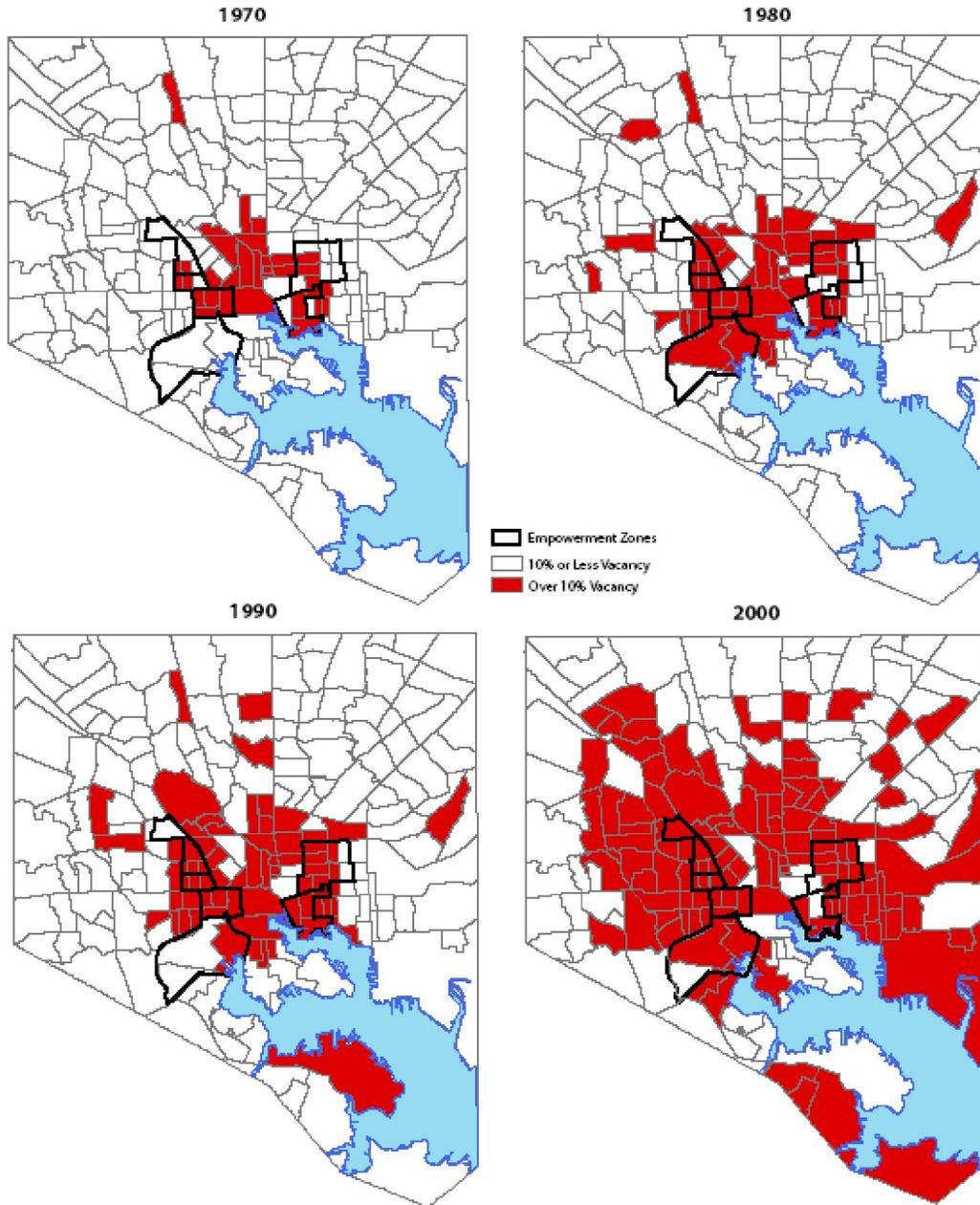
<sup>8</sup> The Urban Institute and Geolytics have produced a database of historical, 1970 to 2000, U.S. Bureau of the Census data based on year 2000 Census tracts which allows for geographic analysis based on common geography, rather than on Census tracts, which change over time.

**Table 8**  
**Baltimore City Neighborhood Dynamics**  
**1970 to 2000**

Item	1970		1980		1990		2000	
	#	%	#	%	#	%	#	%
<b>Baltimore City</b>								
African American as a % of Population		46%		55%		59%		64%
Percentage of Population Living in Poverty		14%		23%		22%		23%
Percentage of 16+ Not in Labor Force		41%		43%		39%		43%
Female Headed Families as a % of Total		22%		33%		39%		45%
Percentage of Population in Same House 5 Years		51%		58%		54%		53%
Percentage of Housing Units Vacant		2%		7%		9%		14%
<b>Total Neighborhoods or Tracts</b>								
	<u>200</u>		<u>200</u>		<u>200</u>		<u>200</u>	
More than 2/3 African American	79	40%	87	44%	98	49%	116	58%
Between 20% and 40% in Poverty	48	24%	70	35%	61	31%	80	40%
More than 40% of Pop. in Poverty	20	10%	34	17%	34	17%	30	15%
More than 50% Not in Labor Force	26	33%	41	21%	19	10%	51	26%
More than 50% Female Headed Families	18	9%	79	40%	107	54%	118	59%
Less than 50% in Same House 5 years	80	40%	53	27%	61	31%	68	34%
More than 10% Housing Units Vacant	29	15%	52	26%	65	33%	119	60%

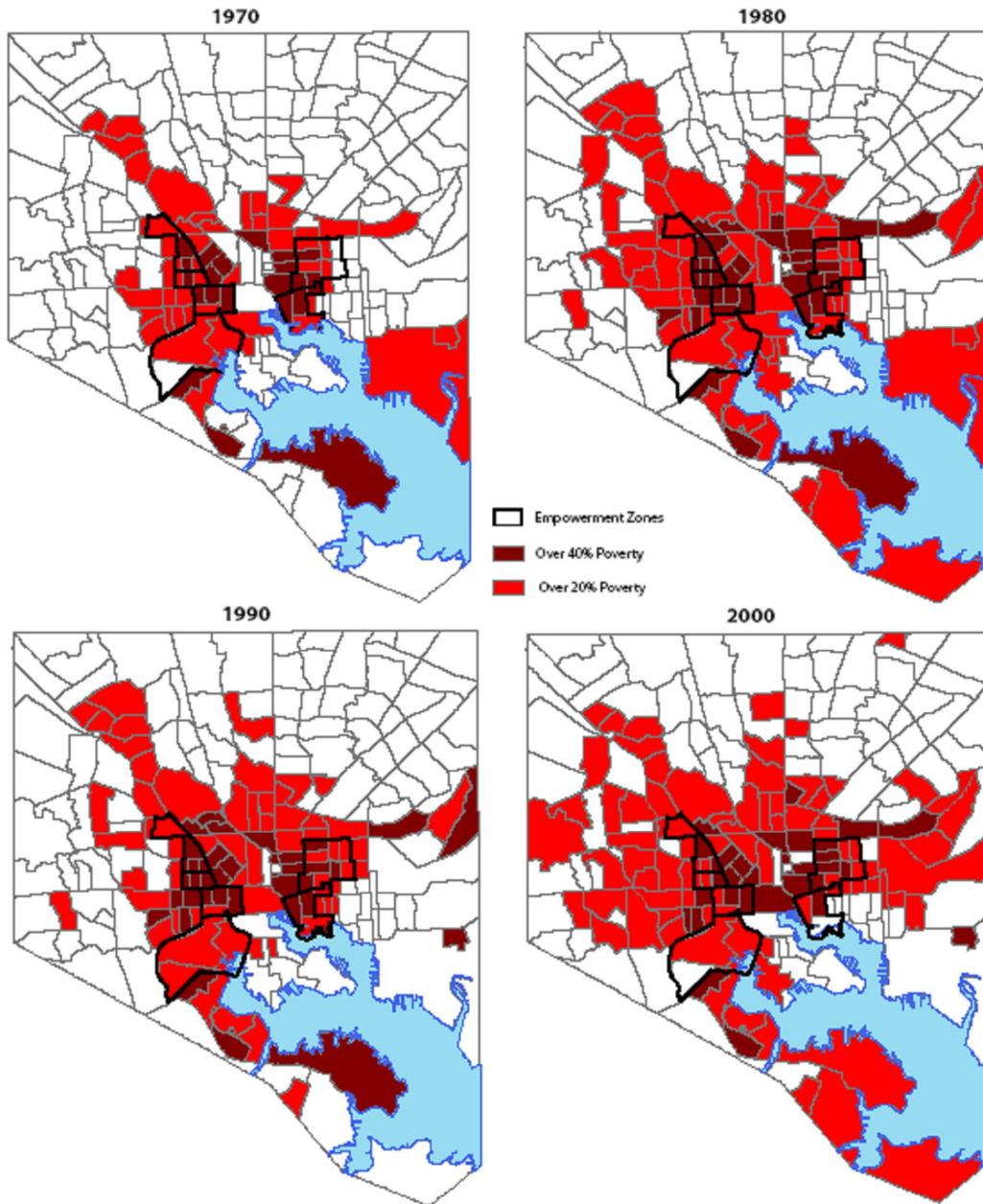
Source: The Urban Institute-Geolytics - Neighborhood Change Database

## Map 2 Census Tracts with Over 10% Vacant Housing Units 1970-2000



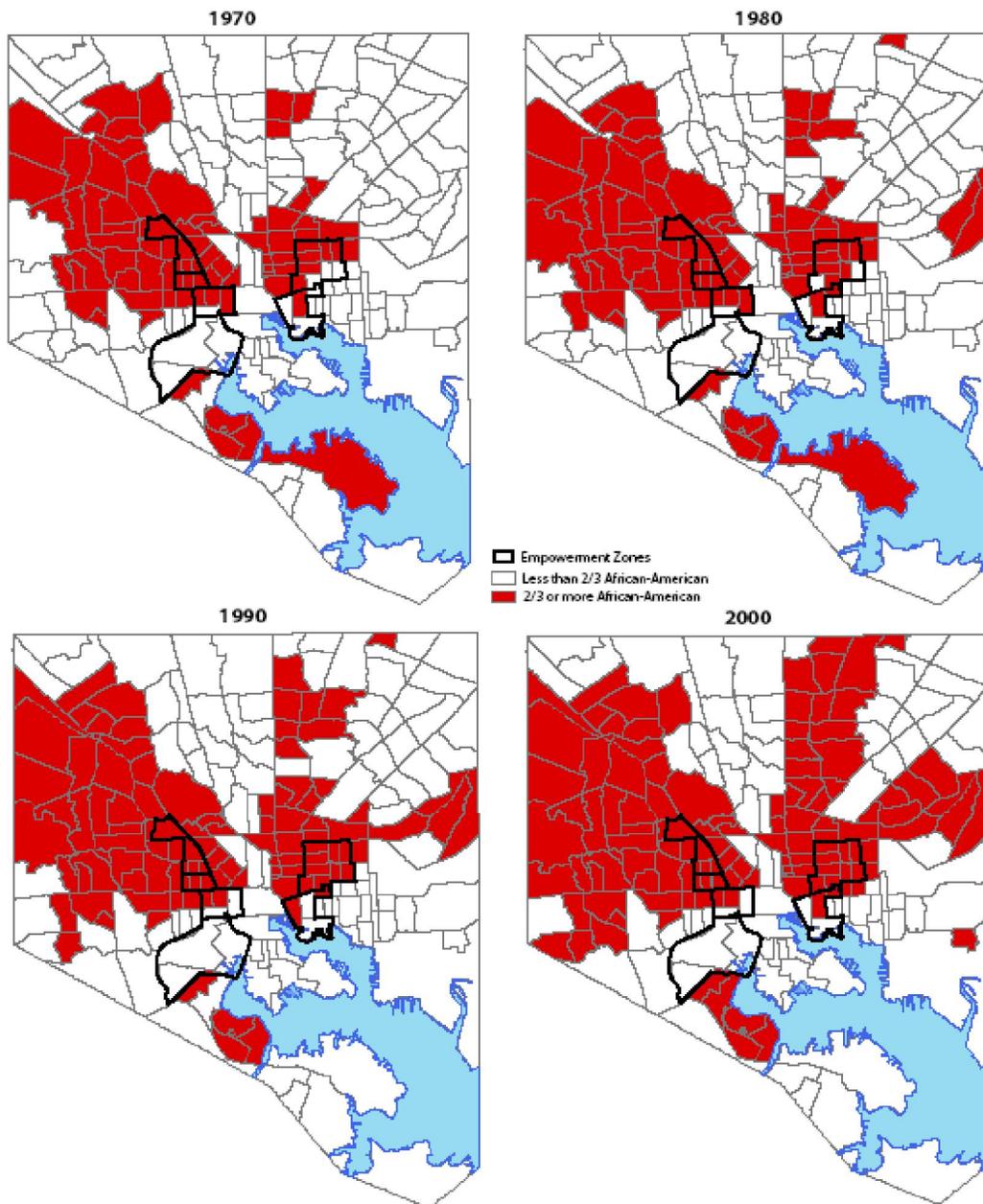
Source: U.S. Census 1970-2000, processed by The Urban Institute and Geolytics, Inc.  
Created by BNA-JR, 2006

**Map 3**  
High Poverty Census Tracts  
1970-2000



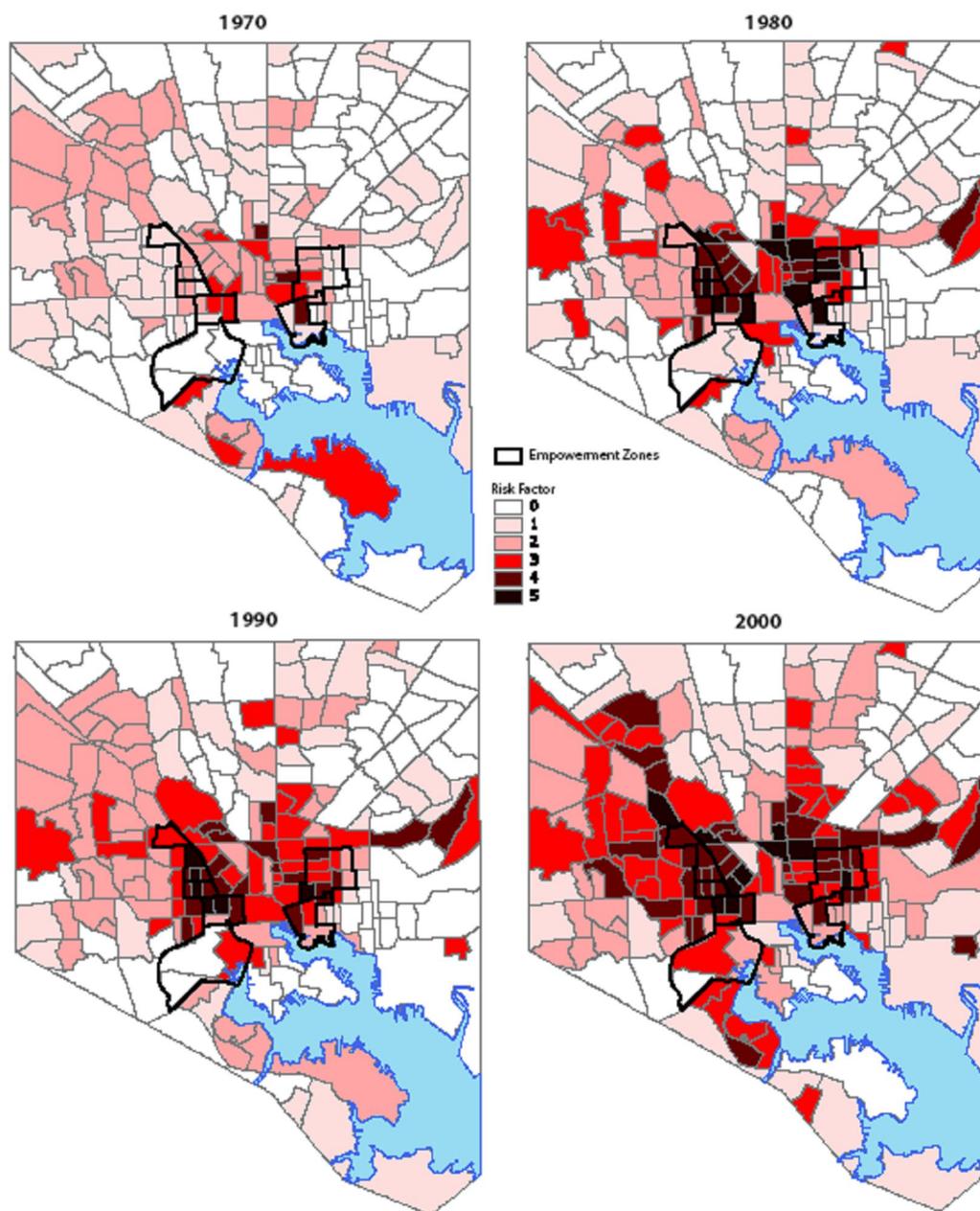
Source: U.S. Census 1970-2000, processed by The Urban Institute and Geolytics, Inc.  
Created by BNIA-JFL 2006

**Map 4**  
Census Tracts Which Are Two Thirds or More African-American  
1970-2000



Source: U.S. Census 1970-2000, processed by The Urban Institute and Geolytics, Inc.  
Created by BNA-JR, 2006

### Map 5 Risk Factor by Census Tract 1970-2000



Source: U.S. Census 1970-2000, processed by The Urban Institute and Geolytics, Inc.  
Created by BNA-JR, 2006

## **A History of Trends in Urban Policy in Baltimore**

Just as Baltimore was a prototypical example of the economic and social problems facing urban America, especially its older cities, the broad trends in urban policy interventions described in Chapter 2 shaped urban policy implementation in Baltimore. Baltimore rose from a modest trading and commercial center in America's colonial and Revolutionary War period to a major industrial and trade center during the Industrial Revolution and into the twentieth century. The City thrived through the immediate post-World War II period, but like many older industrial Northeastern and Midwestern cities, its slow decline accelerated in the 1970s. Because of its Inner Harbor development, Baltimore was hailed as a "comeback city" in the 1980s, but glitzy downtown redevelopment masked continued social and economic decline in the City's neighborhoods. In the 1990s, urban analyst, David Rusk, who was hired to do an assessment of Baltimore's future by the City's largest foundation, labeled Baltimore a "city in decline" (Rusk 1996).

Locally, two important trends influenced City's governance and separated it from other cities. These were a high level of cooperation between City Hall and the City's business community as well as the strong role of community organizations in City governance. As in other cities, the conflict between Baltimore's majority African-American population and the white political establishment also contributed to its political evolution. These three trends influenced Baltimore City's unique Empowerment Zone implementation strategy.

## **Progressive Era and New Deal Reforms**

As Chapter 2 described, modern urban policy traces its roots to the Progressive Era. According to Crooks (1968), the Progressive Era brought efforts to promote economic, political, and social reform in Baltimore. Prior to the Progressive Era, political boss Isaac Rasin governed Baltimore. Crooks (1968) viewed City government as mediocre in its management and reported:

[City government in the late 1800s] cared little more for the City at large. Baltimore was the largest unsewered city in the country. The streets were paved with cobblestones and were noisy, bumpy, and unclean. The school system was one of the worst in the country (8).

Through their collective efforts, Baltimore's progressives were able to end "boss" rule and initiate reforms to improve government. By the end of the Progressive Era, Baltimore passed political reforms, improved government efficiency by reducing patronage and spoils politics, initiated urban planning, and began policies to improve conditions for poor residents. It had not, however, gone as far as other cities in political reform and continued to be ruled by machine politics into the 1970s.

According to Crooks (1968), The Progressive Era culminated with a citywide congress in 1911 to promote making Baltimore the "best city it could become for rich and poor alike by 1920." In what would become a theme in the City's later political development, Baltimore's business community, which was alarmed at 1910 census results showing that the City had dropped to seventh place nationally in population, promoted this congress. These businesses wanted the government to promote Baltimore to attract new people and businesses. The business community and government worked together on a plan, and this strong, coordinated action set the precedent for future efforts to reform or promote development and renewal in the City.

According to Baltimore historian Joseph Arnold, a unique characteristic of Baltimore's political development, the rise of neighborhood organizations in City governance, can trace its roots to the Progressive Era. According to Arnold (1979), "Baltimore has achieved almost alone among the ten largest cities of the United States a unique reputation for strong neighborhoods and a remarkably smooth cooperation between local neighborhood organizations and City Hall" (4). During the Progressive Era, these neighborhood organizations were formed outside of the traditional ward and party structure by progressive middle-class reformers to promote their interests to Boss Isaac Rasin and his seven-term Mayor, Ferdinand Latrobe. These neighborhood associations were able to successfully lobby the City government on the allocation of City bond-funded capital improvements, leading to the spread of neighborhood organizations across the City as each sought its share of capital spending.

According to Arnold (1979), these neighborhood associations became a mixed blessing for the City. On the positive side, these organizations served as a means of involving citizens in the government decision-making process and gauging public opinion. On the other hand, they created a new set of special interests that intensified political rivalries. These early neighborhood organizations were never able to coordinate their efforts at the City level until much later in Baltimore's history, but they remain a force for citizen involvement in City government today.

According to Anderson (1977):

The progressive movement in Baltimore was largely an effort to bring the City's affairs under control. This was accomplished in much the same way that contemporary businesses were rationalizing their organization: through a centralized, functionally departmentalized structure. As improvements were made during the years following 1900, the new

structure proved fairly successful in administering the day-to-day activities of Baltimore. (30)

As a result of this success, Baltimore City thrived between the First World War and the New Deal. The City added residents and grew in size through a large 1918 Annexation that tripled the City's area. During this time, the economy grew by attracting 103 new manufacturing facilities in the 1920s, and the port grew to be the third busiest in the nation (Argersinger 1988).

The business community, through the Baltimore Association of Commerce, continued to actively promote the economic development of the City. However, according to Argersinger (1988), "There was another side to changes occurring in Baltimore in the 1920s, one that suggested important limits to prosperity and underscored the unevenness of the City's advancements" (2). The City's large African-American population was largely excluded from the prosperity, and they "lived in the oldest and most congested parts of the City where they suffered disproportionately from unemployment, crime, disease and infant mortality" (3). The City also developed a system of racially and ethnically segregated ethnic enclaves. According to Argersinger (1988), "The emergence of ethnic neighborhoods in the nineteenth century and their persistence into the twentieth, and the proliferation of ethnically based political and fraternal clubs, all indicated the presence and significance of ethnicity in the social and political life of the City" (6).

During the New Deal era, the City's Democratic mayor was unfriendly to the New Deal programs and "not particularly receptive to either the notion of public responsibility or to the people whom such a policy would benefit" (Argersinger 1988, 13). As a result, local politicians as well as business and real estate interests thwarted the

implementation of many of the New Deal's programs, especially the creation of public housing for black or white residents. Ultimately, however, the Mayor had to relent in the face of substantial citizen activism from a new citywide organization, the Citizen's Housing Council, and mounting pressure from the federal government. It was forced to create the Baltimore Housing Authority in 1937.

Citizens and neighborhood organizations sought a role in the housing authority and were supported by the U.S. Housing Authority that, according to Argersinger (1988), "served as an important catalyst in neighborhood and tenant organization in Baltimore" (99-100). While a broad-based civic organization was able to advocate on behalf of public housing and force the City to create a housing authority, local neighborhood organizations often opposed public housing projects. Housing project opponents included both residents of poor communities who opposed the designation of their neighborhoods as slums to be cleared and the residents of neighborhoods where the projects were to be built. Thus, the New Deal saw a continuation of community- and neighborhood-level activism in the City and the rise of coordinated action among community organizations, many of which played a role in the Citizen's Housing Council. New Deal programs also forced the City and State to address the failings of the existing relief system, create a separate municipal welfare department, and formalize its planning for public works and development. Political activism among the City's large African-American population, long shut out of City politics, also emerged in the New Deal.

As in cities across the nation, the Progressive and New Deal eras brought changes in Baltimore's governance. The Progressive Era brought the modernization and increased professionalism of the City bureaucracy and political reforms to reduce

patronage and corruption and promote fair elections. The New Deal established a direct federal funding and oversight role in City management and forced the creation of a housing authority and a welfare department. More importantly, these two eras also saw the emergence of two developments that dominated the City's later political evolution. The first was the emergence of an alliance between the City's business community and political leadership that began in the Progressive Era and continued into the New Deal. The second was the emergence of civic and community activism through the rise of formal neighborhood organizations as a force for reform. These two developments were often at odds. This conflict was demonstrated by the New Deal era's political and social reforms that were opposed by the City's Mayor and business community only to have citizens organizations successfully force their passage. It was also evident in Roosevelt's 1936 reelection campaign in which organized citizens groups and neighborhood organizations campaigned vigorously for Roosevelt who won a landslide victory, forcing the Mayor and City political establishment into acceptance of the New Deal programs.

The Second World War and post-War era brought prosperity and challenges to Baltimore. Wartime production supported industrial development on a massive scale. The Martin Company built the largest aircraft assembly plant in the world just outside of Baltimore; Baltimore shipyards built 500 Liberty and Victory ships; and metals and chemical production expanded (Olson 1980). In the post-War period, Baltimore's industrial base was converted to civilian production, and industrial output continued to grow. The port of Baltimore was a major driver of the City's economy, linking the City to the rest of the nation and the world. It was supported by the continuing development

of Baltimore's railroads and the construction of the national highway system in the 1960s (Olson 1980).

Despite the City's economic prosperity, social problems continued. Baltimore remained segregated by race, and the influx of workers during the war years and after caused an increase in slum conditions in many neighborhoods. As a result, community activism continued to increase during this period. The Citizen's Housing Council that formed to facilitate the development of City public housing in the New Deal and the Johns Hopkins University Planning and Redevelopment Association, a group of professional architects, planners, and university professors, merged to form the Citizen's Planning and Housing Association (CPHA) in 1941. CPHA was "a group of concerned citizens intent on improving the quality of residential neighborhoods through the use of donated time and talents" (Lyll 1983, 21). CPHA began with an advocacy mission of improving conditions in low-income communities and housing, but the organization ultimately evolved into a professional organization that was active in City planning, zoning, parks and open spaces, transportation, and environmental issues.

CPHA affected Baltimore in a number of important ways. Through advocacy, it was at the forefront of housing and other political reforms. These reforms included strengthening housing code enforcement, developing public housing, developing a City planning department, and a formalized zoning process. CPHA also played a central role in community organizing by supporting the creation and activities of approximately 150 neighborhood associations in Baltimore. CPHA created a widespread network of community activists who became involved in City politics and government (Lyll 1983).

For the next several decades, CPHA strengthened and coordinated the activities of the City's already strong neighborhood organizations.

### **Urban Renewal in Baltimore**

By the 1950s, suburbanization of the population, increased concentration of poor in the City, and the deterioration in housing conditions were recognized as a threat to the City's economic, fiscal, and social health. In fact, Baltimore was ahead of the federal government in its recognition and development of programs to address housing deterioration. The City began a program to improve housing conditions in 1945, preceding urban renewal by four years. According to Olson (1980), "The City's efforts ran consistently ahead of national legislation. Federal urban renewal assistance increased, often building into federal incentives the latest Baltimore Plan" (375).

In 1956, Baltimore City formed the Baltimore Urban Renewal and Housing Agency (BURHA) to implement urban renewal in the City. The *Report of the Urban Renewal Study Board* (Urban Renewal Study Board 1956) that recommended the creation of this new agency reported on the scope of need in the City. This report found that that the construction of new housing was entirely concentrated in the outlying areas of the City and that more than three quarters of the City's substandard housing was located in blighted inner City areas. It also found that the problems of substandard housing fell predominantly on the City's non-white population and recognized "The realities of the housing situation for Baltimore's non-white population must be squarely faced and kept in mind in shaping the urban renewal program" (23). BURHA chose the Harlem Park neighborhood for new housing development. Ironically, nearly 40 years later, the

Baltimore Empowerment Zone selected the same neighborhood for its redevelopment effort, citing similar slum conditions.

CPHA played an important role in supporting the implementation of urban renewal programs and, according to the *Report of the Urban Renewal Study Board* (Urban Renewal Study Board 1956), “[CPHA] has been squarely behind urban renewal, and its continued support, interest, and constructive criticism are indispensable elements in launching and sustaining a comprehensive urban renewal program” (63).

As in other cities, urban renewal in Baltimore rapidly became associated with downtown redevelopment rather than housing. The City’s business elite supported downtown urban renewal politically and financially. According to Teaford (1990),

In 1954, a report of the Commission on Governmental Efficiency and Economy emphasized Baltimore’s declining property tax base and warned of imminent disaster if no action were taken to reverse the trend. Responding to this dire prediction, developer James Rouse and some other prominent business leaders formed the Greater Baltimore Committee (47).

The Greater Baltimore Committee (GBC) served to coordinate the efforts of the City’s largest corporations: “Though the committee originally awarded freeway construction and harbor improvements highest priority, James Rouse was named to chair the Urban Renewal Subcommittee, which would be significant in promoting Baltimore’s much praised projects of downtown reconstruction” (Teaford 1990, 48).

The GBC played a central role in Baltimore’s downtown revitalization. It financed the City’s master plan for urban renewal and, according to Lyall (1983),

When time came to implement the plan, GBC recognized the necessity of focusing on a smaller project, Charles Center, for which private investment and support could be raised quickly. GBC’s follow-through on the Charles Center project was an unqualified success, with the City and press giving the organization full credit for its crucial role (30).

The GBC continued to play a major, but often behind-the-scenes, role in Baltimore's successful downtown development; however, the GBC's Charles Center plans ended up replacing the City's original urban renewal plan that focused on slum clearance, residential rehabilitation, and highway development. According to Lyall (1983), "Finding no solid constituency to support its own renewal plan and faced with a largely self-financing master plan for downtown redevelopment, the City joined forces with the private sector for the first time" (549). In the case of urban renewal, the business community went from supporting City policy to making it. Noted urban scholar and author of *Death and Life of Great American Cities*, Jane Jacobs recognized Charles Center and Baltimore's unique approach to urban renewal and called the City's effort a "pioneering partnership" (Jacobs 1958).

The urban renewal period saw the consolidation of Baltimore government's two-tiered system of cooperation with business elites on one-side and community and neighborhood organizations on the other. The City's work with community organizations became more formalized with the development of CPHA. CPHA lobbied City government on behalf of community organizations and their residents and worked to strengthen community organizations through technical assistance. The formation of the GBC in 1954 created a formal structure for the involvement of the Baltimore's business elite in the City's governance, and this organization played a direct role in the implementation of the Charles Center. These two organizations became the voices for the City's competing constituencies, with CPHA representing citizens and the GBC representing businesses. CPHA and the GBC were often able to cooperate on issues; however, they just as often took competing positions when it came to urban renewal and

development. Ironically, given the later competition between these two organizations, CPHA's Businessmen's Committee was the original group that recommended the formation of the GBC.

As the urban renewal period was ending, race became a key issue, beginning with school desegregation. Efforts to integrate education in Maryland began in the 1930's, when Baltimore born Thurgood Marshall initiated lawsuits against educational discrimination that would lay the groundwork for the 1954 *Brown v. Board of Education* decision (Orser 1994). After the *Brown* decision, Baltimore City, which had made preliminary steps to integrate some programs starting in 1952, was forced to remove formal distinctions between white and black schools.

The early days of desegregation were relatively calm in Baltimore, with only scattered protests, and the City was the first segregated school system to approve an integration plan. However, several scholars have identified the combination of school desegregation with blockbusting as turning events in the City's history. In his study of the Edmondson Village community in Baltimore, Orser (1994) identified the desegregation and the suburban housing boom as the "twin forces of metropolitan change occurring in the postwar era with potentially profound consequences for the rowhouse community (72)." Similarly, Durr's (2003) assessment of white working class politics in the City identifies desegregation and the failure of the City's leaders to address blockbusting, coupled with the rise in African American militancy in the 1960s (discussed below) as triggers to the rise of blue collar "working people" political activism in the City. Desegregation hastened white flight from the City. According to Orr (1999), Baltimore City schools went from being less than 30% African American in 1950, to

40% in 1960 to almost 60% in 1970, while the City's white population fell from 75% in 1950, to 65% in 1960 to less than 55% in 1970 (67).

These desegregation driven demographic changes had another impact on the City school system. As white teachers left to work in expanding suburban jurisdictions, black teachers and administrators found increased employment opportunities in City schools. According to Orr (1999) "Baltimore's dual segregated school system has long been as source of income and upward mobility for many African Americans, especially the city's black middle class. By the 1990s, however, the public school had become the linchpin of Baltimore's black employment base (68)." The schools, which had long been a source of patronage jobs, ultimately came under the control of the City's African American political leadership. According to Smith (1999) "the black establishment in Baltimore – its political, religious, and social wings included – had developed a proprietary interest in the city's school system. Control over the city school was given over to African Americans as the inviolate pool of patronage (136)."

### **The Great Society -- African-Americans Enter the Political Arena**

The social and political turmoil of the early 1960s was less evident in Baltimore than in other cities. The problems of urban blight, however, continued unabated. The downtown-oriented development of the early urban renewal program did little to improve housing conditions or poverty in the City. In 1964, the City's community renewal process started a two-phase project to identify the urban renewal needs of Baltimore. The 1964 first phase report, BURHA's *Inventory of Residential Blight*, found that 38% of all housing units in the City exhibited "major blight conditions" with 77% of nonwhite housing units exhibiting major blight compared to 23% of white housing units. The

report found that the entire central area of the City exhibited moderate to major blight conditions, with little or no blight in the outlying sections of the City. The second phase *Analysis of Community Needs* report (BURHA 1965) found that “Many white families – particularly young and middle-aged – moved out of the City” and that “the flow of migrants to the City during this period involved mostly low-income non-white families”. Few of the non-white, low-income migrants or residents were able to find “sound housing. . . thereby enlarging the ghettos” The level of personal income was identified as the key barrier to adequate housing, with one-third of all families, most of them non-white, having incomes less than \$3,000 per year.

The Johnson’s administration’s War on Poverty programs focused on improving conditions in these poor communities, especially in African-American neighborhoods. As was the case with urban renewal, Baltimore was ahead of the nation in recognizing the need for urban reforms. According to Bachrach and Baratz (1970), “For nearly a decade before the Community Action Program (CAP) was formally constituted, the BURHA had been carrying on a CAP-type effort, including community organization and neighborhood development, in its public housing projects” (165). Baltimore’s Department of Public Welfare and Department of Health had been running multi-component welfare programs for years, and three private nonprofits organization—the Archdiocese of Baltimore, Associated Jewish Charities, and the Community Chest—ran private social service and welfare programs. Whites, however, ran these efforts and programs. The initiation of the War on Poverty programs instigated racial conflict over the management and direction of the new federally-funded programs.

Baltimore's social service system recognized the need for reform and comprehensive services in 1962, and it established a Master Plan for Human Development that envisioned a comprehensive and coordinated approach with wide community support to address poverty. They even submitted this plan to the Ford Foundation for funding under the Gray Areas program that was the predecessor to the War on Poverty programs, but they did not receive funding. The City built upon its own welfare reform efforts to develop its Plan for Action in 1964 that met all of the requirements of the Community Action Program. Before this plan was finalized, however, an alternative plan was put forth by a new organization, the Union for Jobs or Income Now (U-JOIN), an effort led by the City's African-American community. The U-JOIN proposal emphasized the mobilization of the poor, African-American community. The City rejected the U-JOIN plan and adopted its own plan, and it received CAP funding in 1965. This resulted in racial conflict over the management of the program. According to Bachrach and Baratz (1970),

Among the politically active Negroes in Baltimore, especially those who spoke in the name of the blacks in the Action Area, the belief was prevalent that the black community had been largely ignored in the process that produced the Plan for Action. To the Negro leaders, that is to say, the Plan was a program designed by the 'white power structure' to do something *for* Negroes. As such, the plan was suspect. Unable to shape the Plan to their preferences, the leaders in the Negro community determined to have a loud voice in the way in which the CAP was manned and implemented. (182)

The African-American community was committed to having both its leaders and residents serve in the oversight of the CAP. The Mayor struck a compromise by appointing six whites and five African-Americans to the oversight commission. Three of the African-American representatives were active in opposing the City plan, but none were poor or area residents. The federal government, however, later expanded the

oversight committee to include four residents, leading to a victory for the African-American community (Bachrach and Baratz 1970).

This racial controversy spilled over into the implementation of the Johnson administration's War on Poverty programs. While Baltimore avoided the race-based conflicts and mass violence of the early 1960s, racial tensions in the City mounted. The City attempted to restrict the Community Action Agency (CAA) operations to service delivery, and staff were forbidden to organize residents for political action; however, some CAA staff viewed community organizing and empowerment as mandated by the law and necessary to achieve their mission. According to Bachrach and Baratz (1970), "To put it plainly, without saying so, the CAP's managers were by the end of 1967 abetting a policy of organizing the black poor into the City's political process and of building up a political base for the CAA as the City's 'chosen instrument' for the war on poverty" (84).

In the aftermath of Baltimore's 1968 riots that occurred after the death of Martin Luther King, Jr. and despite political concessions by newly elected Mayor D'Alesandro who had courted and received the African-American vote, racial conflict emerged as a key issue in City politics with the CAA at the forefront. The CAA reallocated funds to support organizing in public housing, opposed the development of Mayor's stations in neighborhoods in the City, helped organize a 'Poor Peoples' rally, and organized protest demonstrations. In response, the City Council cut the CAA's budget and restricted the use of funds for organizing. In 1968, the CAA director resigned, making "no effort to conceal his belief that the Mayor and City Council were deliberately undermining the agency in reprisal for its increasingly aggressive organizational activities among the

poverty area residents” (Bachrach and Baratz 1970, 89). With the federal transition from CAP to Model Cities, the Mayor and City Council took control and appointed safe appointees to run the programs (Bachrach and Baratz 1970).

As in other cities across the nation, the legacy of the Johnson administration’s War on Poverty programs in Baltimore was one of conflict. The CAA became the vehicle for promoting the political empowerment of the City’s largely disenfranchised African-American community. CPHA and Baltimore’s community and neighborhood organizations continued to influence City policy, and the GBC worked with the City government on downtown redevelopment. Added to this was the strong and increasingly vocal efforts of the City’s African-American community to gain political power.

### **Tensions Over Development**

During the 1970s and 1980s, under both the Nixon-Ford-Carter period of devolution and the Reagan-Bush period of privatization, economic conditions deteriorated in Baltimore. According to Olson (1980), the City’s rapid post-War economic progress began to slow in the 1970s with a national and international economic recession: “By 1975, many of the companies that had built Baltimore were experiencing problems. Black & Decker shut down local production, Western Electric and Bethlehem Steel were laying off workers,” and “some of the City’s oldest large plants were shut down for good” (366). This continued into the 1980s as Baltimore lost further retail and manufacturing jobs. In the 1990s, City employment suffered from financial industry and general corporate consolidation that led to large-scale outside acquisition and downsizing of leading downtown employers. Compounding the economic decline of the City, the protests of the 1960s destabilized the political status quo.

The 1970s and 1980s were a period of conflict over the direction of Baltimore. The business community that promoted a downtown-oriented development strategy was on one side while citizens groups, often represented or supported by CPHA, sought to protect neighborhoods and quality of life issues. In the middle was the long-serving Mayor, William Donald Schaefer, who governed from 1972 to 1986. Mayor Schaefer replaced Mayor D'Alesandro. Mayor D'Alesandro was the son of a popular three-term Mayor and had bridged the racial divide in the City by openly courting and receiving the black vote. Yet, after the turmoil of the late 1960s and the 1968 riots, he chose not to seek a second term: "He realized the 'increasing powerlessness of the big city mayor . . . to close the Pandora's box of urban troubles'" (Teaford 1990, 201).

A central issue in the political conflict in Baltimore during the 1970s and into the 1980s was the plan for downtown redevelopment. Baltimore's downtown redevelopment plans dated back to the urban renewal period. New York's planner, Robert Moses, proposed a downtown freeway to cut through downtown Baltimore in 1944. The City Council and Downtown Committee supported the highway, but they did not move forward with the plans because of fiscal constraints and the need to displace so many residents for the plans to be completed. This highway remained on the planning books and a source of conflict for several decades. It ultimately became the proposed East-West Expressway, and it remained a part of Baltimore's urban renewal plans. The Greater Baltimore Committee made the road a key goal and "promised it would 'spend every effort to obtain official City, State, and federal approval of a route for the East-West Expressway'" (Teaford 1990, 165).

Community organizations opposed the business community. In the 1960s and 1970s, across the nation, neighborhood leaders and organizations arose to protect neighborhood residents from the efforts of City businesses and governments to promote downtown-oriented redevelopment. These leaders and organizations opposed what Teaford called the trinity of evils: highway construction, urban renewal, and redlining by financial institutions (1990). The successful efforts of community organizations in Baltimore to block the East-West expressway “was one of the most publicized” efforts nationally (1990, 245). The successful effort to block the highway was led by a young social worker from east Baltimore, Barbara Mikulski, now Senator, who used community-organizing techniques to defeat Mayor Schaefer on the road. According to Smith (1999), Mayor Schaefer learned a valuable lesson, “Baltimore neighborhoods and Baltimore people did have spirit ... People would stand up and speak truth to power and authority – or respond to it if well-directed (55).” With the defeat of the East-West Expressway, this era represented the height of the power of community organizations in the City’s governance.

### **African-Americans Assume Political Power**

While racial relations were a recurrent issue in City politics, it joined downtown redevelopment at the top of the agenda in the late 1970s. The City’s African-American community was long shut out of government and political power. Conflict over efforts to mobilize the African-American community was a key element in the City’s experience with the War on Poverty’s CAA program. The issue of racial conflict was central in the decision of popular one-term Mayor, Thomas D’Alesandro III, to resign in the aftermath of the turmoil and riots of the late 1960s. The 1971 Mayoral election pitted two African-

American candidates, George Russell who was a member of the old guard, and Clarence Mitchell III who was a younger and more militant member of the black political dynasty, against the white President of the City Council who was part of the City's political machine, William Donald Schaefer. Schaefer won the election by winning every white precinct in the City while Mitchell diluted Russell's performance in African-American districts. Even though the white candidate won, this election changed City politics because the white political clubs that formed the basis of the City's political machine began to take blacks seriously.

A black political leadership was beginning to emerge. According to McDougall (1993), "the cohort of black electoral professionals [that] developed during the 1960s and 1970s licked their wounds and repositioned themselves to bid for power" (94). In the 1970s, court rulings forced redistricting, and continued white flight made the City a majority African-American city. By the 1980s, African-American candidates, including Kurt Schmoke, who would later be elected Mayor, were winning citywide elections and challenging the City's political machine. By the 1990s, African-Americans assumed control over most of the City's key elected positions.

Even while the African-American community gained political strength in the 1980s, it remained segregated. Economic conditions in Baltimore deteriorated in the 1970s and 1980s. As middle class whites and even African-Americans fled to the suburbs, the City's tax base declined. Fiscal conditions were worsened by the reprogramming of urban aid to the suburbs under devolution and cuts in urban aid under the Reagan-Bush administrations. Retail employment moved to the suburbs, and manufacturing employment declined. Despite the end of exclusionary zoning rules, the

City remained segregated. According to McDougall (1993), “The division of Baltimore and its metropolitan area into a prosperous white and a declining black community has exacerbated racial tension” (106).

The efforts to improve social, economic, and political conditions in the African-American community spawned a new set of African-American-led community organizations and actors in the City. McDougall (1993) analyzed the development of these new community groups in Baltimore in the context of the “base communities” that developed with the liberation theology movement in Latin America. Base communities were small peer groups of persons with a similar social background working to improve conditions for their group. They were “important networking and empowering devices” to promote economic, political and social gains. According to McDougall (1993), “Community activists remaining in black Baltimore began building institutions designed to fill the growing gap between the social functions that the weakened vernacular community could no longer perform and the social functions that government was increasingly unwilling or unable to perform” (3). New organizations developed, such as BUILD, Community Building in Partnership, and New Song Ministries, to serve the African-American community. Many grew out of the black churches that remained in their original, now poor, communities, and the government and private sector supported others. These new organizations added to the already well-developed system of community organizations in the City.

Marion Orr (1999) explored the issue of race relations in the case of school reform in Baltimore in the context of social capital. A simple definition of social capital is relationships within groups and between groups and the larger society that facilitate

economic, political, or social ends. To Orr, Baltimore, with its well-networked African-American community, was a prime location to study social capital. The African-American community in Baltimore developed social capital in order to pursue its interests in a white-dominated political and economic environment. According to Orr (1999), “Baltimore’s African-American community developed significant common bonds and important institutions to combat racial discrimination” (8). As Baltimore’s African-American population grew, it was gradually and reluctantly integrated into the City’s political power structure. By 1963, with the election of Republican McKeldin as Mayor, and extending into the 1967 election of Thomas D’Alesandro, the City’s political machine courted African-American leaders and voters and provided them with patronage jobs. Black political power grew in the 1970s and 1980s as the City became majority African-American, and, with the election of Kurt Schmoke as Mayor in 1987, the City’s African-American community finally assumed control.

Racial conflict, however, continued and even intensified with the rise of African-American political power. Orr explored this conflict in the context of the fight over control over the City’s public schools: “Baltimore’s political culture spawned the expectation that the public school system functions principally as a major source of jobs and patronage, and the City’s African-American middle class leaders accepted that as their vision” (1999, 62). As the City’s manufacturing and economic base declined, these government jobs became more important. However, as a result of white and middle-class flight from the City, the resulting rise in the concentration of poverty, and the increased use of private schools by the remaining middle-class, school performance plummeted. In the 1980s, as the African-American community finally assumed

leadership of the City, school reform became a central issue. This caused conflict between the City's leadership and community as well as among communities since some sought to improve schools while others sought to protect patronage jobs and African-American school leaders (Orr 1999).

With its industrial history, education may have been less important in a City where a union, blue collar was the path to the middle class and middle and upper income residents have a strong private school tradition. According to Smith (1999), the City schools were always a source of patronage jobs and "though politicians never dared to intrude openly on education, Sondheim [a long serving bureaucrat and political advisor] was told that a principal's post could be purchased from the bosses for \$150, a vice principalship for \$100 (69-70)." As the City became home to a disproportionate share of the State's poor, the performance of the City's patronage driven school system plummeted for both demographic and administrative reasons. As a result, school reform has been a City and State issue since the Schaefer era, and a major issue for the Schموke administration. The conflict over State aid and managerial efficiency continues to this day.

### **Mayor Schaefer's Reign**

In the center of these conflicts was Mayor Schaefer. Schaefer was able to balance both the conflict between the City's community organizations and business community over downtown development and over the changing racial environment in the City. Under his leadership, Baltimore was hailed as a comeback City on the basis of its Inner Harbor development, and the African-American community was able to move into political leadership with little conflict.

Mayor Schaefer was best known for his successful development of Baltimore's downtown area. The Inner Harbor redevelopment occurred in two phases. The first phase was the Charles Center project. During this time, plans were developed for the City's Inner Harbor retail and hotel development, but in 1964 voters rejected a bond issue to fund the first part of this development. According to Levine (1987),

The election of Mayor Schaefer in 1971 inaugurated the second and more critical phase of Baltimore's downtown redevelopment strategy. Schaefer's aggressive boosterism and entrepreneurial talents permitted City planners and corporate leaders to expand the scope of the 1954-1970 redevelopment initiatives and to implement a comprehensive corporate center strategy in the 1970s. (107)

During Schaefer's long tenure as Mayor, the Inner Harbor retail and office development, the National Aquarium, the Maryland Science Center, the 27-story World Trade Center, hotels, and the convention center were built in downtown Baltimore. As a result of this successful downtown redevelopment, the City became known nationally as a "renaissance city." The development of the Inner Harbor proceeded despite the opposition of citizens groups who wanted to preserve the waterfront for public use. While citizens groups were not able to implement their vision for downtown redevelopment, as described above, they were able to stop the East-West Expressway. Ironically, stopping the highway resulted in the preservation of several neighborhoods that would become part of Baltimore's reputation as a comeback city.

Keeping with Baltimore's history of cooperation between government and businesses, Mayor Schaefer relied on the GBC and development interests to promote Inner Harbor development. Under the Schaefer administration, the City government and the business community cooperated through a system of quasi-governmental, public-private partnerships that came to be called the "shadow government" by the *Baltimore*

*Sun*. These public-private partnerships supported redevelopment by pooling the risk of projects, combining public and private resources, and avoiding the bureaucratic red tape associated with government projects. Opponents called these agencies anti-democratic and held that they reduced the public's ability to shape or evaluate redevelopment projects (Levine 1987, 2000; Stoker 1987).

While the Schaefer administration was best known for its downtown redevelopment as well as cooperation with the City's business elite and the "shadow government," Schaefer was equally successful in working with the City's strong neighborhood organizations. Schaefer had a longstanding commitment to the City's neighborhoods and integrated community level organizations into his own political machine. As a young politician he was a member of CPHA. As he moved up in the City's political machine, he always maintained his neighborhood credentials and, as City Council President and Mayor, he built up his own political machine at the neighborhood level. According to *Baltimore Sun* political columnist and Schaefer biographer C. Fraser Smith (1999), "In the neighborhoods, Schaefer established Mayor's Stations and staffed them with loyal supporters who could be paid from federal funds. He had a grid of area advisory committees to decide (up to a point) how grants should be spent, and the neighborhoods saw the money flow" (224). His commitment to neighborhoods was real and more than political expediency. It was not uncommon for the Mayor to drive around the City at night and call department heads in the morning to address any problems that he found. According to Smith, Schaefer had "a devotion to making the government serve the neighborhoods" (146).

Writing at the height of the Mayor's popularity in 1983, Johns Hopkins political scientist Matthew Crenson wrote a famous book on neighborhood politics analyzing Baltimore. Crenson compared Schaefer to Chicago's Richard Daley and credited his high degree of executive control over the City to his control over the City's "outsized" share of federal funding, the "unwavering support of the local business community," and a "compliant" City bureaucracy. According to Crenson (1983), "As authority takes root downtown, the political prospects for neighborhoods seem to wither away" (292).

Despite the high degree of centralized control over development, the concept of strong neighborhoods remained central to Baltimore. Mayor Schaefer credited neighborhoods with his own and the City's success. To Crenson (1983), "Baltimore's neighborhood politics enhance the authority of the City's leadership not so much because of the organized backing that they provide but because they help to ensure that the task of leadership itself remains a manageable one" (296). By providing local leadership and information, strong neighborhoods working with the government as well as politicians made the City more governable; however, others criticized the Mayor's neighborhood work. McDougall (1993) reported, "Schaefer put community activists on his payroll, co-opting many of the City's once strident neighborhood workers. Those who refused to play were shut out" (87). Also "Schaefer had adopted the Richard Daley (Chicago) model of city administration, and kept all power in his own hands while making City leaders feel they had access to power through him" (88).

Mayor Schaefer was also able to quiet racial tensions in the City. The riots following the assassination of Dr. Martin Luther King set the context for Schaefer to become Mayor. Even though Mayor Schaefer defeated two African-American candidates

in 1971, he earned the respect of the City's African-American leadership. During his tenure on the City Council, Schaefer had a record of voting "right" on racial issues and was rewarded with the support of most of Baltimore's African-American leadership. While he defeated a split African-American ticket in 1971 on the basis of white voter support, he won the 1975 and 1979 elections by winning both black and white precincts.

Racial conflict, however, intensified in the 1983 Mayoral election after, in 1982, a slate of African-American leaders, including later Mayor Kurt Schmoke, bypassed the established political machine and were elected to citywide office. In 1983, Schaefer faced an African-American judge who sought to awaken "the sleeping giant" of black political activism in the City through race-conscious public speaking. Nevertheless, based on Schaefer's record of accomplishment and support by many black leaders, he won both the black and white vote. According to Smith (1999), "Baltimore's black electorate was not prepared to abandon reason and objectivity for a purely black-based political appeal. Historically, according to State legislator [and African -American political leader] Pete Rawlings, black Baltimore resented the suggestion, made from within and without, that they would choose skin color over merit and qualifications" (221).

The Schaefer years were impacted by the changes that occurred in federal urban policy over that period. The centralization of federal urban assistance through block grants gave the Mayor significant control over federal spending. He used this to push his redevelopment projects and to fund and develop a network of community organizers loyal to his administration. In doing so, the Schaefer administration merged the block grant system with Baltimore's own traditions of government-private sector cooperation

and strong community organizations in a way that enhanced his control over the City. Federal funding provided the glue that held together the “shadow government” and provided a significant amount of the money spent on Inner Harbor redevelopment. City control of block grant funding forced the City’s strong base of community organizations to work with his administration. Thus, the combination of strong leadership and devolution provided Schaefer’s administration with the means to mediate the conflict between citizens and businesses over the future of the City and shape development to fit his vision.

### **Mayor Schmoke’s Tenure**

Ironically, racial conflict in the City intensified after the election of its first black Mayor. In 1987, Kurt Schmoke defeated Clarence “Du” Burns, also an African-American and the City’s acting Mayor who, as City Council President, assumed the office after Mayor Schaefer was elected governor of Maryland. This election represented the triumph of the new, modern African-American leadership over the old black leadership. Schmoke was young, photogenic, and articulate as well as a high school football star, Ivy League-educated lawyer, and Rhodes Scholar. Du Burns was an East Baltimore political operative who, with the patronage position of being janitor at the Dunbar High School, worked his way up and assumed the City Council Presidency with the support of the white political machine.

Mayor Schmoke sought to minimize racial conflicts in the City. He opposed the 1991 redistricting of City Council districts to replace the gerrymandered districts that favored whites with six majority black and one majority white district. According to McDougall (1993), “This [redistricting] was engineered over vehement opposition from

Mayor Schmoke, who wanted to build white support for his citywide policies and felt that all black districts would discourage racial coalition politics” (98). He was right.

Schmoke’s own non-radical and limited efforts to redress the economic, political, and social injustices of the past polarized the racial situation in the City. According to Smith (1999), “[Schaefer] was certain Schmoke and Gibson<sup>9</sup> wanted to make Baltimore an all black city. The old integrationalist ideal was fading under Schmoke’s housing and neighborhood revitalization policies, Schaefer thought, and he resented it” (368). Many white voters shared this view.

According to Levine (2000):

Kurt L. Schmoke, took office in 1987 as Baltimore’s first elected black Mayor (in a City that had become, by then, almost 60% black). Early in his tenure, Schmoke appeared anxious to tilt City priorities towards education and neighborhood revitalization, stating that “we must build upon the successes of our downtown redevelopment program and ensure that the benefits of growth reach the neighborhoods” (133).

Mayor Schmoke gave greater emphasis to resident and community needs and, during his time in office, the City began one of the first Comprehensive Community Initiatives, the Enterprise Foundation-funded Sandtown-Winchester project in West Baltimore.

According to Levine (2000), despite his emphasis on communities and education, Mayor Schmoke continued to support the downtown development strategies put in place by his predecessor and supported by the GBC. He supported the development of Baltimore’s two downtown sports stadiums, expanded the convention center, built the Columbus Center (a marine biotechnology center on the Inner Harbor), and supported the development of two downtown hotels.

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<sup>9</sup> Larry Gibson was an African American lawyer and political activist and Kurt Schmoke’s chief political strategist.

Mayor Schmoke was elected to three terms and served as Mayor during difficult times. The City's fiscal condition deteriorated with the Reagan-Bush era cuts in urban aid. Downtown employment declined as a result of the continued suburbanization of employment as well as corporate and financial industry restructuring. Crime increased and City schools declined. In the 1990s, Baltimore lost its "comeback city" reputation of the prior decade. In 1996, urban analyst David Rusk identified Baltimore as one of the cities that had passed "the point of no return" economically, socially, and fiscally. In 1999, the U.S. Department of Housing and Urban Development's (HUD) *Now is the Time: Places Left Behind in the New Economy* report classified Baltimore City as one of the nation's 74 "doubly burdened" central cities that face continued high unemployment as well as significant population loss or persistently high poverty rates. Baltimore City, in fact, was one of the extreme cases that faced all three measures of burden analyzed by HUD (1999).

Mayor Schmoke was able to establish African-American control over City politics without the disruptions that occurred in other cities. There were criticisms by the white community, but the Mayor established cross-racial coalitions, especially within the white-dominated business community. In an analysis of race and City politics, Henderson (1996) called Schmoke's strategy "transracial," meaning that it was inclusive of race as an issue but cognizant of the need to transcend racial conflict to focus on "both common agendas and ultimate social, economic, and fiscal needs" (172). Schmoke maintained a good working relationship with the City's business leadership and forged a cooperative relationship with State government, especially after Governor Glendening replaced Governor Schaefer in 1994. He developed new systems of working with

community organizations and supported the creation of African-American civic and community organizations. The experience of two of the organizations created by the Schموke administration, Community Building in Partnership and the Historic East Baltimore Community Action Coalition (HEBCAC), figured prominently in the application for and design of the City's Empowerment Zone. Smith (1999) summarized his tenure as follows: "History had chosen him, and he did well enough, keeping the City afloat with almost none of the federal help Schaefer had had" (368).

During Mayor Schموke's tenure, the broad federal urban policy and economic trends impacting cities nationally also affected Baltimore. Social and economic conditions deteriorated as a result of the global and national economic trends that put cities at a disadvantage. As in other cities, the 1980s and 1990s saw the expansion in the operations of CDCs and other community organizations, but, in Baltimore, these developed as part of the City's existing base of community organizations. Possibly because of the City's emphasis on downtown development and the dominance of quasi-governmental agencies in development during the Schaefer years, CDCs developed more slowly in Baltimore than in other cities; yet, in 1998, the Urban Institute ranked Baltimore as a "New Arrival in the Top Tier" of high CDC capacity cities because Baltimore experienced an above-average increase in the capacity of City CDCs (Walker and Weinheimer 1998). Maryland was also one of the first states to create Enterprise Zones, passing legislation in 1982 that designated much of the City's industrial land as such. A State Enterprise Zone evaluation found that Baltimore was one of the regions reaping the most benefits from the State program (Maryland Department of Business and Economic Development 2002). As a result of the Mayor's and the City's emphasis on

community organizations, Baltimore was home to one of the first CCIs and was awarded one of the first six federal Empowerment Zones.

### **O'Malley as Mayor**

In 2000, Mayor Schموke chose not to run for re-election. In this election, the black vote was again split between two candidates, allowing white City Councilman Martin O'Malley, son-in-law to the leader of one of Baltimore's old "political machine" families, to become Mayor. Four years later, he was reelected with 87% of the vote. As Mayor, O'Malley emphasized crime and quality of life issues, and he executed a forceful top-down approach to City management unlike the Schموke administration. The pace of downtown development quickened with his election, and he sought to improve City infrastructure to attract businesses and address quality of life concerns to draw "young professionals" to the City.

Under O'Malley, the City continued to work with and through its substantial base of community and neighborhood organizations. Baltimore reorganized into nine districts that acted as City Council districts, planning units, and police districts. It operated neighborhood service centers and informally engaged its many community organizations in planning issues. Mayor O'Malley did not utilize the City's community and neighborhood organizations in the same way as either of his predecessors had, and he adopted a highly centralized, bureaucracy-driven administrative style.

Baltimore was home to more than 600 neighborhood and community associations active across the City. Most were small, had no paid staff, had an annual budget of less than \$10,000, and focused on housing, sanitation, crime issues, and activities like community festivals or beautification (Clinch 2003). The City was also home to 24

“umbrella organizations,” most of which were formed in the 1960s and early 1970s and served as coalitions of neighborhoods and community groups that focused on planning, community organizing, and service delivery. Umbrella organizations delivered services ranging from workforce development and housing counseling to substance abuse under contract to City and State government agencies and nonprofits. While Baltimore’s umbrella organizations were formed in the period of neighborhood activism in the 1960s, many later became an informal part of the City’s governance. Many were linked with the white political establishment associated with the activist Schaefer administration.

The Baltimore foundation community also had a long tradition of working with and through community organizations. The Baltimore Community Foundation was one of the nation’s leading community foundations and part of the Ford Foundation’s Leadership Program for Community Foundations program, an effort to develop the capacity of community foundations to serve as promoters of community-led development. In Baltimore, foundations funded a variety projects to promote community-based development, including the Baltimore Neighborhood Collaborative to support neighborhood revitalization; the Neighborhood Design Center to assist distressed communities with planning and design services; the Maryland Center for Community Development to provide technical assistance to CDCs; and the Goldseker Foundation’s Healthy Neighborhoods Approach to fund community development activities. The City was also home the national Annie E. Casey Foundation, one of the sponsors of the Rebuilding Communities Initiative CCI, and was later involved in East Side redevelopment.

## **The Impact of Local Political Trends on the City's EZ Strategy**

Baltimore's two-tiered Empowerment Zone Strategy represented the convergence of the three trends that shaped the City's political evolution. The creation of the Empower Baltimore Management Corporation, overseen by a blue ribbon board dominated by the City's business and foundation elite, drew on the City's history of working through "shadow government" quasi-public development organizations. The City's strategy to implement the Federal Empowerment Zone initiative through the creation of local community organizations drew on the City's rich history and experience with community organizations. The choice of a prominent African American lawyer as the initial director, followed soon by a respected African-American community leader, represented the ascendancy of African-American population into political control over the City.

The City also had experience with the comprehensive, community-driven focus of CCIs through the Sandtown-Winchester effort. Rouse Company and the Enterprise Foundation staff played an important part in the City's Empowerment Zone application process. Jim Rouse was on the original Board of EBMC, and the President of EBMC for most of its operations, Diane Bell, was the City's representative to Sandtown-Winchester. As a result, it is not surprising that the City's Empowerment Zone chose a community-driven strategy that drew on the experience of neighborhood organizations.

## CHAPTER 4

### THE DESIGN AND IMPLEMENTATION OF A COMMUNITY-DRIVEN EMPOWERMENT ZONE STRATEGY IN BALTIMORE

#### **Introduction**

This chapter describes the experience of the Baltimore Empowerment Zone's efforts to build community capacity in six neighborhoods in Baltimore City. This chapter begins with a brief summary of the findings of this assessment of the community capacity building experience of the Baltimore Empowerment Zone. It goes on to describe the overall structure and design of the Baltimore Empowerment Zone's community capacity building effort before a detailed case study description of the formation and ten year operating experience of the six village centers. The case studies are presented in geographical order, going clockwise from the north – see Map 1 in Chapter 1.

This dissertation draws on the results of research conducted for the Baltimore Empowerment Zone's management entity – the Empower Baltimore Management Corporation (EBMC) by the author, most importantly the June 2004 report, *The Community Capacity-Building Impacts of the Baltimore Empowerment Zone*, and the November 2004 report, *The Lessons Learned from the Community Capacity Building Efforts of the Baltimore Empowerment Zone Village Centers* (Clinch 2004 a and b). The yearlong research effort undertaken for these reports consisted of six focus groups with 42 EBMC and Village Center staff and Board members and in-person interviews (in several cases more than one) with more than 50 persons active in the creation and management of EBMC and the village centers. All of the focus groups were taped and professionally transcribed. About one-third of the interviews were taped and transcribed with detailed notes taken by the author in all of the interviews. A list of the persons

interviewed and focus group attendees is included as Appendix A to this dissertation. Focus group participants and many of the persons interviewed were guaranteed anonymity; so many quotes in the case studies and later in this dissertation are not attributed to a specific individual. This research also draws on EBMC-sponsored sustainability reports prepared for each of the village centers in 2003 and 2004 by NOMAGIC, Inc. The descriptions, opinions and analyses presented in this chapter are, unless otherwise attributed, the view of the author and represent the results of several years of work with EBMC.

### **Overview and Summary of Findings**

The federal EZ/EC Initiative set out to reverse the pattern of federal neglect of urban areas and problems with a targeted, place-based, redevelopment effort. The Clinton administration's EZ/EC Initiative emphasized community participation in the design and delivery of services. This represented a break from the decades long experience of federal urban block grants, which are generally controlled by cities' mayors and bureaucracy. The Clinton administration's goal for the EZ/EC Initiative was that it would be *community driven*, and controlled by the residents of the targeted communities. The City implemented a two-tiered management structure that is recognized as the most community-driven of all of the cities awarded a full EZ (Nathan and Wright 1995; Chaskin and Peters 1997; Hebert et al. 2001). This two-tiered structure consisted of EBMC, a quasi-governmental, nonprofit entity, at the top overseeing implementation of the new federally funded programs delivered by six community run village centers.

As described in Chapter 1, the implementation of urban programs through community organizations, as was undertaken with the EZ/EC Initiative in Baltimore,

presumes sufficient community capacity to plan for and deliver government funded services. In Baltimore, the task was even more complex because five of the six village centers were formed as entirely new organizations, and the sixth, HEBCAC, was only two years old. The village centers had to deal with the many difficulties inherent in creating new organizations while simultaneously implementing high profile federally funded programs.

The Baltimore Empowerment Zone effort succeeded in creating new community organizations that operated through the ten-year federally funded period in five of the six village centers. One village center, the Self-Motivated People's Community Village Center, closed in 2000 as a result of misuse of funds and ongoing board disagreement and strife. As described in Chapter 3 and below, Self-Motivated was home to one of the nation's first CCIs, the Enterprise Foundation's Sandtown Winchester project. The Village Center was formed as a separate independent organization outside of the Community Building in Partnership (CBIP) organization that managed many of the CCI's programs. The community leaders who formed Self Motivated wanted a new organization, independent of CBIP, which they saw as controlled by "outside" foundation and City interests. However, the Village Center was unable to overcome the loss of the dynamic leader who led the formation process, only to be removed for the misuse of funds. The remaining five village centers operated throughout the ten-year federal funding period. A second village center, Harlem Park/Lafayette Square Village Center, was closed in the waning months of the federally funded EZ operating period, again because of misuse of funds.

Four of the village centers created by the Baltimore Empowerment Zone continue to operate today, one as a smaller, successor CDC. All continue to implement a variety of programs to improve community conditions. Thus, the Baltimore Empowerment Zone can be considered at least a partial success in creating sustainable community development capacity – one of the four core goals established by the Clinton administration.

Baltimore City was designated as a full Empowerment Zone in December 1994. It established guidelines for the village centers in April 1995 and accepted the applications from the six communities to form village centers between September of 1995 and February of 2006. Four of the six village centers received funding starting in 1996 and the remaining two started operations in 2007. The operational benchmarks for each village center are presented in Table 9.

The demographic characteristics of the village centers are presented in Table 10.

As required by the federal EZ/EC initiative's application, Baltimore's EZ communities were among the poorest in the City. However, in choosing the communities to be included in the application and the program, the City was strategic in its selection process. It chose communities that met the poverty and social distress requirements of the initiative, but had some redevelopment potential. Two of the communities, East Harbor and Washington Village, were in the path of redevelopment radiating out from downtown. Two others, HEBCAC and Poppleton, had key university and hospital institutions active or interested in the community. As described above, the Sandown community – in the center of the northwestern part of the EZ, was home to a well-funded CCI that could have managed and leveraged EZ resources in that area.

**Table 9**  
**Milestones in the Formation and Operation of**  
**The Six Village Centers of The Baltimore Empowerment Zone**

Milestone	HEBCAC	East Harbor	Washington Village/ Pigtown	Poppleton	Harlem Park	Self-Motivated
Application Accepted	September 1995	February 1996	September 1995	February 1996	February 1996	September 1995
1st Admin. Funding Agreement	May 1996	June 1996	March 1996	September 1997	August 1997	June 1996
2nd Admin. Funding Agreement	May 1997	June 1997	March 1997	January 2001	January 2000	August 1997
3rd Admin. Funding Agreement	May 1998	June 1998	October 1998	June 2002	October 2001	June 1998
4th Admin. Funding Agreement	July 1999	June 1999	January 2000	June 2003	January 2003	June 1999
5th Admin. Funding Agreement	July 2000	June 2000	January 2001	June 2004	January 2004	Terminated
Transitional Funding Year 1	July 2001	November 2003	January 2003			
Transitional Funding Year 2	July 2003		January 2004			
Transitional Funding Year 3	July 2004					
Land Use Plan	1997	1997	1996	2001	1999	1998
Career Center Opens	August 1997	November 1997	September 1997	December 1999	September 1998	November 1998
Current Status	Operating	Operating	Operating	Successor Operating	Closed in 2004	Closed in 2000

Table 10  
Selected Demographic Conditions and Changes in the Village Centers  
1990-2000

	HEBCAC	EHVC	WVPNPC	VCP	HPLSVC	SMCPVC
<u>Total Population</u>						
1990	27,682	7,526	8,961	8,849	6,415	12,070
2000	18,351	7,003	8,061	6,684	4,283	9,630
Change	-9,331	-523	-900	-2,165	-2,133	-2,439
% Change	-34%	-7%	-10%	-24%	-33%	-20%
<u>Percentage of Owner Occupied Dwellings</u>						
1990	25%	23%	50%	14%	13%	22%
2000	26%	23%	47%	15%	11%	32%
Change	1%	1%	-3%	1%	-2%	10%
<u>Percentage of Dwellings That are Vacant</u>						
1990	14%	25%	10%	18%	23%	18%
2000	30%	26%	17%	20%	40%	22%
Change	16%	1%	7%	2%	17%	3%
<u>Median Household Income</u>						
1990	\$20,911	\$25,445	\$23,332	\$15,704	\$16,088	\$14,784
2000	\$20,000	\$30,568	\$24,607	\$12,939	\$19,375	\$23,606
Change	-\$911	\$5,123	\$1,275	-\$2,765	\$3,287	\$8,822
% Change	-4%	20%	5%	-18%	20%	60%
<u>Percentage of Residents Living Below the Poverty Level</u>						
1990	39%	41%	27%	55%	42%	45%
2000	39%	32%	23%	35%	37%	35%
Change	0%	-9%	-4%	-20%	-4%	-10%
<u>Resident Labor Force Participation</u>						
1990	37%	44%	40%	32%	38%	35%
2000	35%	49%	39%	34%	33%	35%
Change	-2%	5%	-1%	3%	-4%	-1%
<u>Unemployment Rate</u>						
1990	15%	16%	9%	17%	14%	18%
2000	24%	8%	9%	16%	17%	18%
Change	9%	-8%	0%	0%	4%	-1%

Source: U.S. Bureau of the Census, EBMC

As described in the case studies below, all of the village centers had to overcome internal and external challenges in both their formation and operation. As presented in Chapter 1 and described more fully in Chapter 5, this dissertation has identified five core components of community change capacity: Strategic Planning; Leadership; Management; Internal Networks; and External Networks. The author's qualitative assessment of the performance of the six village centers in each of these components is presented in Table 11.

As described more fully in the case studies, this dissertation found that the village centers that were able to build the five core components of community organization capacity were successful and continue to operate today. A brief summary of the experience of the village centers is presented here as an introduction to the case studies.

All of the village centers were required to create strategic plans, but only the three most successful village centers, HEBCAC, East Harbor, and Washington Village, succeeded in truly basing their operations on the plans created. Strong leadership is essential for a community organization to succeed. Leadership can come from either the organization's staff or board, and in the most successful organizations it comes from both. The experience of the surviving village centers was mixed – with some being more controlled by their staff (HEBCAC and East Harbor) and some being more controlled by their board (Poppleton and Washington Village). The two village centers that ultimately failed, Harlem Park and Self-Motivated, experienced the combination of weak staff and board leadership – either at critical times in their operation or throughout their operating history.

**Table 11**  
**Baltimore Empowerment Zone Village Center Success in Achieving the**  
**Core Components of Community Organization Capacity**

Issue	HEBCAC	East Harbor	Washington Village/ Pigtown	Poppleton	Harlem Park	Self-Motivated
1) Strategic Planning	Strong	Strong	Very Strong	Moderate	Weak	Weak
2) Leadership						
a) Staff Leadership	Strong	Strong	Strong (1)	Weak	Weak	Weak
b) Board Leadership	Moderate	Weak	Very Strong	Strong (2)	Weak	Weak
3) Management						
a) Financial Management	Moderate	Moderate	Moderate	Weak	Weak	Weak
b) Operations Management	Strong	Moderate	Strong	Weak	Moderate	Weak
c) Oversight, Monitoring and Evaluation	Strong	Strong	Strong	Weak	Weak	Weak
4) Internal Networks - Community Relations						
a) Community Participation	Weak	Moderate (3)	Strong	Weak	Weak	Weak
b) Institutional Participation	Strong	Strong	Strong	Moderate (4)	Weak	Weak
b) Representation	Moderate	Moderate (3)	Strong	Moderate (3)	Moderate	Moderate
c) Community Outreach	Moderate	Moderate	Moderate	Moderate	Moderate	Moderate
d) Communications	Moderate	Moderate	Moderate	Moderate	Moderate	Moderate
5) External Networks	Strong	Strong	Very Strong	Moderate (5)	Weak	Weak

(1) Washington Village/Pigtown suffered from a high degree of turnover - but each of the directors hired had strong leadership capabilities.

(2) However, Poppleton suffered from having its board controlled by a dominant board leader.

(3) East Harbor and Poppleton both did a strong job in representing the African American Community - but both failed to achieve a high degree of participation by the white community.

(4) Poppleton had little institutional participation until late in the EZ period - when it was able to work with University of Maryland, Baltimore on a major redevelopment project.

(5) For most of its operational period, Poppleton had weak external networks. However, as a major redevelopment project came to the community in the last years of the Zone, the village center was able to form a strong and positive linkage with the University of Maryland, Baltimore to support and represent the community in the development effort and is now playing that role in other developments.

Community organizations must have competent financial and operational management and the most successful village centers were able to both run EZ funded programs and attract and run other programs efficiently. Internal and external networks are also vital for community organizations to succeed. Internally, a community organization must communicate with and be representative of the community it serves in order to fulfill its mission. It must also have access to external networks in order to attract the financial, political and other resources needed to serve the community. Most of the village centers experienced difficulty in fully engaging the community in their activities, but this is common in poor communities. Several village centers experienced difficulty in bridging race, class and income divisions in their communities, notably East Harbor and Poppleton. The most successful village centers, East Harbor, spent the time to resolve conflicts early in the process, before formal operations were initiated. As will be described below, this dissertation found that the participation and support of key community institutions, such as universities, churches, CDCs, was a critical factor supporting the successful village centers. However, strong institutional support can also damage the credibility of organizations, as occurred with HEBCAC, which perceived by some members of the community as controlled by a dominant local institution – Johns Hopkins Hospital. This dissertation also found that the village centers that were able to form strongest external linkages during the EZ funding period were able to attract the additional program and other support to continue after the EZ effort ended.

There was no direct link between resident socio-economic status, presented in Table 10 above, and the success of each village center. The most successful village centers, East Harbor and Washington Village, had the highest personal incomes and

lowest poverty rates, but HEBCAC was also quite poor and Poppleton, which created a sustainable successor organization, had the lowest income and second highest poverty rate. Interestingly, the two most successful village centers also served the most diverse populations, with Washington Village being 60 percent white and 33 percent African-American and East Harbor being nearly evenly split in 2000. The least successful village centers, Harlem Park and Self Motivated, were overwhelmingly African American 98 percent and 96 percent respectively. Theory would predict that organizations serving more diverse communities, especially gentrifying communities like East Harbor and Washington Village, would face more difficulty in forming strong organizations. One possible explanation for the lack of a link between socio-economic status and the strength of the village centers formed, is that Harlem Park and Self Motivated, lack both supporting institutions, as existed in HEBCAC and Washington Village, and redevelopment opportunities, as existed in East Harbor and in Poppleton, after the development of a new research park.

### **Empowerment Zone Implementation in Baltimore**

Baltimore was one of the six cities selected in the first round of the federal Empowerment Zone/Enterprise Community (EZ/EC) initiative. The federal EZ/EC initiative was based on four fundamental principles: economic opportunity, sustainable community development, community-based partnerships, and a strategic and comprehensive vision for change (Gittell and Vidal 1998). As described in Chapter 2, the federal EZ/EC initiative was the major urban policy initiative of the Clinton administration. It drew substantially on the evolution of federal urban policy, especially the Community Action Program/Model Cities of the Johnson administration and the

evolving and expanding role of community organizations, like Community Development Corporations (CDCs) and foundation sponsored Comprehensive Community Initiatives (CCIs) in urban areas. It sought to expand, enhance, and integrate existing federal support for urban communities using a community-based implementation strategy. Structured like a CCI, the EZ/EC initiative funded the comprehensive and concentrated use of traditional economic and workforce development funds, Enterprise Zone-like tax incentives, and other federal grants-in-aid through a locally driven implementation strategy rather than the bureaucratic-driven approach of past urban policies. According to the Clinton administration's *National Urban Policy Report*, "President Clinton's National Urban Policy is locally driven. The Community Empowerment Agenda promotes solutions that are locally crafted and implemented by entrepreneurial public entities, private actors, and the growing network of community-based corporations and organizations" (HUD 1995, 3). The federal EZ/EC program gave cities considerable latitude in designing their own implementation strategy, but mandated that each city include residents and community organizations in its strategy.

### **Baltimore City's Empowerment Zone Application Process**

Mayor Schmoke kicked off the Empowerment Zone application process with a community rally. Michael Seipp, a staff member from Baltimore's economic development department, the Baltimore Development Corporation (BDC), led the application process. The Mayor relied on the City's base of community organizations to participate in the application process and tasked employees from the BDC and other City agencies to lead and staff the various working groups formed to prepare the application. Over 400 people participated in the application process, most of them from the targeted

communities. The City also formed an advisory council consisting of 84 representatives from universities, community organizations, the business community, religious institutions, and City agencies to oversee the effort and make recommendations on the application process to the Mayor.

The boundaries of the Baltimore Empowerment Zone were chosen politically. The Mayor ensured that the EZ included the Sandtown-Winchester area in the center of his West Side political base and the location of the Enterprise Foundation's Sandtown-Winchester CCI. The East Baltimore area was drawn to include the service area of HEBCAC, a recently formed public-private partnership among Johns Hopkins (the largest employer in the area), the City, and the community. According to an interview with Mike Seipp (2004), this East Baltimore community was the initial community chosen for the Sandtown-Winchester CCI in West Baltimore. Because this area was the political base of his opponent "Du" Burns, Mayor Schmoke relocated the Enterprise effort to the City's West Side to reward his political constituency. Delegate Hattie Harrison reported that the East Side Democratic Club, the African-American political machine for the East Side of the City, supported Mayor Schmoke in the next election. They were then rewarded with the creation of HEBCAC and a promise that the next big redevelopment effort would take place in that part of the City. Other parts of the Zone were drawn to include the districts of key legislators, with the Northwestern part of the zone drawn to include the district of Pete Rawlings, a prominent African-American State legislator and chairman of the budget committee. Diane Bell (2006) said that the two blighted areas on either side of downtown were included in order to push redevelopment into these communities.

The City's Empowerment Zone application highlighted the Baltimore experience as an urban policy innovator with community organizations and public-private partnerships. The application stated, "We're not new at this kind of innovation. For six decades, Baltimore has led the nation in creating public-private partnerships and bold urban initiatives" (Baltimore City 1994), and the application cites the City's "strong community organizing tradition" and creation of "the nation's most active first generation of neighborhood federations." Baltimore's overall goal was to turn the targeted neighborhoods into "communities of choice" where people would want to live.

The City's application set out three "guiding visions": economic opportunity, sustainable community development, and community-based partnerships. In these last two areas, the City's application drew on the experience of its existing CCI and numerous community organizations. Baltimore proposed "to rebuild all basic social and economic systems simultaneously through comprehensive, 'whole problem' approaches and to build on the critical mass of innovation already working in community-driven efforts such as Sandtown-Winchester, Historic East Baltimore Community Action Coalition, and Southeast Community Organization (SECO)" (Baltimore City 1994, vi). In the area of community-based partnerships, the Empowerment Zone application proposed "to solve problems and advance Empowerment Zone initiatives through a highly mobilized resident-citizen force on a block-by-block basis and grass-driven 'village partnerships' controlled and directed by residents at the neighborhood level" (vi).

Baltimore's Empowerment Zone application called for a two-tiered implementation strategy. To direct the overall effort, Baltimore's Empowerment Zone application proposed the creation of a quasi-governmental entity, the Empowerment Zone

Management Council (EZMC), with which the City would contract to manage the implementation of Zone programs. Actual program implementation in the targeted neighborhoods was to be carried out by eight village centers that would be responsible for developing a land-use plan, providing information to community residents, and implementing programs. Each village center would have a Neighborhood Steward, a paid community resident responsible for serving as the community's voice to the village center and EZ, who would build and coordinate a network of block clubs to mobilize residents and facilitate community dialogue. A board of representatives from the village centers as well as business, government, and institutional partners would oversee EZMC.

In the Empowerment Zone application (Baltimore City 1994), the City recognized the key concerns that it sought to overcome through the proposed structure. Specifically, the application reported, "In spite of our wealth of neighborhood institutions, the community lacks a formal mechanism for community organizing at the neighborhood level" (3-1-1). Key concerns identified in the application that the City planned to address included a lack of resources for community organizing; a lack of connection between Zone residents and the City as evidenced by low voter turnout; resident alienation from the centralized government and social service delivery system; and a lack of organizations in the targeted communities.

In order to have the maximum effect in the least time, the City's Empowerment Zone Application also planned to implement all Zone programs and spend-down the federal funding in five years, rather than the ten years set out in the federal guidelines.

## **Baltimore City's Empowerment Zone Implementation Strategy**

Baltimore's EZ strategy combined the City's historical reliance on community organizations and quasi-governmental agencies. Its actual implementation strategy differed somewhat from the application. Baltimore received notification in December 1994 that it would become one of six federal Urban Empowerment Zones. Soon after the award, it formed the Empower Baltimore Management Corporation (EBMC) to manage the EZ effort. After much contention and debate, EBMC was established with two levels of oversight, rather than the single Board described in the application. Baltimore's EZ application called for the creation of a 70-80-person policy Board, half of which would be composed of Zone community residents and leaders, with the other half composed of business, institution, and government representatives.

This structure was abandoned to form a more formal 28-member Board of Directors, 17 of who were appointed by the Mayor. This majority was made up of business, foundation, and institutional representatives. Only nine members would come from the Zone (six from the village centers, one from the industrial Fairfield part of the Zone, and two from a newly created Advisory Council). The Governor appointed the remaining two members. To balance the desire of community residents for a say in overall Zone strategy and management, Baltimore created an 80-member (ultimately reduced to 50) Advisory Council to advise the EBMC Board. The Board and EBMC, however, had all of the power, and the Advisory Council was never able to direct EZ programs. The creation of the formal Board structure created a more centralized Zone management system under the control of the Mayor and the local business, foundation, and institutional elite. (Chaskin and Peters 1997; Gittell et al. 1996).

Baltimore's Empowerment Zone implementation maintained the two-tiered governance structure of the application. The governance structure adopted, however, was more formal and centralized than what was presented in the application. A nonprofit entity, the Empower Baltimore Management Corporation (EBMC), oversaw the implementation of EZ programs and initiatives. Building on the City's history of cooperation with the business community and the Schaefer administration's "shadow government" of public-private partnerships, EBMC, was staffed by trusted City staff and the City's business and foundation elite dominated its Board. Building on the City's long-term experience with community organizations, the EZ implementation strategy was based on the delivery of EZ funded programs by the new village centers. Five of the village centers were newly created 501(c)(3) organizations. As described above, the sixth, HEBCAC, the largest of the village centers, was created one year before the EZ was awarded. The HEBCAC area was supposed to be served by three village centers, but chose instead to operate as a single organization so as to not dilute the strength of the new organization. This reduced the number of village centers to six rather than the eight outlined in the application.

EZ implementation was also shaped by the Schmoke administration's efforts to create new African-American institutions. At the time of the initiation of the EZ/EC program, City politics was being shaped by the rise to political dominance of its now majority African American population. Mayor Schmoke was the City's first elected African American Mayor, defeating the African American City Council President – who had served as Mayor for one year after Baltimore's long-serving Mayor, William Donald Schafer was elected Governor. The EZ effort drew substantially on the experience of,

was drawn to include, and was ultimately headed by the City's representative to the Enterprise Foundation-funded CCI in Sandtown-Winchester. The Mayor had supported the development of several new community organizations, most importantly Community Building in Partnership in this community as part of his efforts to build new African American community organizations. In many communities, the creation of new village center organizations continued the Schموke administration's efforts to create new African-American organizations. Village centers were formed separate from existing community "umbrella" organizations that were tied to the City's old white-dominated political machine. To the Schموke administration, the EZ effort was an opportunity to reshape the historical forces that shaped the City's evolution to reflect the new reality of Baltimore as a majority African-American City.

Thus, Baltimore's two-tiered implementation strategy represented a combination of the three trends that have dominated Baltimore City politics described in Chapter 3: *strong extra-governmental agencies; strong community and neighborhood organizations; and the rise of African American political leadership*. The Empowerment Zone's overall management and oversight organization, EBMC, joined the City's shadow government of civic groups, quasi-public corporations, and extra-governmental officials described by Stoker (1987). Just as this shadow government had developed Charles Center, redeveloped the Inner Harbor, and guided the City's business development; EBMC would spearhead the development of the empowerment zone. Program implementation would be based on the City's history of strong community organizations.

Mayor Schموke's EZ strategy, however, enlisted stronger community involvement than other shadow government institutions. He did this partly to satisfy

Clinton administration's stated goal of community involvement in EZ planning and management and, more importantly, to satisfy his own base of African-American voters. The African American community and its leadership had long viewed themselves as shut out of the past development efforts and the shadow government created by the Mayor's long-term predecessor, Mayor Schaefer. The City's white business and foundation elite controlled the still dominant Schaefer era shadow government agencies. Therefore, in order to satisfy the EZ/EC Initiative's requirement for community participation and meet the needs of the Mayor's African-American constituency, the City turned to its established record of working with and through community organizations, and created a central role for the proposed village centers in program implementation.

As the City and EBMC developed and implemented the various programs funded by the EZ program, it became clear that the full use of the federal funds would take longer than the five-year goal established in the application. The initial goal was to spend the federal money as quickly as possible so as to begin the process of redeveloping the six-targeted communities. This proved to be an overly ambitious program timetable – given the larger goal of creating community organizations to implement the program. It took almost a year and a half for the last of the village centers to start operations and begin receiving programmatic support and up to two years to start up the job training programs that became the core focus of Baltimore's EZ effort. Thus, the EBMC recommended and the Board approved extending operations until the federal money was spent. Indeed, EBMC continues to operate on a much smaller scale today as some of the business and development loans and investments it made are paid back. EBMC uses

these funds to support the four remaining village centers and continue its job training programs.

### **EBMC Village Center Creation Guidelines**

Soon after being awarded the Empowerment Zone and creating EBMC as the central management entity, the Baltimore Empowerment Zone established “Guidelines for the Formation of a Village Center” in April 1995. Community-level planning for the formation of the village centers started, in many cases, before the development of these formal guidelines. The City assigned a lead City staff person to work with each of the communities planning to form a village center after the application was submitted in anticipation of the City’s EZ designation. Thus, community organizing progressed in the communities while the federal government reviewed the EZ/EC initiative applications.

Organizations were required to submit a *Letter of Intent* and an *Application to Form a Village Center*. The formal EBMC guidelines for forming a village center mandated that each proposed organization:

- Be an aggregation of all communities in a specific geographic area;
- Agree to oversee Empowerment Zone programs;
- Have at least 7,000 residents;
- Apply for and receive 501(c)(3) status;
- Include representation from residents, organizations, associations, religious communities, schools, business entities, institutions, and government in the village center; and
- Show how they will plan and oversee required village center Empowerment Zone Action Items.

The EBMC guidelines set nine core goals for the village centers. These were to:

1. Mobilize broad-based participation by community residents and groups;
2. Develop community-based plans;
3. Implement selected action plans and broker programs and services (followed by a list of programs and desired outcomes based on EBMC’s programs);

4. Help to enrich the collective life of the community;
5. Resolve conflicts and differences;
6. Serve as a gathering place, develop information networks, and coordinate volunteer efforts;
7. Connect residents to opportunities;
8. Seek operational and programmatic resources (leveraging funds and resources); and
9. Establish a Board of Directors.

The applications for the first three village centers—the Historic East Baltimore Community Action Coalition (HEBCAC), Self-Motivated Community People’s Village Center (SMCPVC), and Washington Village/Pigtown Neighborhood Planning Council (WPNPC)—were approved in September 1995. The applications for the remaining three village centers—East Harbor Village Center (EHVC), Village Center of Poppleton (VCP), and Harlem Park/Lafayette Square (HPLSVC)—were approved in February 1996. The EBMC Board approved the administrative funding formula for the village centers in March 1996 and entered into administrative funding agreements with the village centers starting in 1996 and extending into 1997, as some village centers had to meet conditions set by EBMC and its Board related to their application before receiving funding and beginning operations.

The village center formation process required some modifications from the City’s original application and required overcoming disagreements among the emerging village centers. The original EZ application called for eight village centers. HEBCAC served the area of three of the proposed village centers but decided to form only a single village center entity because, as a new organization itself, it feared creating three new organizations under its control would divide, rather than unify, the community. This decision created difficulty in developing the administrative funding allocation formula for all of the village centers because HEBCAC requested funding proportional to its role as

three village centers. This was opposed both by the other village centers and EBMC management. The final solution was to allocate \$300,000 in first-year administrative funding to HEBCAC and \$200,000 to the other village centers.

Soon after its creation, EBMC hired two community outreach specialists to work with the village centers. EBMC's Board created the Quality of Life/Community Capacity-Building Subcommittee to develop policies and oversee the community capacity-building. Recognizing that many of the village centers were being formed as new organizations, EBMC identified the need for and established a budget to support technical assistance. Map 1, in Chapter 1, shows the Empowerment Zone boundaries for the village centers.

### **Village Center Case Studies**

Each of the six communities faced different challenges in forming and operating village centers. This section will summarize the experience of each of the village centers as well as describe conditions and changes in each of the village center areas during the Empowerment Zone period.

#### **The Historic East Baltimore Community Action Coalition**

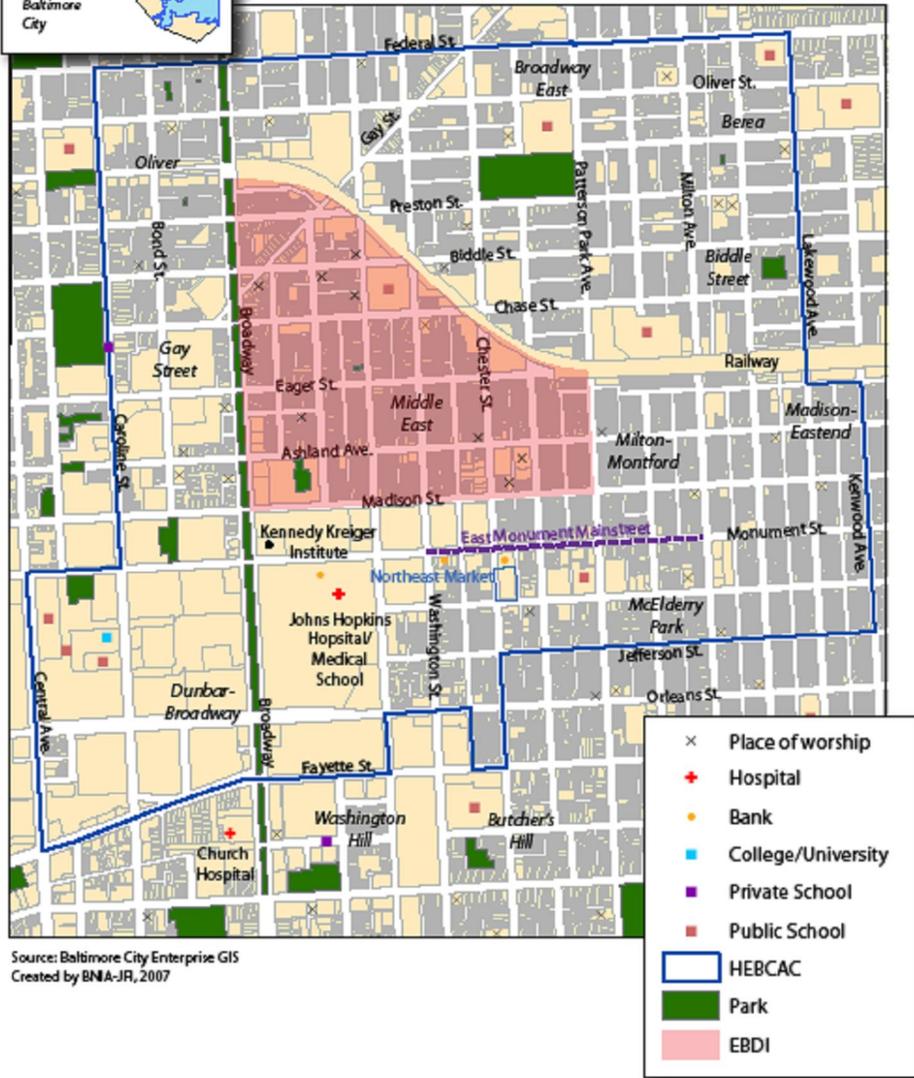
The Historic East Baltimore Community Action Coalition (HEBCAC) was the only village center formed as part of an existing organization. A map showing the HEBCAC service area and key locations mentioned in this case study is included below as Map 6.

HEBCAC was established to build a more cooperative relationship among the City administration, the East Side neighborhoods, and Johns Hopkins Medical School and Hospital. East Baltimore is one of the most distressed areas in the City. Johns

Hopkins dominated the community. It owns an area several blocks wide and is continually expanding by acquiring property surrounding the hospital. It had no tradition of formally working with the community. As a result, the community did not trust the institution or view it as a good neighbor. Hopkins was not seen as working to overcome the problems of drug abuse, crime, and poverty occurring right across the street from the affluent and successful institution. Indeed, by acquiring property in surrounding City blocks as it became available and often boarding it up for future demolition and redevelopment, Hopkins was seen as contributing to the decline of the community. Many in the City and community thought that Hopkins was purposefully driving down local property values through neglect in order to acquire land at cheaper prices.



### Map 6 Historic East Baltimore Community Action Coalition (HEBCAC) EBMC Village Center



HEBCAC was formed out of a series of meetings about developing a strategy to rebuild the community among representatives from Johns Hopkins Hospital, the Kennedy Krieger Institute, local businesses, community churches, neighborhood associations, and elected officials. The first meetings were held in August 1992. By the end of 1993 there was a consensus among the various stakeholders to move forward with a coordinated plan to promote housing development, community health programs, youth development and education, economic development, and leadership development. The organization was formed in December 1994 and hired its first Executive Director, Michael Seipp, who had been the City government coordinator of Baltimore's Empowerment Zone application process.

The creation of HEBCAC was promoted by the City's powerful East Side Democratic Organization (EDO), one of the last remaining Democratic Party organizations that had once dominated City politics through its control over patronage jobs and contracts. *The Baltimore City Paper* newspaper described the EDO as "one of the most powerful political machines in East Baltimore for more than a decade," and said it "is believed to have a say in everything from who receives public contracts to who gets elected to public office" (Sullivan p 1-2, 2002). According to *The Baltimore Sun*, "EDO survives as the City's only powerful, old-time political machine. It thrives on patronage, which it is able to dole out not only through politicians but also through the interlocking directorships of a number of nonprofit organizations. In this way, EDO has turned political control into an art form" (Baltimore Sun Writer, 2001).

In East Baltimore, as in many cities, political leaders created nonprofit community organizations to have the combined impact of providing services needed by

community residents and patronage jobs to reward supporters. Starting with devolution, federal funds were increasingly delivered in the form of block grants for service delivery and outsourced to new nonprofit and community organizations. These organizations became the new opportunities to provide patronage jobs. In 1969, the EDO created the East Baltimore Community Corporation (EBCC) to promote various community and redevelopment projects, including the development of a school and health center. According to *The Baltimore Sun*, EBCC, created by former Mayor “Du” Burns and City Councilman Robert Douglas, “parlayed its control of Eastside politics from the 1970s to the mid-1980s into government contracts and grants” including the redevelopment of a City- and State-funded community and job center in 1997 that was called “cronyism” (Daemmrich and Roche, 1997). HEBCAC was to be the newest of the East Side nonprofits under the control of the EDO.

An important leader of the process to create HEBCAC, Delegate Hattie Harrison was a founder of the EDO and an influential and long-serving member of the Maryland General Assembly. Harrison was first elected to the General Assembly in 1973, was the first African-American woman to chair a legislative committee, and is the longest-serving African-American legislator in the General Assembly. According to Harrison (1994), both the formation of HEBCAC and the award of the Village Center was an outgrowth of a political fight with Mayor Schmoke after his 1987 election victory over the founder of the EDO, Burns. James Rouse, founder and president of the Rouse Company and founder of the GBC, had first targeted East Baltimore for what became his Sandtown-Winchester CCI in 1990. Mayor Schmoke moved this redevelopment effort to his West Side political base causing political conflict with the EDO. Harrison was able to work

with then-Governor Schaefer to restore legislatively appropriated money to the City and, as a result, was able to mend fences with the Mayor. She reported (2004):

So at that point where he had taken the money and put it over Sandtown-Winchester and we really got upset. He came down one Monday and took us out to the City delegation and then he talked to our delegation and he said that he was using the [Enterprise] money, but as soon as the City can get hold of some money we would be the first to get a large sum.

HEBCAC was to be her legacy and contribution to the East Side's base of organizations.

HEBCAC's application to form a Village Center was approved in September of 1995. EBMC established its funding allocation formula in February 1996, and HEBCAC signed its first year administrative funding agreement in May 1996. With a population of 27,682 in 1990, HEBCAC was the largest of the village centers, accounting for 39% of the population of the entire Zone. The HEBCAC community had high poverty rates, low labor force participation, and a large amount of vacant housing. The HEBCAC area, however, was home to the State's largest non-government employer, Johns Hopkins Hospital, and had an existing commercial corridor, Monument Street.

The HEBCAC service area covered the entire portion of the Empowerment Zone that was inside of its much larger territory. HEBCAC tried to increase its service area to the south to include some large housing projects, but was rebuffed by that community. Because the service area for the Village Center was smaller than the overall HEBCAC service area, the Village Center had to address the problem of some of its residents being excluded from Empowerment Zone services.

### **HEBCAC Village Center Formation**

As a pre-existing organization, creating the HEBCAC Village Center was much easier than for the other village centers. According to a 2004 interview with Seipp, there was considerable debate within HEBCAC over whether to form a single village center or

the three separate village centers that the area would qualify to form under EBMC guidelines:

Because some of the folks in the neighborhood said the guidelines for the village centers were 6,000 residents, so we could in fact become three village centers and hire three sets of staff and have three different Boards, and some people in the neighborhood wanted to do that; however, there were folks who have invested heavily in HEBCAC process who were basically arguing that HEBCAC was one of the models in the application to be a village center and there was a reason for that. We already had a business plan established. We had goals and objectives established, and we had spent several years uniting the neighborhood around that. And splintering the neighborhood would diffuse the political benefits of HEBCAC. Some of the neighborhood folks who were opposed to it and wanted three village centers say that HEBCAC is too controlled by Hopkins, too controlled by Marie Washington [an EDO leader and the leader of EBCC] and the elected officials, and the only way to get a really empowered organization would be to start anew. And so that went back and forth.”

Because HEBCAC had only formally started operations in December 1994, it had been in business for nine months by the time it applied for its first administrative funding agreement and eighteen months by the time it signed it. The HEBCAC leadership and board decided to become a single Village Center because, as a new organization, they thought creating three village centers as new sub-organizations would cause confusion and dissipate the gains made in bringing the community together. In this decision, HEBCAC chose the viability of the organization over the interest of the EDO in creating the largest number of new patronage and leadership jobs.

Becoming a Village Center led to organizational stress because of the rapid growth of the organization. According to a 2004 interview with Scott Spencer, a manager at HEBCAC and now the official at the Annie E. Casey Foundation who oversees Baltimore programs:

On staff were Michael, four community organizers, an office manager, and myself. But from an administrative challenge growing from six to

fifteen staff is not something we were prepared or equipped for. I did not come in to HEBCAC as an administrative manager . . . I've had an architectural career, community development career, but I didn't manage buildings, people, payroll, budgets, I didn't do all that. (2004)

The decision to form a Village Center to serve such a large community caused tension in HEBCAC's relationship with the EBMC and the other village centers. HEBCAC argued that it deserved three times the funding because it served an area equivalent to three village centers. This was opposed by both the EBMC and the other village centers, which thought that, with its ties to the City and State government, it would dominate the other village centers. The ultimate decision was to allocate \$300,000 in administrative funding to HEBCAC for its first year and \$200,000 to the other village centers for the same period of time. This compromise solution was supported by the EBMC Board, which could not agree to provide such a large level of administrative funding to one organization. The EBMC Board, dominated by downtown business and political interests who supported clean government, did not see the need to use EZ funding to support patronage jobs. Furthermore, because HEBCAC was already well funded by Johns Hopkins, and the City it was not perceived to need the money. This funding conflict delayed the final start-up process for all of the village centers. During this time, Seipp, along with other village center directors, sought to create a federation of the village centers as a counterbalance to the strong centralized control being exerted over the village center formation and operations by the EBMC. This plan never succeeded as no clear single leader could emerge. Overall, there was a level of tension and conflict between the leadership of HEBCAC and EBMC over both the formation and early operational period of the Village Center.

## **HEBCAC Village Center Operations**

HEBCAC signed its first Administrative Funding Agreement with the EBMC in May 1996; two months after the EBMC determined the funding allocation formula. HEBCAC integrated the Empowerment Zone programs into its own emerging portfolio of federal- and City-funded projects. Seipp served as Executive Director until 2000.

The Village Center was overseen by a Board of sixteen members: three persons appointed by the Mayor, three persons appointed by Johns Hopkins institutions, one from the business community, the Chair of the Board – who was nominated by the Board, and seven members from the sixty-five neighborhood organizations serving the community. Harrison served as the Board Chair, Dr. Marie Washington, an EDO leader and the director of the EBCC, served as First Vice President, and Mr. Richard Grossi, a senior Johns Hopkins Hospital manager, served as Treasurer. The leadership HEBCAC's Board was dominated by the EDO political leadership and Johns Hopkins.

The Board functioned well and did not experience the difficulties of other village centers in maintaining the required number of members or a quorum at meetings. Overall, HEBCAC benefited from strong leadership at both the staff and Board level. Seipp was an experienced manager and leader who could work with the City. Harrison and other members of the Board were powerful, experienced, and politically connected, and could use their power to attract City and State funding. There was some conflict on the Board between two leaders of EDO, Washington and Harrison. Harrison saw HEBCAC as her legacy and wanted it to be a strong organization. EDO wanted to control HEBCAC and generate funding for EDO organizations and patronage jobs for its

supporters. Johns Hopkins wanted the organization to function legally and cooperated with Harrison to ensure that HEBCAC never fell under full EDO control.

HEBCAC developed the required EBMC Land Use Plan in 1996 and its own strategic plan in 1999 to guide its operations. According to the strategic plan's mission statement, "HEBCAC facilitates cooperation and communication, brokers services, and advocates for positive change to achieve sustained community revitalization" (HEBCAC 1999 11).

HEBCAC's operational period can best be described in two phases: before and after the 1999 election of Mayor Martin O'Malley. Prior to O'Malley taking office, HEBCAC achieved many programmatic and operational successes. Before it became a Village Center, it was awarded the Bridges to Work reverse commuting program as part of a national demonstration program. HEBCAC was also awarded the Historic East Baltimore Family Network Grant that created the Men's Center. It provided social, health, and employment services to men, a domestic violence prevention program, and a family network to promote new programs and leverage local foundation support to promote community development and organizing. Nationally, HEBCAC was considered an early model for institution and community cooperation to promote change in distressed communities, and it was frequently cited as a successful program in the national community development literature.

As a result of its early successes and because of its affiliation with Johns Hopkins and the EDO, HEBCAC was very successful in attracting City, federal, and foundation funding. According to an interview with Scott Spencer (2004), "People were coming to us saying that the HEBCAC model is a great thing, the fact that you're trying to do a

comprehensive addressing of community issues. Our renewal thesis was physical, economic development, crime and grime, health, and education.” HEBCAC never had to rely on EBMC for more than one-third of its administrative funding and even less of its programmatic funding, according to Seipp (2004),

The best thing was that once we got EBMC to buy in what we were doing, and then their money was pretty flexible, which was great because federal money was not. We were able to use it to leverage dollars. We got major grant funds, contributions from Goldseker Foundation, Abell Foundation, from a foundation out of New York.

In return for EBMC matching funding provided to HEBCAC, programs were often expanded to include residents from other village centers.

Programmatically, HEBCAC delivered both EBMC-funded and its own programs including:

- The Gaining Access to Training and Employment (GATE) workforce development program, which was EBMC funded and was managed by the EBCC allowing HEBCAC to outsource its largest program to a sister EDO-controlled organization;
- The acquisition of two industrial buildings for conversion to commercial space in order to create jobs and to provide public services;
- The Weed and Seed program, a U.S. Department of Justice grant of \$1 million in federal funding for public safety initiatives in partnership with the Baltimore City Police Department;
- Dee’s Place, which provides drug counseling to individuals in recovery;
- The HEBCAC Boarding and Cleaning Program, which in partnership with Living Classrooms, Baltimore City Department of Public Works, and the Mayor’s Office of Criminal Justice, boarded and cleaned over 2,000 vacant houses, fenced over 400 vacant lots to prevent illegal dumping, and conducted dozens of neighborhood clean-ups;
- The Community Forestry Program, which planted 500 street trees and established 12 community gardens, playgrounds, and parks;
- The Monument Street Main Street Program to revitalize the community’s commercial corridor by providing promotional activities, a façade improvement program, better sanitation and policing, and other business assistance; and

- Housing Assistance Programs, which rehabilitated over 50 vacant houses in the Middle East and Oliver communities. Approximately 150 residents were helped with housing counseling and/or relocation assistance.

The one area in which HEBCAC did not achieve programmatic success was in community outreach and organizing. At one time HEBCAC had six community organizers working in the community. Yet, according to the NOMAGIC assessment of HEBCAC, “the perception of HEBCAC and of the partners (particularly Hopkins and the City) is not always positive within the community. The community does not necessarily consider itself to be an equal partner in the HEBCAC partnership. It is difficult for the community to feel equal when dealing with large institutions such as Johns Hopkins or the City” (2003a, A66). HEBCAC was never seen as an independent intermediary between the community and the City or Johns Hopkins. Part of this community distrust came from a decision by HEBCAC to be tied fiscally to and offer its employee benefits through Hopkins. According to Spencer (2004), “HEBCAC should never become fiscally tied to Johns Hopkins. It is a credibility buster. It continues to be a credibility buster. It puts staff in a no-win position.” Despite its programs, efforts, and success, HEBCAC was seen as dominated by Johns Hopkins and the EDO, not as a true community organization.

Despite HEBCAC’s many programmatic successes, it experienced a very public failure in its implementation of a federally funded housing development initiative. HEBCAC received \$34.1 in million federal housing loans to promote the scattered site redevelopment of vacant housing in East Baltimore. In implementing this plan, the HEBCAC community and Board expressed their preference for the renovation of existing vacant houses rather than their wholesale demolition and redevelopment. As a result of the slow process in clearing the titles to the vacant properties for renovation, HEBCAC

fell behind in its performance agreements with the City. The City began to investigate the program in December 1998 (Penn and Haner 1998).

After the election of Martin O'Malley in 1999, the City began to lose faith in HEBCAC's housing effort, and EDO leader, State Senator Nathaniel McFadden, publicly questioned HEBCAC's leadership (Siegal, October 15 2000). Soon after McFadden's questioning, Seipp resigned as HEBCAC leader, a move welcomed by O'Malley (Alvarez 2000).

HEBCAC fell out of political favor. Mayor O'Malley did not get along with Seipp. Furthermore, the Mayor ultimately pushed his own, larger, East Side redevelopment agenda consisting of the development of a new Johns Hopkins Biotechnology Research Park and the large-scale condemnation, demolition, and redevelopment of a large portion of the community. Part of this decision was based on the recognition that scattered site housing redevelopment was a failure and that wholesale condemnation and redevelopment was faster and cheaper. However, the main reason behind this decision to revamp the community was that the Mayor wanted a large-scale redevelopment that he could claim as his own, and HEBCAC was in the way.

The fight between the City and HEBCAC was also a part of a conflict between the old and new leadership of the EDO. The EDO had resented the independence of HEBCAC and thought it was time to replace the aging Hattie Harrison. In 2002, the EDO did not put Harrison on their legislative ticket, citing that she had said she was going to retire after the 1998 election. In many parts of Maryland, leading politicians or political groups run a slate of candidates for Maryland's multi-member districts; thus, being on the legislative ticket provides an advantage in elections. According to Harrison

“They said you’re too old, and we need to move you out of the way and bring in some young people” (Thompson 2002 1b). Harrison, called ‘Mama’ by some, won the election after campaigning on her slogan, “Don’t throw Mama from the train,” breaking the EDO’s ticket in the community (Penn 2001).

HEBCAC, however, was sidelined as a result of the political problems it faced. The Executive Director position at HEBCAC remained unfilled for 18 months after the departure of Seipp. O’Malley created a new East Side redevelopment entity, the East Baltimore Development, Inc. (EBDI). EBDI was a nonprofit organization charged with leading and managing the \$800 million revitalization of an 80-acre portion of East Baltimore. EBDI worked with support from a long list of partners including the City of Baltimore, the State of Maryland, and a number of local civic groups and charitable foundations, including EBCC. EBDI was a return to the old “shadow government” form of Baltimore redevelopment and its Board consisted of leading business, foundation, and government interests. When HEBCAC finally replaced Seipp with Lawrence “Chris” Cager, the local Enterprise Foundation Director, he remained in the job only two months and resigned after the new administration made clear that EBDI, not HEBCAC, would be firmly in control over East Side redevelopment (Seigel 2002 a and b). The new Mayor favored the old shadow government approach to East Side redevelopment so that it would be under his personal control.

After the loss of its second Executive Director, two interim Directors managed HEBCAC until 2004. During that time, the Village Center continued to implement its core EBMC and other programs, but developed no new initiatives. HEBCAC continued to be funded by Johns Hopkins and other organizations to carry out their workforce and

social service programs. It received EBMC administrative funding through 2002 and transitional funding through 2004. However, because of the slow pace of hiring new management and developing a new strategic plan, HEBCAC was required to report to EBMC monthly on its progress towards sustainability. HEBCAC hired a new director in 2005 from outside of the State. It continues to operate today, focusing on social services delivery and some development activities outside of the EBDI redevelopment area. HEBCAC's post EZ budget is \$2.7 million, with \$2.2 provided by program support funding with the remaining \$500,000 from Johns Hopkins, a CDBG, foundations, and income earned from developed properties (Edds 2006).

### **HEBCAC Village Center Outcomes**

HEBCAC achieved some programmatic goals but failed to reverse the decline occurring in the community. As shown in Table 12, in the area of workforce development, HEBCAC's GATE program placed 2,027 residents in jobs, accounting for 11% of the community's population in the year 2000. It had the third highest number of Housing Venture Fund closings. It experienced a 64% decrease in crime, the second largest reduction among the village centers, but this may be due to the rapid decline in population or to the much larger City and federal anti-crime programs implemented in the community.

**Table 12**  
**HEBCAC Village Center**  
**Selected Baltimore Empowerment Zone Programmatic Inputs and Outcomes**

<b>Item</b>	<b>HEBCAC Village Center</b>	<b>Empowerment Zone Total</b>
<b><u>Workforce Development</u></b>		
Total Placements	2,027	4,725
<b><u>Economic Development</u></b>		
Loans Made	3	109
Loan Amounts	\$277,296	\$16,325,634
Project Costs	\$371,000	\$105,882,050
Jobs Created/Maintained	29	2,555
<b><u>Quality of Life</u></b>		
Home Ownership		
Housing Venture Fund Closings	119	813
Funds Allocated	\$494,314	\$3,432,636
Public Safety		
Safe Neighborhood Design (Year of Plan)	Sep-02	n.m.
Safe Neighborhood Design (Spending)	\$61,680	\$159,513
Safe Neighborhood Design (Spending AIR)	\$43,000	\$408,500
Block by Block	\$240,952	\$487,028
Block by Block (AIR)	\$154,000	\$612,303
Change in Crime Rate (1994-2003)	-64%	-56%
<b><u>Community Capacity Building</u></b>		
Village Center Application Approved	Feb-96	n.m.
Village Center Admin. Funding Agreement	May-96	n.m.
Village Center Administrative Funds	\$1,500,000	\$5,782,696
Current Status	Operating	n.m.

Source: EBMC

It is difficult to isolate the impact of the Empowerment Zone on any of the village centers using U.S. Census data. Because the Census data are for ten-year periods, the only years of data are for 1990, which was used in the Empowerment Zone application, and 2000, the mid-point of the Empowerment Zone effort. Thus, the available Census data only covers a few years of the village centers' operations.

The community benefited from various non-EBMC-funded health and social service programs implemented by HEBCAC. HEBCAC provided job training to more than 2,000 residents through the GATE program, provided substance abuse counseling for hundreds of residents, built community parks, and redeveloped housing, but it still could not reverse the decline occurring in the community. As shown in Table 13, between 1990 and 2000, the community's population declined by more than 33%, housing vacancy increased, labor force participation and median income fell, and the poverty rate remained stable. The HEBCAC experience showed that more is needed to address the problems associated with urban decline and poverty. Community change can only occur when larger market forces make redevelopment feasible. The City, through EBDI, is pursuing a much more dramatic redevelopment effort today, consisting of wholesale condemnation, demolition, and redevelopment of the entire community.

**Table 13**  
**The Historic East Baltimore Community Action Coalition**  
**Neighborhood Conditions and Changes**

Item	Village Center	Total EZ	Baltimore City
<u>Total Population</u>			
1990	27,682	71,503	736,014
2000	18,351	54,012	651,154
Change	-9,331	-17,491	-84,860
% Change	-34%	-24%	-12%
<u>Percentage of Owner Occupied Dwellings</u>			
1990	25%	25%	44%
2000	26%	26%	43%
Change	1%	1%	-1%
<u>Percentage of Dwellings that are Vacant</u>			
1990	14%	17%	9%
2000	30%	26%	14%
Change	16%	9%	5%
<u>Median Household Income</u>			
1990	\$20,911	\$18,499	\$32,316
2000	\$20,000	\$20,750	\$30,078
Change	-\$911	\$2,251	-\$2,238
% Change	-4%	12%	-7%
<u>Percentage of Residents Living Below the Poverty Level</u>			
1990	39%	41%	21%
2000	39%	34%	22%
Change	0%	-7%	1%
<u>Resident Labor Force Participation</u>			
1990	37%	37%	47%
2000	35%	37%	44%
Change	-2%	0%	-3%
<u>Unemployment Rate</u>			
1990	15%	15%	9%
2000	24%	17%	11%
Change	9%	1%	2%

Source: U.S. Bureau of the Census, EBMC

## **HEBCAC Village Center Summary**

HEBCAC's early success can be attributed to strong leadership and institutional support. At the Board level, it had leading political and institutional members. Johns Hopkins Hospital brought financial, organizational, and management expertise that assisted in creating strong management structures. The EDO-affiliated Board members were able to leverage their political power for City and State funding. HEBCAC also benefited from a strong experienced leadership team with ties to City leaders. Financial support from Johns Hopkins created a well-funded organization that did not have to scramble for resources like many smaller organizations. The linkage to Johns Hopkins also provided programmatic benefits, such as the hospital hiring graduates from training programs and the use of Hopkins' staff and resources.

The experience of HEBCAC demonstrated the fragility of community capacity-building efforts. As a result of a single failed program (the housing program), a change in City administration and political conflict relating to a changing of the guard in the EDO, HEBCAC went from an oft-cited national best practice in community capacity-building to needing to find a new basic reason to exist. HEBCAC's early success is an example of what can be achieved when leading institutions and political leaders cooperate to promote community redevelopment. HEBCAC's later failures are an example of what can happen when organizations lose favored political status. HEBCAC may have been able to withstand the change in City administration and retain a central role in East Side redevelopment had the EDO remained unified and supportive of it. The loss of both reduced its stature, but it remains an important social service provider and, on a more limited basis, development entity.

HEBCAC also illustrates the difficulty of engaging the residents of poor communities in community change efforts. Despite implementing needed and generally successful programs and including local leaders in governance, the organization was not able to overcome community suspicion and distrust. While HEBCAC was financially, managerially and programmatically strengthened by the participation of Johns Hopkins, its strong ties to this dominant institution, long criticized and opposed by residents, diminished community support for and participation in HEBCAC's operations.

HEBCAC was a well-led organization that was able to leverage stable Hopkins, EZ, and City funding with millions of dollars in federal, State, City, and foundation grants to address the core issues of community blight. HEBCAC is one of the early national examples of a CCI-like, place-based, integrated service delivery model that combined health, workforce development, social services, economic development, and community development to promote revitalization. The organization's mission was redefined for it just as the City was to begin a transformational redevelopment effort in the community, and its model could be fully tested. Had the political climate not changed, HEBCAC may have ultimately been credited with bringing about the transformational redevelopment in the community now being implemented through EBDI. Currently, it remains a viable organization providing needed services, but is no longer the central player in East Side redevelopment.

## **East Harbor Village Center**

The East Harbor Village Center (EHVC) filed its application to form a village center and was approved by the EBMC Board in February 1996. Three months later, the Village Center received its first year's administrative funding. EHVC was the third of the Empowerment Zone's six village centers to become operational, and it is one of the four village centers still operating in some form today. A map showing the East Harbor service area and key locations mentioned in this case study is included below as Map 7.

The Village Center's service area was set by default, encompassing the area to the south of the larger HEBCAC service area that dominated the eastern portion of Baltimore's Empowerment Zone. HEBCAC sought to include portions of the East Harbor service area in its already-large coverage area by including several populous housing projects. It was interested in acquiring this area based on initial plans that Village Center funding would be proportional to population, but was rebuffed by the leader of the tenant council in these housing projects who went on to form and manage the East Harbor Village Center itself.

As presented in Table 15, EHVC, with a population of 7,526 in 1990, was the second smallest of the village centers formed by the EBMC. The Village Center area was racially and economically diverse and included some of the most attractive development properties in the City. It included an array of communities including predominantly white Little Italy, already-gentrified Fells Point, as well as three housing projects: Chapel, Flag House, and Perkins Homes. EHVC is also home to a large Native American population, and it was a center for the City's growing Hispanic community. With a median household income of \$25,445 (in 1999 dollars), East Harbor had the highest

median income level of all of the Village Center areas and, in 1990, had a 41% poverty rate, the third lowest of the village centers.



## **East Harbor Village Center Formation**

The EBMC Board approved the East Harbor Village Center's application in February 1996, eleven months after the release of the village center formation guidelines. During this period, the Village Center had to overcome internal conflict over its formation and control. The community was active in Baltimore's Empowerment Zone application process and continued to plan the Village Center before its application was approved. One of Baltimore's largest community umbrella organizations, the South East Community Organization (SECO), and community organizations in the predominantly white Fells Point and Little Italy communities sought to dominate the initial planning process. These groups' efforts to control the Village Center were opposed by the community's African-American residents.

The City's original EZ application proposed that the base of community organizations already serving the neighborhoods and communities in the Zone form the village centers. SECO was recognized as one of the leading community organizations in the City and as a core asset in the City's EZ application. The African-American community, however, distrusted SECO. According to a participant in the East Harbor focus group, "SECO had always looked out for neighborhoods, lets say from Broadway going east [predominantly white areas]. SECO never looked right across the street to Chapel or Perkins [housing projects]. SECO used to get federal grants to serve a mixture of neighborhoods. They never filtered that money down into the African-American neighborhoods" (2004).

As a result, African-American community leaders, many of whom served as representatives to the tenant councils in the City housing projects, mobilized an effort to

form the Village Center as an independent organization. These leaders faced opposition from representatives of the white communities over control and this conflict had open racial overtones. According to one participant in the East Harbor focus group, “When you look at SECO, Little Italy, and the Fells Point Business Association, they were hostile to [the African-American community]” (2004). Another participant reported, “What really angered me was when we met at Herbert’s church, and finally got everybody in the room, and the man from Little Italy stood up at the podium and just called us [racial epithet]. At that time my temper just went” (2004).

When asked what the most important barrier was that EHVC had to overcome, one focus group participant said, “Racism was the top thing on the line because they didn’t want to accept it; they didn’t think that we had anything to bring to it as black people and it might not be what was said, but it was what was happening” (2004). The Village Center was ultimately formed and led by this group of African-American leaders. They took control over the Village Center using traditional community organizing techniques—they brought more people to the meetings and elected their own leaders to direct the effort. According to one focus group participant,

And the business that I really loved and, again I emphasize those numbers because everything went by vote, I’ll never forget those numbers. We had 200-strong in that room. Fells Point Business Association had about 45, so no matter what they did or said, they weren’t going to out-vote us. And every time there was a meeting they tried to hide it, have secret meetings in places, but I was everywhere so no matter where the meeting was going to be, we were in the room (2004).

Clara Butler, the tenant council organizer for Perkins Homes, was the leader of the African-American community's effort and she went on to serve as the Executive Director for the entire ten-year EZ period and continues to serve as the Executive Director today. Butler, a long time activist in the African American community, thought it was time for this community to take control over redevelopment efforts, and she organized them to do so. She said, "I'm talking about being down here for 40 years. I've watched SECO/Fells Point run things. And we felt, and I believed, and we've shown it's our time."

### **East Harbor Village Center Operations**

While the formation process took a long time, the Village Center was able to begin operations soon after its application was approved. Three months after its approval in May 1996, EHVC signed its first administrative funding agreement with EBMC, making it the third village center to receive administrative funding. EHVC operated, like all of the village centers were required to, as a 501(c)(3) organization. EHVC was required to produce a Land Use Plan to serve as a strategic plan to guide Village Center activities. Its Land Use Plan was completed in 1998 and was produced by one of the leading planners in the City. The plan, which guided the Village Center's operations, had a clear mission and vision statement, and it set out its goals to EMPOWER the community:

**E**mploy the residents of the East Harbor Village community;

**M**obilize the residents to restore their neighborhoods and City environment;

**P**romote the diversity of businesses, nonprofits, community organizations,

institutions and cultures;

**O**rganize the community;

**W**ork together to bring about positive change;

**E**ducate the residents through literacy and training programs; and

**R**espond to the concerns of the community (EHVC Strategic Plan).

The Village Center Board, after some revisions, consisted of thirteen members: the chair; seven representatives from local community organizations; four at-large members from businesses, nonprofits, and institutions; and one non-voting government representative. The long-serving Board chairman, the leader of a local CDC, was not active in Village Center leadership. According to the NOMAGIC assessment of the Village Center's operations, "the Board President appears to have abdicated his leadership role," and "the Executive Director of the Village Center has essentially carried the entire load" (2004c, 41).

Clara Butler ran the organization in a cooperative manner with the Board, which met regularly, but was rarely able to achieve a quorum. Furthermore, a majority of members who attended the Board meetings had served on the Board since the Village Center's founding and had a long history of working with the director. As a result, the EHVC Board was not truly independent and did not take an active role in the oversight or planning for the Village Center and often deferred to the Executive Director on key strategy decisions.

The Village Center hired all of its leaders and most of its staff from the community and made large investments in training its resident staff. The Assistant Director of the Village Center, Talib Horne, took advantage of numerous opportunities for personal skills development. He was supported by the EBMC and other

organizations, and he ultimately earned his degree in Community Development while working at the Village Center. Horne went on to form and serve as the director of the East Harbor Community Development Corporation, a CDC formed out of EHVC. The East Harbor Village Center was an example of a staff-led organization dominated by a single, strong leader. According to the NOMAGIC assessment of the Village Center, “The Executive Director’s assertive approach has been the linchpin in shepherding the growth and development of the East Harbor Village Center” (2004c, 41).

Clara Butler had been a strong leader for both the Village Center and the community. She served as the community organizer in one of the local housing projects and used her natural leadership abilities to marshal the community’s Village Center formation efforts. The East Harbor area was in the path of redevelopment radiating from downtown, and it was also the location of a major HOPE VI housing project redevelopment. Butler’s strong leadership engaged and represented the interests of the African-American community in these redevelopment efforts. According to an interview with Diane Bell in 2006, EHVC was able to make sure that past tenants of the Flag House housing project were able to return to the low-income portion of the Flag House HOPE VI redevelopment. Because the HOPE VI program requires community oversight, Butler was able to trade her organization’s support for the project for the commitment that many residents could return.

Flag House was the last of Baltimore's original four high-rise public housing projects to be redeveloped. The other three had been demolished and rebuilt using previous HOPE VI grants. The 487 units at Flag House Courts were demolished and replaced with 130 units of public housing, 52 low-income rentals, 10 subsidized home

ownership units, and 145 market rate home ownership units. The Housing Authority partnered with H.J. Russell & Company, Mid City, LLC, and the Integral Group in the redevelopment effort, and it utilized a variety of funding sources, including tax credits, tax-exempt bonds, private debt, and State and City funds. The redevelopment plan also included business incubator space, new retail space, and a new community youth development and training center. Because of the public support and funding for the project, there were requirements for community involvement, and Butler and EHVC took the lead in representing the community in this process. She worked with the City's housing commissioner, Danny Henson, and the developers to make sure that existing Flag House tenants were given priority in the new public housing units. Because of her leadership, the Village Center also received federal funding to provide transitional and self-sufficiency services to former Flag House residents displaced by the redevelopment. Based on this success, EHVC was brought in by the City to represent the community in a Johns Hopkins land swap and in developing the City's Central Avenue South Renewal Plan. The City recognized the leadership of EHVC and engaged the organization in the ongoing redevelopment of the community.

EHVC had a community organizer but, as a result of the initial conflicts over its formation, it was not able to fully engage the diverse residents in the community.

According to the 2004 NOMAGIC assessment of the Village Center:

A common perception of all of the EHVC leadership interviewed is that some of the organizations with predominantly or entirely white constituencies do not work in cooperation with the East Harbor Village Center, despite expressing concern about the East Harbor area and otherwise exhibiting behaviors indicative of their investment in the revitalization of East Harbor as a place to live or do business. Such organizations are perceived to participate only to the extent of 'protecting' their own neighborhoods' interests rather than engaging with sister

organizations (EHVC members) to work for the betterment of the entire East Harbor area. (2004c 43)

This lack of cooperation was especially true of the predominantly white Little Italy and Fells Point communities. They did not play a major role in Village Center governance or activities. Nevertheless, because of its strong leadership, the Village Center was able to work with the leaders of these communities. Butler worked with them on their applications for economic development funding and they, in return, provided political and community support to the Village Center when asked. Because of Butler's leadership, the Village Center was able to organize and represent African-American residents and work with the white communities. Fells Point and Little Italy were able to access EBMC's economic development programs,<sup>10</sup> and East Harbor was the largest beneficiary of EBMC economic development grants and loans. Butler was also able to work with these organizations on redevelopment issues impacting the community.

EHVC focused on the delivery of core Empowerment Zone programs in the community. It operated the EBMC's core workforce development program, the Harbor Jobs Career Center, operated the Block-by-Block and Safe Neighborhood community organizing and crime prevention programs, and publicized EBMC's housing programs. During its operational period, EHVC also operated after-school and substance abuse programs, but discontinued them when EBMC funding expired. The Village Center generally under-spent its annual operating fund allocations from EBMC. It kept staff salaries and operating expenses low and it was able to leverage its operational funding with new City, foundation, and federal resources. As a result, EHVC was able to distribute its EBMC funding to support six, rather than the planned five, years of

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<sup>10</sup> Economic development was the only programmatic area not directly implemented through the village centers. The village centers, however, were required to sign off on each economic development request.

administrative funding, and it was even able to conserve some EBMC funding for future uses.

East Harbor's leaders recognized the need for the African-American community to play a role in community redevelopment, and the Village Center became directly active in economic development. In Baltimore, all EZ economic development activities were centrally implemented by EBMC. EHVC established its own Development Committee and, in 1999, it created the East Harbor CDC (EHCDC). This fulfilled one of the goals outlined by the founding Director in EHVC's strategic Land Use Plan. Through the creation of EHCDC, EHVC became directly involved in the redevelopment occurring in the community. EBMC provided both technical and financial assistance in the formation of EHCDC.

The East Harbor Village Center served a waterfront community to the east of downtown. A large portion of the industrial land in the area was vacant or underutilized. Contrary to initial expectations, this area became one of the most attractive redevelopment areas in the City as Baltimore's nationally-recognized downtown revitalization moved eastward. The EHCDC was able to attract Board members from major banks (Bank of America), developers (Struever Brothers, one of Baltimore's largest local developers), the State (MSBDFFA, the State small business funding program), and national institutions (Fannie Mae). It also attracted local foundation funding to develop an Individual Development Account (IDA)<sup>11</sup> program. The EHCDC became a strong organization by redeveloping a former City firehouse into a community center (with a retail space component) and several homes, and it is pursuing involvement

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<sup>11</sup> IDAs are matched savings accounts that enable low-income American families to save, build assets, and enter the financial mainstream

in several other projects. It also became the leading provider of IDAs and an important provider of income tax assistance in the City.

The development and success of the EHCDC is indicative of the strong strategic leadership by Village Center staff. Butler recognized from the beginning the economic development potential in the community. She then established a CDC to develop a role for the Village Center in this redevelopment, and she used her reputation with the community to secure both involvement of key development interests in the EHCDC and a role for the Village Center in redevelopment efforts. She identified and further developed talent in the Village Center's Assistant Director and CDC Director, Horne, who himself became a strong leader of a successful organization.

#### **East Harbor Village Center Outcomes**

The East Harbor Village Center achieved relatively modest outcomes from formal EBMC programs. As shown in Table 14, the Village Center's 309 workforce development job placements were the lowest of any of the village centers, and the 57 Housing Venture Fund closings were the second lowest of the village centers. Overall, the Village Center accounted for about 7% of total EBMC activities even though it made up about 10% of the EZ population. It is important, however, to point out that the East Harbor area had existing middle-income and gentrified communities (Fells Point and Little Italy) and the redevelopment of the housing projects removed many low-income residents who qualified for services; therefore, a lower proportion of residents qualified for various EBMC programs.

As a result of the economic redevelopment occurring in the area, East Harbor received the largest share of EBMC economic development funding, with 51% of

development loans made and 60% of funds lent. East Harbor had the lowest reduction in crime of any community in the Zone. One factor influencing this could have been the redevelopment occurring in the community, which made it an obvious target for crime. The most important outcome for EHVC was not its programmatic service delivery. Instead, the Village Center and the EHCDC served as a means of representing and engaging the poor, minority community which otherwise would have been ignored and might have been displaced in the redevelopment process.

**Table 14**  
**East Harbor Village Center**  
**Selected Baltimore Empowerment Zone Programmatic Inputs and Outcomes**

<b>Item</b>	East Harbor Village Center	Empowerment Zone Total
<b><u>Workforce Development</u></b>		
Total Placements	309	4,725
<b><u>Economic Development</u></b>		
Loans Made	56	109
Loan Amounts	\$9,820,993	\$16,325,634
Project Costs	\$73,553,523	\$105,882,050
Jobs Created/Maintained	1,042	2,555
<b><u>Quality of Life</u></b>		
Home Ownership		
Housing Venture Fund Closings	57	813
Funds Allocated	\$269,074	\$3,432,636
Public Safety		
Safe Neighborhood Design (Year of Plan)	Sep-02	n.m.
Safe Neighborhood Design (Spending)	\$12,000	\$159,513
Block by Block	\$32,248	\$487,028
Change in Crime Rate (1994-2003)	-36%	-56%
<b><u>Community Capacity Building</u></b>		
Village Center Application Approved	Feb-96	n.m.
Village Center Admin. Funding Agreement	May-96	n.m.
Village Center Administrative Funds	\$964,958	\$5,782,696
Current Status	Operating	n.m.

Source: EBMC

As presented in Table 15, using data from the 1990 and 2000 Census,<sup>12</sup> the East Harbor area lost less of its population, had a smaller increase in the share of vacant housing, and had stronger income and employment growth than other village centers. It saw the poverty rate fall from 39% to 32%. Part of these changes can be attributed to the strength of the area's already-gentrified Fells Point community and the HOPE VI redevelopment of housing projects that moved many poorer residents out of the community. The available Census data only cover five years of Village Center operations and exclude the impact of the rapid development that occurred in this community after 2000. The East Harbor area is in the midst of a major renewal process. The activities of the Empowerment Zone and EHVC were able to facilitate and support this renewal process and, more importantly, represent the existing community residents who frequently had no voice in redevelopment.

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<sup>12</sup> The census is the only available source of data at the neighborhood level and is only available every ten years. As a result, the data start before the creation of the Empowerment Zone and only go through the mid-point of the EZ effort. It is, however, the best source available.

**Table 15**  
**East Harbor Village Center**  
**Neighborhood Conditions and Changes**

Item	East Harbor Village Center	Total EZ	Baltimore City
<u>Total Population</u>			
1990	7,526	71,503	736,014
2000	7,003	54,012	651,154
Change	-523	-17,491	-84,860
% Change	-7%	-24%	-12%
<u>Percentage of Owner Occupied Dwellings</u>			
1990	23%	25%	44%
2000	23%	26%	43%
Change	1%	1%	-1%
<u>Percentage of Dwellings that are Vacant</u>			
1990	25%	17%	9%
2000	26%	26%	14%
Change	1%	9%	5%
<u>Median Household Income</u>			
1990	\$25,445	\$18,499	\$32,316
2000	\$30,568	\$20,750	\$30,078
Change	\$5,123	\$2,251	-\$2,238
% Change	20%	12%	-7%
<u>Percentage of Residents Living Below the Poverty Level</u>			
1990	41%	41%	21%
2000	32%	34%	22%
Change	-9%	-7%	1%
<u>Resident Labor Force Participation</u>			
1990	44%	37%	47%
2000	49%	37%	44%
Change	5%	0%	-3%
<u>Unemployment Rate</u>			
1990	16%	15%	9%
2000	8%	17%	11%
Change	-8%	1%	2%

Source: U.S. Bureau of the Census, EBMC

### **East Harbor Village Center Summary**

The East Harbor Village Center is one of the four village centers that continued to operate after the ten-year Empowerment Zone effort was complete. It created a new CDC that provided operating support to the Village Center and continues to attract City, foundation, and federal support. The Village Center's sustainability was based on its ability to leverage its Empowerment Zone funding with other federal and City funds related to the federal HOPE VI redevelopment and the creation of new programs, like tax return assistance and IDAs, that were and continue to be attractive to funders.

East Harbor can trace its success to strong staff and leadership and its ability to find a niche as both a service provider and partner in ongoing redevelopment activities in the community. It was able to represent the African-American community and maintain both resident involvement in the redevelopment while furthering the Village Center itself. One weakness of EHVC was its failure to include all of the diverse communities in the area. As a result of the early conflicts over Village Center formation, it achieved only limited participation by residents from the predominantly white communities. These communities participated in EZ programs, but had little participation in Village Center governance.

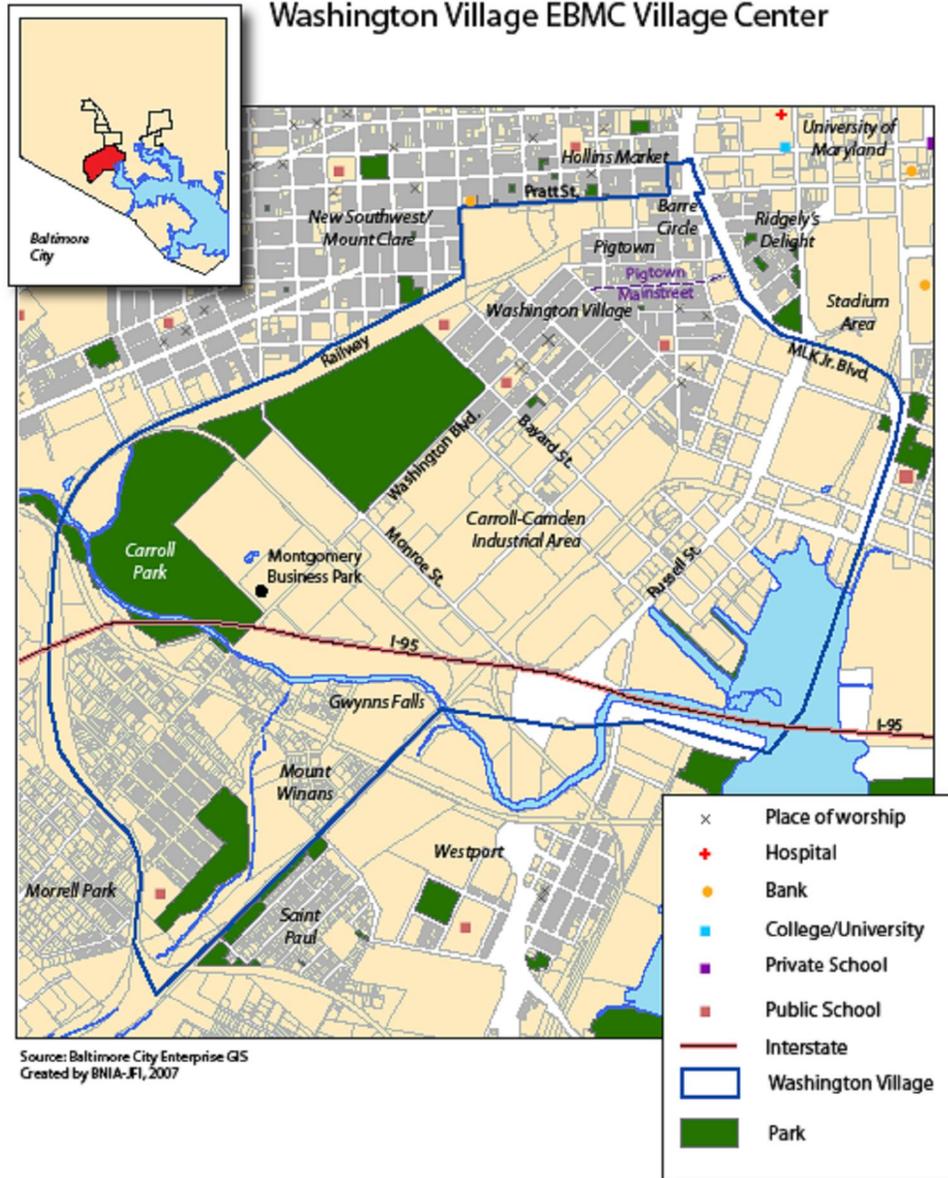
EHVC and EHCDC continue to operate, supported by HOPE VI funds, national and local program grants, and revenues from development projects. At the time of publication, it is considering a merger with a large non-profit entity active in the community.

### **Washington Village/Pigtown Neighborhood Planning Council**

The Washington Village/Pigtown Neighborhood Planning Council (Washington Village) was one of the first three Village Center applications accepted by EBMC in September 1995. In March 1996 it was the first village center to receive administrative funding. The Village Center served a diverse population, 77% of which was white and 20% of which was African-American in 1990. Washington Village served the entire southern portion of the western section of the Baltimore Empowerment Zone. A map showing the Washington Village service area and key locations mentioned in this case study is included below as Map 8.

The area combined several social, economic, and racial groups including poor, blue-collar workers and upper-income persons who had already gentrified part of the community. Washington Village had the lowest poverty rate, the second highest income, and the second highest labor force participation rate. While the community had the lowest housing vacancy rate of the Empowerment Zone, its housing stock was old and in decline. It's housing, however, was attractive and affordable for redevelopment.

## Map 8 Washington Village EBMC Village Center



The Washington Village area lay in the path of redevelopment radiating from downtown. While the community lacked the waterfront views of East Harbor, it offered proximity to downtown and the Camden Yards sports complex. Washington Boulevard, a commercial corridor running east from Martin Luther King Boulevard, traversed the center of the community. Washington Boulevard traditionally served as the commercial center for this community, but it had declined because of the decline of community income and competition with other retail centers. The area also included the City's large Carroll Park, the Carroll-Camden industrial area, and several old industrial parcels. The City had acquired one of these parcels, the Kopper Company site, in 1993. When the EZ effort started this site was being developed into Camden Crossing, a 150-garage townhouse complex that would feature paved open streets and walkways, a central park, pocket parks, and tree-lined streets. For more than a decade, the community was seen as being on the verge of redevelopment, yet gentrification was occurring at a slow pace.

### **Washington Village - Village Center Formation**

The community planning process that was initiated to support the City's EZ application process continued in Washington Village after its submission. The Washington Village area was served by a number of smaller community organizations but lacked an umbrella organization. The process of applying for the EZ brought together a critical mass of activists and organizations, facilitated by the University of Maryland School of Social Work, that continued to meet to discuss efforts to improve their community even before the City was awarded the Zone. As a result, the Washington Village area was more organized than all of the other village centers in efforts to form a village center except the pre-existing HEBCAC.

Washington Village had to overcome initial community conflict over who would control the Village Center. Two local developers, Katie McDonald and Hank Abarelli, attempted to take over the Village Center formation process. They were opposed by a broad spectrum of community members who thought that they wanted to use EZ funds to develop properties that they owned or controlled. The community opposition was organized by leaders of the three community organizations in the area and representatives from local institutions, such as Head Start, Tri-Churches Housing (a nonprofit housing developer), and UMB. There was also conflict over who would control the Village Center among the larger, existing organizations serving the community: the Hearts of Pigtown, the Southwest Community Council, and Washington Village Improvement Association.

Arnold Sherman, who lived in the community and worked for the Governor's Office of Crime Prevention and Control, had experience working with community organizations on crime programs. He worked with activists and institutional representatives to "create a Board that was large enough that no single clique could dominate it and small enough so it would not be unwieldy" (WVPNPC Focus Group 2004). They created a 29-member Board with ten permanent seats for local institutions whose support was needed to achieve results in the community. In order to engage the three organizations already serving the community (and a fourth community not active in the application process but included in the boundaries), each was given a permanent seat on the Board. According to one focus group participant, "We gave Board seats to each community association, to draw them in and make them part of this, because it was their community" (2004). In order to mitigate conflict over control, the Village Center created

a rotating Board Chairperson, so that each of the community organizations had an opportunity to be in charge. The UMB School of Social Work assigned an outreach person, Bob Kirk, to the Village Center, to provide community organizing and conflict resolution support.

When asked what the most important barrier was that they had to address in the formation process, Board member Joe Brown reported:

Setting up the Board and things like that. It was trust among community residents. Allowing new leadership to emerge and trying to develop that new leadership. There was no trust in the community at all. I think that there were three community associations: Pigtown, Washington Village Improvement Association, and Southwest Community Council. And they were all fighting over nothing. (2004)

To Brown, the source of conflict was “actually, probably a lot of race. A lot of past history. Then there were those of us who has just bought housing and so it was also a class thing” (2004).

Washington Village overcame community conflict to form a functioning organization. In doing so, it benefited from the leadership of a community resident with experience in working with community organizations and from local institutional representatives experienced in community organizing and development. The community worked together to take control of the Village Center from the two developers. They devised a Board system that incorporated major local institutions into the Village Center’s oversight and management, and they gave both a seat at the table and a chance to lead to each of the leading community organizations already serving the area. This reduced conflict among these organizations over control and ultimately engaged them in the Village Center and activities. Washington Village hired “Doc” Goodwin, the leader of the Hearts of Pigtown, as its first Director, but later replaced him with a person from

outside of the community who was skilled in working in social services and community organizing.

By overcoming initial disputes, Washington Village created a strong Board and operational structure that could contain, manage, and resolve conflicts. The creation of a new, independent organization with a professional staff reduced conflict among community organizations over control of EZ funding and programs. The creation of an innovative Board structure allowed Washington Village to engage its stakeholders in its management and success.

### **Washington Village - Village Center Operations**

Washington Village was the first of the village centers to receive administrative funding. From its inception, it was a planning-led organization with strong staff and Board leadership. While the conflicts among community groups over the formation of the Village Center continued, the innovative Board structure and participation by institutional Board members allowed the Board to control and resolve conflicts and build a strong, well-run organization.

A Board of 30 members, with 20 elected from the community at-large and 10 designated seats for community organizations and institutions, oversaw the Village Center. In its early years of operation, the Village Center Board suffered from considerable infighting. According to the EBMC-sponsored White and Associates review of Washington Village (1998),

The most consistent concern raised by all of those interviewed was the tension and confusion exhibited by Board members, which some believe hurts the credibility of the Village Center. The business of the Village Center is fraught with personal agendas and the negative attitudes of some Board members. Those Board members who consistently criticize rarely participate in Village Center events and major functions. The lack of

professionalism at the Board meetings discourages residents, the business community, and other potential stakeholders from becoming more directly involved in the work of the Village Center. (np)

Through hard work, technical assistance provided by EBMC, and the ongoing work of key institutional Board members, the Village Center was able to overcome this early conflict. According to the 2004 NOMAGIC assessment of the Washington Village, the Board was considered a core asset. It reported, “The Board of Directors’ structure of WVPNPC is a collective model that incorporates all of the interests of its various stakeholders as provided by EBMC. The Board’s basic makeup and membership represents multiple interests that have a vested stake in this community” (2004b, 32). The Board benefited from the long-term participation of a committed group of community and institutional representatives. The NOMAGIC (2004b) assessment also commented:

On the WVPNPC Board are also several people who were founders of the organization, played significant roles in getting WVPNPC organized and ‘off the ground,’ and have served without interruption since WVPNPC was established. These individuals, working with other Board members and with WVPNPC partners and interested parties at the local, State, and national level have been quite instrumental in shepherding the growth and development of the Village Center to this point in its evolution. (32)

Washington Village benefited from the talents and connections of a committed group of Board members who shaped the organization and used their connections to attract or develop new services or programs to the community. Five board members who made substantial contributions include:

- Bob Kirk from the UMB School of Social Work provided experience in community outreach and organizing techniques.
- Anthony Savage, a community resident and employee of the State’s Attorney’s Office For Baltimore, was able to bring in a U.S. Department of Justice initiative for community prosecution of crimes. According to an article in *The Baltimore Sun*,

Funded by a \$200,000 grant from the U.S. Department of Justice to the State's attorney's office, Etheridge's job is to prosecute quality-of-life and nuisance crimes for a pilot program in Southwest Baltimore's Washington Village/Pigtown community. Aggressively prosecuting minor offenses—often ignored in the pursuit of more serious crimes—supports neighborhood stability and could keep minor problems from escalating into larger ones, Etheridge says. Part of the program's payoff is requiring most violators, who typically get community service penalties, to serve their punishment in Washington Village/Pigtown doing tasks such as picking up trash, sweeping streets, or planting trees. (Fields, 2003)

- Arnold Sherman, a community resident and staff member of the Governor's Office of Crime Control and Prevention, provided advice and guidance on crime issues and on planning and organizational management.
- Shannon Jeffords, the head of Tri-Churches Housing, provided insight on management and strategic planning and on how to implement housing assistance programs.
- Joe Brown, a community resident, banker, and, later, an employee of the State Revitalization Program, provided knowledge on commercial development and assisted in the formation of the Washington Village CDC.

Washington Village and EBMC recognized the strength of the Board. According to Chris Ryer, the third Village Center Director, “My experience with the Board is that they worked in a professional way, made decisions, and moved on. They didn't get stopped; they made decisions. That's so fundamental; this is my personal opinion, because you can't attract decent staff if you can't make a decision” (2004).

Community residents made up most of the Board. While this engaged the community in the governance, it did have one drawback in terms of fund-raising. The Board lacked links to the major foundations or businesses, such as banks, that support community organizations. All of the major institutional partners on the Board were in the same position as the Village Center in terms of relying on fundraising to support their operations. As a result, the Board played only a small role in fundraising to support sustainability. According to Ryer,

The Board, and maybe this is my fault, it was always a community Board; it was never a Board to make money. If I had been there longer, I think at some point, when they had to become really independent, there would have needed to be some fiscal responsibility. There was none at all when I was Director because they seemed to be valuable as a community [Board] . . . so they never did do that. (2004)

Washington Village's operations were the most strategic planning-driven of all of the village centers. In October 1995, it produced its Master Plan, *A Grand Vision for our Community to Improve the Economic Well-being of All of Our Residents*, that established goals in eleven areas including economic development, housing and workforce development, community mobilization, and public safety (Washington Village 1995). In addition to the EBMC-funded Land Use Plan for the community, Washington Village received EBMC support to develop a long-term strategic plan that it updated regularly to guide operations, and to organize regular strategic planning retreats for the Board and staff. The community plans were considered one of the most valuable outcomes of the entire Empowerment Zone effort, with one Washington Village focus group participant reporting, "I think it [the Land Use Plan] is important as a road map because, with the outside investors moving in, if we didn't have that, we would be at the mercy of [the developers]" (2004). The Village Center used its strategic and Land Use plans to examine, guide, and organize its response to development activities occurring in the community.

Washington Village did experience difficulty with staff turnover and recruitment. It replaced a community resident with a professional as Executive Director. This Director left when she obtained a job managing a program in her core area of interest. The second Executive Director, Ryer, who coordinated the EZ planning for the community, left to take care of a sick parent. The third Director did not have a long

tenure, and the post was vacant until the fourth Director, Shawn McIntosh, who served through 2004, was hired. The Village Center recruited citywide for the Executive Director positions, and only the first Director lived in the community.

Washington Village reported being “real aggressive in trying to recruit from the community” for core program staff, but experienced difficulties in finding people with the right skills. The experienced staff and Board discussed the difficulties of working in the field of community development in the Washington Village focus group. In the focus group, one member of Village Center Board reported difficulty in understanding how much money would be required to hire a qualified director “It took a number of years before people agreed that you have to pay \$50,000 or \$60,000 if you want somebody who can get the job done.” (2004). The Director of the Village Center [McIntosh] reported the difficulties of running a community organization “After your nine to five management position, you have to attend Board meetings at night and neighborhood events on the weekends” (2004). One Board member described the pressures of living in the community: “They [community residents] seem to respect the boundaries differently. If I were a resident of this community, I’d feel like I am never off. These people are going to know where I’m living and they’re going to be, on Saturday, ‘There’s trash to be picked up’” (2004). Low pay, long hours, and constant pressure are core reasons for employee burnout in the community development field.

Despite these difficulties in retaining staff, the Village Center experienced notable success in other areas. The public safety coordinator for Washington Village was recognized as one of the best in the City. The Village Center’s second Director, Kim Lane, a community activist interested in “hands-on community work in impoverished

neighborhoods,” earned the name “the Princess of Pigtown” as a result of her hard work (Klein 2000, 3b).

As was the case with HEBCAC, key informants from Washington Village reported difficulty in working with EBMC, especially when they developed new program ideas or were more successful than other village centers in implementing them.

According to a Washington Village focus group participant, when they had fully used their Housing Venture Fund allocation for residents to purchase homes, EBMC cut them off, despite other village centers not using their full allocation: “And now there is still money that hasn’t been spent, because all other village centers didn’t do their job. And you know, that’s where I think, I know EBMC was trying to be fair to all the village centers, but rather than rewarding success, they kind of held the Village Center back to keep pace with those that weren’t as successful.” According to Ryer (2006), “We felt like we were always fighting with Diane Bell to do something. She would listen and would often figure out a way to satisfy what we wanted to do and that would become a model for the other village centers.”

Washington Village achieved success in all core EBMC-funded program areas and developed new programs to address community issues. In the area of workforce development, Washington Village chose to combine its career services and family services center into an integrated unit. The workforce development effort met all EBMC established performance criteria. As a result of its workforce development success, it was one of eight City providers to receive funding from two leading local foundations, the Annie E. Casey Foundation and the Open Society Institute. The Village Center

realized that substance abuse impacted both employment and crime, so it implemented a substance abuse program that referred residents to EBMC counseling vendors.

In the area of public safety, Washington Village set itself apart from the other village centers. Crime was seen as a critical issue in the community, and it became a core focus of the Village Center. According to an article in *The Baltimore Sun* on the Village Center's crime prevention program to install and operate surveillance cameras (Fields, 2003b):

The council's public safety committee, led by [Terry] Smith, has emerged as one of the most imaginative neighborhood-based crime prevention outfits in Baltimore. And the group is doing it independent of City government, but with a lot of police appreciation. 'It's like an extra pair of eyes out there for us,' said Baltimore police Officer David Milburn. 'As soon as they see the cameras, if they were thinking about doing a crime, they'll think twice. And if there is a problem, we can go to the cameras and review them and help make a case.' The City operates surveillance cameras in some public areas, but this is the only Baltimore neighborhood group known to operate its own. The public safety committee operates with an annual budget of about \$100,000 with the money coming from City, State, and federal grants.

Washington Village was able to attract new federal, State, and City funding to implement a number of public safety efforts including State funding to prosecute nuisance crimes, funding to put in anti-crime cameras, and an agreement with the courts/probation office to have community offenders perform their public service in the community, often on Village Center projects. The Village Center recognized the interrelationship among substance abuse, crime, and workforce development, and it created an integrated system where people on probation could be referred to substance abuse treatment and, upon completion of treatment, to job training.

Washington Village excelled in both housing and economic development programs. In housing programs, it led the Empowerment Zone in referrals to the Housing

Venture Fund and marketed the exterior repair programs to the community. In economic development, the Village Center became one of the first Main Street commercial revitalization program sites in the City, and it also became a CDC that developed three buildings.

Washington Village was able to leverage EBMC operating funds with considerable external support from both government and foundation sources. By 2002, the Village Center was able to attract 48% of its funding from non-EZ sources, and, in 2003 and 2004, it raised most of its operating funds from non-EBMC sources.

Washington Village continues to operate today with only modest EBMC support.

According to the new EBMC President, Tanya Terrell (2006), “Washington Village, they have a new Executive Director, Lesley Smith, who had been there for five or more years as the career center Director. She is doing a fabulous job in their core competencies, which are still in career services and in their Main Street program, which is the signature one for City of Baltimore.”

### **Washington Village - Village Center Outcomes**

Washington Village achieved programmatic success that played a supportive role in the ongoing revitalization of the community. As shown in Table 16, its workforce development program had the third highest number of job placements despite serving a community with a much higher level of education and workforce participation when compared to the other village centers. The Village Center’s economic development linked local businesses to EBMC’s business assistance program resulting in the second highest utilization and impact of EBMC loan programs. Washington Village had the highest utilization of housing assistance programs and accounted for 40% of total

Housing Venture Fund activity. The public safety efforts of the Village Center leveraged the highest level of non-EBMC funding and resulted in the third largest reduction in crime, despite only modest population losses and continued gentrification.<sup>13</sup>

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<sup>13</sup> The village centers with the largest reductions in crime, Harlem Park and HEBCAC, each lost one third or more of their population during the EZ funding period. Thus, crime reduction in these communities could be due to smaller their smaller population. As was the case in East Harbor, gentrification and redevelopment often leads to an increase in crime, as the area becomes more of a target.

**Table 16**  
**Washington Village/Pigtown Neighborhood Planning Council**  
**Selected Baltimore Empowerment Zone Programmatic Inputs and Outcomes**

<b>Item</b>	<b>WVPNPC Village Center</b>	<b>Empowerment Zone Total</b>
<b><u>Workforce Development</u></b>		
Total Placements	583	4,725
<b><u>Economic Development</u></b>		
Loans Made	34	109
Loan Amounts	\$4,439,447	\$16,325,634
Project Costs	\$22,354,159	\$105,882,050
Jobs Created/Maintained	953	2,555
<b><u>Quality of Life</u></b>		
Home Ownership		
Housing Venture Fund Closings	324	813
Funds Allocated	\$1,385,321	\$3,432,636
Public Safety		
Safe Neighborhood Design (Year of Plan)	Sep-02	n.m.
Safe Neighborhood Design (Spending AIR)	\$85,833	\$408,500
Block by Block (AIR)	\$37,188	\$612,303
Change in Crime Rate (1994-2003)	-62%	-56%
<b><u>Community Capacity Building</u></b>		
Village Center Application Approved	Sep-95	n.m.
Village Center Admin. Funding Agreement	Mar-96	n.m.
Village Center Administrative Funds	\$965,592	\$5,782,696
Current Status	Operating	n.m.

Source: EBMC

It is difficult to analyze the impact of the Village Center on community conditions using year 2000 Census data because the data only capture the first three years of the Village Center's operations. During its operations, conditions in the neighborhood stabilized and the community lost fewer of its residents than any other village center and the City as a whole. As shown in Table 17, the percentage of persons living in poverty fell with the Village Center having the third highest increase in median household income (from an already high base). Other indicators are either mildly positive or negative, but again represent only the first few years of Village Center operations. For example, the percentage of owner-occupied dwellings fell between 1990 and 2000 by 3% and housing vacancy increased. However, Housing Venture Fund closings, most of which occurred after 2000, account for nearly 9% of total dwelling units, with many of these purchased units representing renovated vacant units.

**Table 17**  
**Washington Village/Pigtown Neighborhood Planning Council**  
**Neighborhood Conditions and Changes**

Item	Village Center	Total EZ	Baltimore City
<u>Total Population</u>			
1990	8,961	71,503	736,014
2000	8,061	54,012	651,154
Change	-900	-17,491	-84,860
% Change	-10%	-24%	-12%
<u>Percentage of Owner Occupied Dwellings</u>			
1990	50%	25%	44%
2000	47%	26%	43%
Change	-3%	1%	-1%
<u>Percentage of Dwellings that are Vacant</u>			
1990	10%	17%	9%
2000	17%	26%	14%
Change	7%	9%	5%
<u>Median Household Income</u>			
1990	\$23,332	\$18,499	\$32,316
2000	\$24,607	\$20,750	\$30,078
Change	\$1,275	\$2,251	-\$2,238
% Change	5%	12%	-7%
<u>Percentage of Residents Living Below the Poverty Level</u>			
1990	27%	41%	21%
2000	23%	34%	22%
Change	-4%	-7%	1%
<u>Resident Labor Force Participation</u>			
1990	40%	37%	47%
2000	39%	37%	44%
Change	-1%	0%	-3%
<u>Unemployment Rate</u>			
1990	9%	15%	9%
2000	9%	17%	11%
Change	0%	1%	2%

Source: U.S. Bureau of the Census, EBMC

### **Washington Village – Village Center Summary**

The experience of Washington Village exemplifies the potential of community capacity building. Washington Village, with its access to downtown, Camden Yards, parks, and employment centers, was considered the “next Federal Hill” for nearly a decade. Nonetheless, prior to the Empowerment Zone, redevelopment was occurring at a very slow pace. The community encompassed a large number of smaller community organizations that were interested in advancing their small neighborhoods, but it lacked an umbrella organization to promote comprehensive community development. The Empowerment Zone application brought together a diverse constituency of community organizations, institutions, and residents who continued to work on broader issues even before the City was awarded the Zone. The creation of the Village Center solidified this effort and created a new organization that continues to promote comprehensive change and meet community needs, even after the end of the EZ effort.

The experience of Washington Village also exemplifies the difficulties inherent in any community-building effort. It became mired in internal conflicts during its formation period. Key supportive institutions and technical assistance provided by EBMC helped the community to overcome this conflict and build a strong, community-based organization. Washington Village also demonstrates the potential benefits of EBMC’s approach of linking community development with social services at the neighborhood level. The problems of neighborhood blight (crime, poor housing stock, lack of community amenities, and low sense of community) are inextricably linked to the social services-related problems of the residents (lack of education, drug use, poverty). Efforts to improve neighborhood conditions without addressing the needs of the residents are

doomed to fail; indeed, efforts to assist poor residents can often be a means of improving local conditions. Ryer noted,

“It’s funny. When I started, it was two organizations. It was the community development and the workforce program. Marrying them was interesting, but ultimately productive. On the development side, their priority was crime. They created a special committee . . . On workforce development, their issue was substance abuse . . . So, what happened when you start making the sides work together? They realized that they are the same people. They started to work together.” (2004)

This led to Washington Village’s successful integrated services that attracted new support after the end of formal EZ funding.

## **The Village Center of Poppleton**

The Village Center of Poppleton (Poppleton or VCP) was the last of the six village centers formed. Poppleton's application was approved in February 1996, but the Village Center did not sign its first year's administrative funding agreement until nineteen months later in September 1997. During that time, Poppleton attempted to overcome divisions within the community and among the community, businesses, and institutions in the Village Center area.

The Village Center of Poppleton's boundaries included the middle part of the western portion of the Baltimore Empowerment Zone. Its northern boundary was the "road to nowhere," a small stretch of a planned highway that would have extended out to the Baltimore Beltway but was stopped by vigorous community protest in the 1970s, that formed a barrier between Poppleton and Harlem Park to the north. Its western boundary was Carey Street and its southern boundary was Pratt Street (which leads to the downtown Inner Harbor area). The Poppleton Village Center was the only village center that crossed over into a portion of the downtown business district. The Village Center's boundaries crossed over Martin Luther King (MLK) Boulevard, a major six-lane boulevard dividing predominantly poor, residential, West Side neighborhoods from downtown, to Paca Street, thereby incorporating parts of the University of Maryland Medical Center (UMMC) and the University of Maryland, Baltimore (UMB). Despite the inclusion of these institutions, neither played a major role in the operation of the Village Center until very late in the Empowerment Zone implementation period. Poppleton was also home to Lexington Terrace, a blighted high-rise public housing project that was demolished in 1996, prior to the start of the Village Center. The

Lexington Terrace are was successfully redeveloped into a smaller town house community that combined low and middle income housing and a small commercial development under HOPE VI. The Poppleton Village Center participated in the commercial part of this redevelopment.

According to *The Baltimore Sun* (Daemmrich and Matthews, 1997), “Today, the area has grown impoverished. Once dignified row houses stand vacant and crumbling; family stores have left.” The area where the “road to nowhere” highway ran was already run down by 1966 when the City condemned and demolished 971 houses, 62 businesses, and 1 school. The community lacked the organization or clout to stop the planning for the highway as the white residents of Fells Point and Federal Hill had stopped the 1956 East West Freeway. Yet, even Mayor Schaefer, who had pushed the first part of the highway project, was unable to complete the remainder of the highway over the opposition of environmentalists and more affluent African-American communities in its path further west.

Some residents traced the decline of the Poppleton community to this highway project and the resulting loss of middle class residents and a small commercial corridor. According to one Poppleton Village Center focus group participant, “At one time . . . you had a lot of working class people that lived in the area. People that worked at Sparrows Point and General Electric and places like that. And then, of course, when they started laying off people and then they started this renovation and brought the ‘highway to nowhere’ through. They moved out a lot of people. So a lot of the people that moved were middle class” (Poppleton Focus Group 2004). Another blamed the housing projects: “At one time, when Lexington Tower was first built, everybody worked,

everybody who lived there was employed. Then of course that changed; it became a high poverty area” (Poppleton Focus Group 2004).

Poppleton, along with Harlem Park, was one of the first urban renewal areas in the City. Like Harlem Park, the Poppleton effort focused on housing renovation rather than demolition and, similarly, the urban renewal effort failed to change conditions in the community. One legacy of the failed urban renewal effort, however, was the establishment of the area as a formal planning district in the City. This resulted in a group of community organizations with a history of working together in Poppleton. The community had also seen a failed small-scale redevelopment effort in the early 1990s, when the developer of a 12-building mixed retail-apartment complex development defaulted on City-backed loans (Jacobson 1993 a b c). Thus, the area had a history of failed attempts at renewal.

The community was racially divided; some parts of the community were in the very early stages of gentrification. The area to the south of Baltimore Street included the Hollins Market community, an emerging arts and restaurant area, which drew its name from the City’s Hollins Market. This area attracted new residents, many of them white, artists, or associated with UMB. These new residents coined a name for their community, South West Baltimore (Sowebo) and called themselves the Sowbo-hemians. These new residents had not forged a working relationship with the African-American population living in the Poppleton neighborhood to the north of Baltimore Street.

By 1990, the Poppleton area had the second lowest level of median household income, the highest poverty rate, and the lowest workforce participation rate of all of the village centers. The community looked suspiciously at the large university and hospital

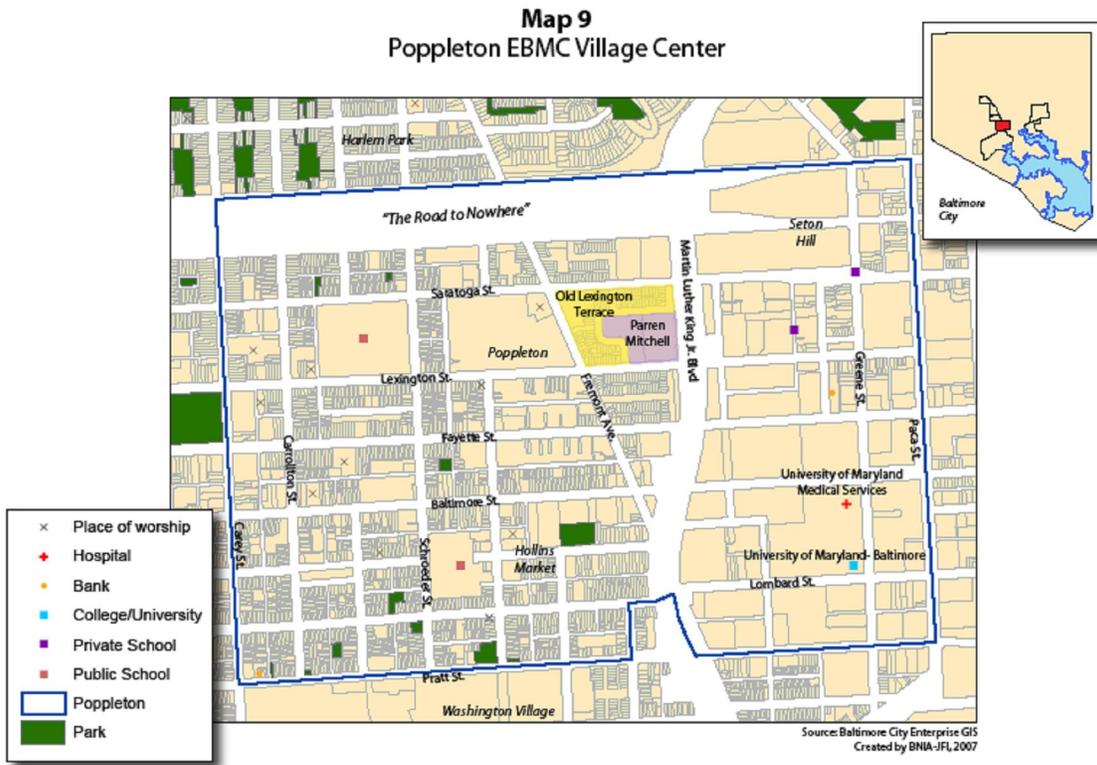
across MLK and enviously at the redevelopment starting to the south (in the Washington Village area). Poppleton had always been concerned that the University of Maryland (both the hospital and the university) wanted to cross over MLK and take over their community.

### **Poppleton Village Center Formation**

Planning for the Empowerment Zone began in Baltimore's West Side after the City sent its application to the federal government. The well-organized community leaders and institutional representatives that formed the Washington Village/Pigtown Neighborhood Planning Council to the south dominated West Side planning. Planning in the Poppleton area fell to existing community organizations and leaders in the planning area north of the emerging Washington Village/Pigtown Village Center and south of the "road to nowhere." Thus, the boundaries of Poppleton and the efforts of the leaders and organizations that formed it were set by default between an organized community to the south and a geographic and symbolic barrier to the north. A map showing the Poppleton service area and key locations mentioned in this case study is included below as Map 9.

As a result of the failed historic urban renewal effort and the City's designation of the community as a formal planning area, the community and neighborhood organizations were very familiar with one another. These organizations, however, experienced little or no success in promoting redevelopment and were weak in comparison to neighborhood organizations in other parts of the City. Poppleton was also served by an umbrella organization, Communities Organized to Improve Life (COIL) that ran a nationally recognized adult education and employment program called the Learning Bank. Despite the strength of COIL's education program, it was one of the weakest

umbrella organizations in the City, and it was not linked to the City's political power structure.



The boundaries of Poppleton caused conflicts in the Village Center formation process. As with HEBCAC on the East Side, the Empowerment Zone boundaries were drawn specifically to include UMB and UMMC to serve as institutional partners and promote redevelopment. Unlike the East Side, however, Martin Luther King Boulevard, a physical and psychological barrier between these institutions and the residential Poppleton community, divided the area. The redevelopment occurring around these institutions had historically taken place entirely on the east side of MLK. There had always been suspicion in the community that UMB and UMMC wanted to take over their community. UMB did move across MLK Boulevard late in the Empowerment Zone implementation, but these institutions did not have the interactions with the Poppleton community that Johns Hopkins had had with its immediately adjacent community. Unlike the East Side, there was no history of or formal mechanism for these institutions to interact with the Poppleton community. Since both institutions near-term plans did not call for expansion across MLK, there was no immediate need for such interaction.

The boundaries of Poppleton included the Hollins Market community and a portion of the Union Square community. These illustrated the very early stages of gentrification and had a base of white-owned businesses. Representatives from these two communities and from UMD dominated the initial planning process for the Village Center with participation by COIL. Representatives from the predominantly African-American Poppleton community opposed these efforts. When asked what barriers the Village Center had to overcome to begin operations, one participant in the Poppleton focus group (2004) responded, “in-house fighting, neighborhood fighting, racial

fighting.” Another focus group participant observed that this fighting was racially driven:

Before the Village Center actually formed we had all the meetings and . . . the first time I'd gone down there and you probably wouldn't have thought no African-Americans lived in Poppleton . . . Well let me say that for you like this, there has always been a dividing line in this neighborhood, Baltimore Street. The majority of whites live on the south side and the blacks live on the north side. And so there's always a fight, when it comes down to doing something for the neighborhood. And it seems that the whites thought that they should control the neighborhood. It's that simple. (2004)

As the African-American community became organized, they selected Dr. Doris Hall, the leader of a local youth service organization, “For Little Sisters Only,” and a part of the old Schaefer administration's neighborhood outreach system, to lead their efforts. Hall had ties to the community and relationships with many of the community leaders including Lenny Clay, a local barber and the unofficial “Mayor of Poppleton.” She also owned property in the community and served as a volunteer in the community for the City Housing Administrator and power broker, Dan Henson. These efforts were initially backed by EBMC, since it had pursued as a goal the development of new African-American leaders and organizations outside of the existing umbrella organizations.

The African-American community became mobilized to attend planning meetings and elect their own community leaders to the VCP Board. This resulted in conflict between the original community representatives who were active in the EZ application and the emerging African-American leadership. As a result of this conflict, many of the original organizations involved in the planning process simply left, leaving behind an organization dominated by Poppleton's African-American community. The conflict over the Village Center formation process was covered in *The Baltimore Sun*. It reported that the Empowerment Zone “has brought infighting to at least one [community]—the

Poppleton area in West Baltimore where a member of the Empowerment Zone ‘Village Center’ is threatening to sue his fellow Board members” (McCraven, 1996). The aforementioned Board member opposed changes to the bylaws to extend the term for ten Board members without an election. According to *The Sun* article,

Some observers say Dannenberg's public dispute with the Board reflects infighting that has dogged the Board from its inception. Mostly poor black residents of Poppleton fear that white residents of Union Square and Hollins Market and even representatives of major institutions such as the University of Maryland would dominate decisions. Among the ten members whose terms would be extended are people whose views are at odds with Dannenberg's. ‘People on the [south] side of West Baltimore Street want to tell people on this side of Baltimore Street what they can and cannot do,’ said one Board member from Poppleton. (McCraven, 1996 3b)

By the time that the Village Center application was submitted, the Hollins Market Merchants Association and Union Square Association were not even listed as partner organizations, and they had no members on the final Board of Directors. The Board was chosen through a combination of general community elections and set-aside Board seats for community associations. One community association, Barre Circle, separated from Poppleton to become part of the Washington Village/Pigtown Village Center to the south. The VCP application included UMMC and UMB as partners, but neither was active during the early years of Village Center operations. COIL remained involved and had a seat on the Board but, seeing the conflict, made no effort to create the Village Center within its existing structure.

The African-American community, led by Hall as Chairperson, took control over the Village Center and its Board through community mobilization and election. According to one Poppleton focus group participant, “I think its just that more people got involved, and then when people get involved in the political process, some folks got

voted out. So using a democratic process, that's how it changed. And then, once that happened, then of course certain segments left until the University of Maryland piece started to come up, and now people are coming back" (2004).

The initial planning for the Village Center started with the participation and leadership of local institutions (UMB and UMMS), COIL and the community activists and organizations serving gentrifying communities. The African-American community opposed this process and eventually prevailed. The losing side ultimately withdrew until a large redevelopment opportunity became available. Overcoming this conflict took considerable time and delayed the start-up of the Village Center for nineteen months. It also left the Village Center weakened and lacking a strong institutional partner.

EBMC, by its own admission, stayed out of the conflict. According to *The Baltimore Sun*, the EBMC "refuses to become involved in the disagreement. 'Our policy is to let them solve it,' said Michael Preston, Empower Baltimore's spokesman" (McCraven, 1996, 3b). Indeed, the focus group participants recognized the lack of EBMC support. One participant reported, "We had to fight [EBMC] harder than we had to fight the neighborhoods" (2004). During the Village Center formation process, the people working for the Village Center had to volunteer their time and had no support in finding places to meet, finding office space, or working to resolve the conflicts in the community.

### **Poppleton Village Center Operations**

A Board of 30 community residents' plus four non-voting members representing government and local institutions (including UMB and UMMC) oversaw the Village Center. The community elected ten voting Board members, and each of these ten

positions were allocated by a defined formula to the census tracts in the community. Another ten Board members were “Interim Selected Directors” or persons active in the formation of the Village Center, including Hall and several institutional representatives. These members were supposed to have an election after the first year of operations, but the Board extended their terms without an election. Many of these interim members served on the Board for the life of the organization. The remaining ten Board members were elected by the other members of the Board and were drawn from community organizations, schools, churches, businesses, and institutions. According to the NOMAGIC (2004a) assessment of the Village Center of Poppleton, “The Board was built on a strong leadership model with most of the power residing with the chairperson” (37). The Board was dominated by a group of several people, including Hall, who founded the organization and emerged successful in the conflicts over Village Center control.

The Poppleton Village Center Board never provided unified leadership. Dissatisfied Board members reported that the group that took over the Village Center was unable to bridge the gap between white and black residents or to develop and implement a vision for the community. According to a *Baltimore City Paper* article,

Michael Dannenberg remembers the early days of the Village Center of Poppleton as ‘a time when it looked like there would be a lot of partnerships and cooperation’ among disparate community groups. Edward Robinson recalls a time ‘when people thought they could direct the changes that needed to be made’ in the impoverished West Baltimore region. But Dannenberg, a current member of the center's Board, and Robinson, formerly its Vice Chairperson, say those ideals have been buried by infighting and mismanagement of the Village Center. (Anft, 1999, 1)

These Board members went on to discuss how the current Board leadership and staff failed to develop a strong organization, overcome internal disagreements, and engage the community:

Interest in attending Village Center Board meetings has been low—the panel hasn't had a voting quorum all year—but a battle over control of the Board has been running in high gear, leading to threats, fisticuffs, and even the shooting out of car windows, according to some Board members. Dannenberg, who lives in Sowebo, says the current ruling 'clique' has had a 'chilling effect' on center participation: 'There are a lot of carcasses from this group—people who have come with good intentions who've been intimidated into leaving.' 'Why doesn't the Board have quorums at their meetings?' asks Robinson, who runs the outreach ministry at the nonprofit Agape House on North Carrollton Street. 'Because people don't want to work with them.' (Anft, 1999, 1)

The Poppleton Board was never able to get past its internal conflicts.

Furthermore, within the Board there was suspicion about interactions between the Village Center and a related CDC formed by Hall. According to a *Baltimore City Paper* review of the Village Center,

'We haven't seen any accounting of how the money's been spent in [the] two years and eight months since the center opened,' says William Pointer, a member of the Poppleton Board. 'Dissension and disinterest among Board members has long stifled the center's growth,' Pointer says. He was briefly voted off the Board last year after complaining that then-chairperson Doris Hall was 'vindictive' and should step down. (Board members later determined the Village Center's bylaws didn't allow Pointer's ouster; see *The Nose*, 11/3/99; [www.citypaper.com/1999-1103/nose2.html](http://www.citypaper.com/1999-1103/nose2.html).) Pointer says little has changed under current chair Sam Singletary's leadership. 'There are still questions about the relationship between the Village Center and the Poppleton Community Development Corp.,' a nonprofit group co-led by Hall that owns the building in which the Village Center is housed, Pointer says. (Singletary could not be reached for comment.) (Anft, 2000 1)

The NOMAGIC assessment noted that 12 organizational members of the Village Center Board "had not been attending meetings for some time" (2004a, 37). As a result of the conflicts within the Board, many of these members had simply stopped attending meetings. Because of the large size of the Poppleton Board and the low quorum requirement (a simple majority of members), the Board was able to function despite the lack of participation by these members.

Hall dominated the Poppleton Village Center. She served as the Village Center's Chairperson from 1997 to 1999 and as Executive Secretary through 2004. She led the Village Center's efforts to form a CDC, the Poppleton Village Community Development Corporation (PVCDC), soon after the Village Center's creation, and she served as the CDCs Chair and CEO. Hall continued to dominate the Board even when she moved out of State through her control of the CDC and because of strong support of many of the founding Board members.

Hall's dominance was recognized in the NOMAGIC (2004a) assessment of the Village Center:

VCP has faced challenges presented by much of its Board leadership functioning in a developmental mode under the guidance of one committed funding member who is extremely knowledgeable, well experienced, politically savvy, multi-talented, and enormously skilled. One senses a general dependence on this person to provide the leadership, overtly or behind the scenes, for pursuit of VCP's vision and associated strategies. (6)

Many observers have reported that Hall's management style was too controlling and that she was too involved in the operations of the Village Center. According to one key informant who requested anonymity, "She comes out of the Schaefer years. She worked for William Donald Schaefer. She comes out of the era of believing that you do for the community, you protect the community. She was going to protect the community, even from itself" (2004). While Poppleton had a large number of community groups and local ministers playing a leading role in the community, they all fell in line behind Hall and her vision.

The Village Center did not base its operations on a strategic operational plan or vision like the other village centers. The Board, on an ad hoc basis not through any formal local planning or needs assessment, set VCP's strategic goals. It used its EBMC-

sponsored land use plan as its strategic plan despite caution expressed by the authors that it is a “physical land use master plan. It is not a revitalization strategy or comprehensive planning document” (NOMAGIC 2004a, 19). The plan did outline goals for the Village Center in areas such as housing and economic development.

Hall and the Board members were either interviewed or participated in the focus groups and all reported that economic and real estate development should be key goals for the Village Center despite the social service orientation of Zone programs. The Village Center had EMBC fund a retail base study and a study of the feasibility of establishing a medical corridor on Baltimore Street, linking UMMC and UMB on the east with Bon Secours Hospital on the west (outside of the EZ). EBMC also prepared a housing development assessment of the community. Despite the Village Center’s interest in real estate and retail development, it was unable to overcome the initial differences and work with the Hollins Market businesses, and it did not participate in the Main Street retail development effort brought to the City by EBMC. Rachael Edds, a former City planner and early EBMC staff member, reported that the area lacked a sufficient population and income base to support a Main Street program (2006).

The Village Center of Poppleton experienced continuous problems with staff turnover that limited the effectiveness of the organization. For example, the NOMAGIC (2004a) assessment reported, “No program staff can be described as long term; three years is the longest tenure. This contributes to limited operational history/institutional memory at the staff level in addition to limited experience working with community residents” (7). The Executive Director of the Village Center was hired to run the workforce program in 2001 and soon elevated to run the entire Village Center while

continuing to run the workforce program. Every other village center split responsibilities for running the village center and its largest program, workforce development. As a result, the Executive Director had little time for strategic management and was not highly experienced in community organization management. The Board, led unofficially by Hall who was Secretary at this time, continued to run the Village Center.

Poppleton experienced continuous organizational difficulties. It failed to meet EBMC's financial and performance requirements. It had problems with the IRS over withholding taxes, leading to an audit and fines. The NOMAGIC (2004a) assessment alluded to poor bookkeeping and a lack of available financial statements. Poppleton's administrative funding was suspended from May 1999 through April 2001 as a result of both ongoing conflicts within the organization and a lack of required documentation on expenditures. According to a *Baltimore City Paper* assessment, "Ongoing battles among Board members and questions of accountability have dogged the leadership at the Village Center of Poppleton. A February review of the Poppleton Empowerment zone's operations by an independent auditor found its career center's 'performance was below operating standards in 1999.'" (Anft, 2000)

Throughout its operations, the Village Center of Poppleton essentially remained entirely dependent upon EBMC funding. According to the NOMAGIC (2004a) assessment, "VCP receives money from one source, EBMC, making its operations totally dependent on federal EZ money from EBMC. Its fundraising efforts to date have been on a very small scale and have produced less than 1% of the VCP annual average budget for the last four years" (10).

One person (who requested anonymity) involved with the Empowerment Zone reported that Poppleton's leadership was squarely to blame for the problems the Village Center experienced: "We had control issues. I think it's more about personality issues, control issues. Again this is strictly my opinion. I think a different individual sitting at the table may have had a greater success than the person that was there. That's my opinion" (Anonymous 2004). Another, also off the record, went further by saying that Poppleton failed "because Doris is a bully" (Anonymous 2004). A final individual concluded, "My opinion of Poppleton is that they have not and never had, they don't now and never had, the capacity to operate as an organization based on the leadership and the staff that they had in house. It's all about capacity and skills. They don't have it. For me, having tried to work with them for the last few years has just been impossible" (Anonymous 2004).

While the Village Center failed to thrive, the Poppleton Village CDC formed out of the Village Center, chaired by Hall, and managed by her son, was able to tap into a major redevelopment project. The City Housing Authority brought the PVCDC into a Nations Bank-funded development of a 41,000 square foot office building. This development, the Parren J. Mitchell Business Center, is named after former U.S. Rep. Parren J. Mitchell, a Democrat who served the 7<sup>th</sup> District through eight terms in Congress. It houses the local offices of the Enterprise Foundation, a Housing Authority Police Station, and a Rite Aid drug store. This building stands on a portion of the site of the demolished Lexington Terraces housing project that was being redeveloped under the Federal Hope VI program into a mixed use and mixed income community.

Under the terms of the agreement, after Nations Bank recouped its initial \$500,000 investment, its share of the property would be sold to the Poppleton Village CDC for \$1. The housing authority would retain its 55% interest in the property. This project would begin to generate revenues for the CDC in 2007. According to an article in *The Baltimore Sun*, “‘The best part about this venture is that members of the community will eventually get a chance to own a piece of the property as part of a deal forged by the Housing Authority of Baltimore City, Nations Bank Corp. and Poppleton Village CDC,’ [Doris] Hall said” (Leffall, 1998 1c). PVCDC currently owns the Village Center’s offices and is developing an office building on North Carey Street. According to the NOMAGIC (2004a) assessment of the Village Center, VCP and PVCDC submitted eight applications for federal funding for the CDC but did not disclose how these would contribute to the sustainability of the Village Center.

VCP did deliver EBMC services to the community. It, however, experienced problems with EBMC’s core workforce development program throughout the EZ implementation period. According to a report evaluating the program, it was noted that, “‘From the outset, the Career Center has been beset by friction between the Village Center and the local Urban League [that was brought in to create the program] . . . Many of the original plans for the Career Center never materialized” (Elsman 1998, 18). The Village Center of Poppleton failed to hire an Executive Director and one of two staff members quit very rapidly. The Village Center continued to experience problems in its workforce development program, but met or came close to meeting most performance goals set by EBMC. VCP also implemented a substance abuse program as well as public safety and community outreach programs, but these generally failed to meet program goals. Thus,

the Village Center performed its core EBMC program implementation, but did so half heartedly as it focused its efforts on the goals of its Board and chair, Hall, to become active in redevelopment through its CDC.

The long-term prospects for the Village Center of Poppleton appeared bleak until 2003 when UMB began to plan for the development of a new research park, the UMB BioPark, on vacant City-owned land in the center of Poppleton. While the CDC was doing well, the Village Center was struggling operationally and financially. After the initial conflicts over Village Center formation through 2003, the institutional partners, UMB and UMMC, which were supposed to anchor redevelopment efforts in the West Side of the City as Johns Hopkins was doing on the East Side, largely ignored the Village Center. UMB would now need to work with and through PVC in order to address community concerns over the development of the research park.

In the early years of the Empowerment Zone, the Village Center of Poppleton played very little role in the redevelopment occurring on the east side of MLK despite its inclusion in the Village Center service area. In 2000, the City formed West Side Renaissance, Inc. to promote redevelopment in the area surrounding UMB and UMMC. This redevelopment effort had no interaction with the Poppleton Village Center, which focused its efforts on the other side of MLK. There was little formal interaction with PVC because almost all of the territory in the Empowerment Zone was hospital- or university-owned land that did not need or qualify for EZ incentives. As a result, neither institution needed to work with the Village Center. (Krietner 2006). This would change as the development of the BioPark moved development across the symbolic MLK divide. The move represented the movement of downtown redevelopment into a predominantly

residential area in West Baltimore. An article in *The Baltimore Sun* on the groundbreaking for the project highlighted the importance of crossing MLK:

[Governor] Ehrlich said, 'To have a project cross Martin Luther King; it was not just a road, but a line. Today, there was an official erasing of that line,' the Governor continued. 'The University of Maryland is an integral part of West Baltimore's development. I've seen the gradual deterioration of West Baltimore over a number of years, and now I am in a position to see this community excited,' Ehrlich said. But Dr. David J. Ramsay, UMB's president, was more direct. 'When I first arrived here, it seemed to me that Martin Luther King symbolically separated the community of West Baltimore from the rest of the City,' said Dr. Ramsay, who's headed the university since 1994. 'There is development of the west side, but it stopped at Martin Luther King. What we wanted to do was to bridge Martin Luther King, and this project serves this purpose,' he said. And Clarence Brown, Vice Chairman of the Village Center of Poppleton community group, was even more blunt. 'It was like an invisible wall,' Brown said of the boulevard, 'But in reality, Martin Luther King is nothing but a street. There's no wall there, and we proved that today. (Beamon, 2004, 1)

Because the UMB development was and a Planned Unit Development to occur on City land, both political and community review were required. For the research park development to occur in a timely manner, community support was necessary. According to Jane Shaab (2006), the UMB official focusing on community outreach for this project, the Village Center played a positive and vitally important role in facilitating the community outreach required for the project: "We walked into a community that had an organization in place to work with. We benefited from having a single point of contact to reach 31 Board members from various organizations in the community . . . Dr. Hall was our constant advisor. She taught us about the community and pushed back to defend the community's interests." Both the Village Center and Hall played an important supporting role in the development of the research park.

UMB's leadership (organized by Shaab), working the Village Center, attended over 180 community and public hearings on the development. It hosted a meeting with

the community to discuss the development every other Friday, a meeting that would regularly attract 14-15 attendees, mostly from the Village Center or its Board. The Village Center, PVCDC, and Hall worked with UMB to make sure that the development would benefit the Poppleton community. UMB agreed that \$.25 of the rent paid per square foot would go into a community benefits fund. The fund was not linked to the Village Center or the CDC, but was instead managed by the University and business leader dominated Research Park Corporation Board.

The Village Center and the CDC were eligible to apply for this funding and, in 2006, the first year of BioPark operations, PVCDC received a \$30,000 grant to run a community education program. Once the BioPark is developed and fully leased, this fund could generate more than \$300,000 annually. UMB, the Village Center, and the CDC also attempted to jointly develop a resident training program as part of the food service contract in the first building of the BioPark. Unfortunately, the scale of catering operations was too small to support this idea. Both the VCP and CDC worked to assist the development of the BioPark and were able to develop a community benefits fund, but neither received a formal commitment of funding in return.

The PVCDC did, however, receive a 1% interest in another development occurring in the community. The Baltimore Department of Housing and Community Development was implementing a \$100 million plan to redevelop a several-block portion of Poppleton. This plan would require the demolition of 500 homes, 130 of which are occupied, including several by Village Center Board members. This development, awarded to the La Cité developer, included a 1% interest in the development for the PVCDC. The community also negotiated that 20% the La Cité homes be affordable to

renters and homeowners who make 80% or less of the area's median income, and relocated residents would be given first consideration to move into the new, affordable units.

### **Poppleton Village Center Outcomes**

The Village Center of Poppleton achieved only modest programmatic success. As presented in Table 18, in the area of workforce development, it placed 563 people in jobs, about 8% percent of the community's 2000 population. The Village Center had the third highest number of Housing Venture Fund closings, but had less than half of the closings of Washington Village to the south, despite having a similar housing stock. The Village Center experienced a 46% reduction in crime, the second lowest, and was one of only two village centers in which crime decreased by less than the citywide average. In contrast, Washington Village, where crime prevention was a major programmatic emphasis, experienced a 62% decrease in crime.

**Table 18**  
**Village Center of Poppleton**  
**Selected Baltimore Empowerment Zone Programmatic Inputs and Outcomes**

<b>Item</b>	Poppleton Village Center	Empowerment Zone Total
<b><u>Workforce Development</u></b>		
Total Placements	563	4,725
<b><u>Economic Development</u></b>		
Loans Made	6	109
Loan Amounts	\$597,234	\$16,325,634
Project Costs	\$1,837,960	\$105,882,050
Jobs Created/Maintained	66	2,555
<b><u>Quality of Life</u></b>		
Home Ownership		
Housing Venture Fund Closings	140	813
Funds Allocated	\$541,792	\$3,432,636
Public Safety		
Safe Neighborhood Design (Year of Plan)	Sep-02	n.m.
Safe Neighborhood Design (Spending)	\$0	\$159,513
Safe Neighborhood Design (Spending AIR)	\$25,000	\$408,500
Block by Block	\$81,078	\$487,028
Block by Block (AIR)	\$143,141	\$612,303
Change in Crime Rate (1994-2003)	-46%	-56%
<b><u>Community Capacity Building</u></b>		
Village Center Application Approved	Feb-96	n.m.
Village Center Admin. Funding Agreement	Sep-97	n.m.
Village Center Administrative Funds	\$862,923	\$5,782,696
Current Status	Closed - 2004	n.m.
	Poppleton CDC still operating	

Source: EBMC

The most important success of the Village Center of Poppleton was its role in facilitating the UMB BioPark development. According to an article in *The Baltimore Sun* describing the impact of the Empowerment Zone, “Not everything is quantifiable. Doris Hall, a community leader in Poppleton, says relationships forged by the Empowerment Zone helped the community embrace the creation of a University of Maryland biotechnology park just west of Martin Luther King Boulevard. ‘Had we not had an Empowerment Zone, we never would have gotten past the politics of having them in the neighborhood,’ she said” (Siegel, 2004). UMB agrees with this assessment. EBMC played a leading role in the collaboration between UMB and VCP by requiring that the University work with the Village Center in order to access EZ funds and political support. UMB created a central role for VCP in communicating with and representing the community that both promoted development and protected the community’s interests.

As described above, it is difficult to isolate the impact of the Empowerment Zone on Poppleton using U.S. Census data. Prior to the Village Center’s founding, the Poppleton community was significantly affected by the demolition of the Lexington Terraces housing project in 1995. Lexington Terraces was a fifteen-acre, five building high-rise housing complex built in 1959 with 677 apartments. Run down, crime ridden, and only half occupied, it was demolished and replaced with 303 row houses (203 public housing units and 100 for sale units) and a cooperative with seniors’ apartments. The Lexington Terrace complex accounted for 18% of the total dwellings in the community; thus, its demolition impacted community conditions. As shown in Table 19, between 1990 and 2000, the Poppleton community lost 2,165 residents, nearly 25% of its population. During this same period of time, the percentage of residents living in poverty

fell, labor force participation increased, and unemployment declined slightly. Many of these improvements can likely be attributed to the relocation of 291 low-income families resulting from the demolition of Lexington Terrace. Inexplicably, household income fell.

**Table 19**  
**The Village Center of Poppleton**  
**Neighborhood Conditions and Changes**

Item	Village Center	Total EZ	Baltimore City
<u>Total Population</u>			
1990	8,849	71,503	736,014
2000	6,684	54,012	651,154
Change	-2,165	-17,491	-84,860
% Change	-24%	-24%	-12%
<u>Percentage of Owner Occupied Dwellings</u>			
1990	14%	25%	44%
2000	15%	26%	43%
Change	1%	1%	-1%
<u>Percentage of Dwellings that are Vacant</u>			
1990	18%	17%	9%
2000	20%	26%	14%
Change	2%	9%	5%
<u>Median Household Income</u>			
1990	\$15,704	\$18,499	\$32,316
2000	\$12,939	\$20,750	\$30,078
Change	-\$2,765	\$2,251	-\$2,238
% Change	-18%	12%	-7%
<u>Percentage of Residents Living Below the Poverty Level</u>			
1990	55%	41%	21%
2000	35%	34%	22%
Change	-20%	-7%	1%
<u>Resident Labor Force Participation</u>			
1990	32%	37%	47%
2000	34%	37%	44%
Change	3%	0%	-3%
<u>Unemployment Rate</u>			
1990	17%	15%	9%
2000	16%	17%	11%
Change	0%	1%	2%

Source: U.S. Bureau of the Census, EBMC

## **Poppleton Village Center Summary**

The Village Center of Poppleton essentially closed when the EBMC funding ran out. The Village Center board continues to meet and to work on the UMB BioPark and La Cité developments, but had no funding or programs. The PVCDC continues to operate and appears to have strong potential if it can be part of the planned La Cité development and continue its relationship with the UMB BioPark. According to Rachael Edds (2006), the Village Center recently reopened to work with the PVCDC through its recent award of community impact funding from the UMB BioPark. As a result, the impact of the Empowerment Zone on community capacity is mixed. The Village Center never emerged as a strong organization, but it facilitated the creation of the PVCDC, which performs many of the tasks of the Village Center in representing the needs of the community.

The failure of the Poppleton Village Center to achieve sustainability is an example of the difficulty of community capacity building. The failure of the Village Center while the PVCDC continues to operate and have a role in two major development projects points to the possibility that the Village Center may have been a success if it had been better led and organized. While PVCDC continues to represent the community, it is nonetheless operating without the responsibility of underwriting the operations of the Village Center programs, as is the case with both the East Harbor and Washington Village CDCs.

The experience of the Poppleton Village Center demonstrates the importance of leadership. Poppleton appears to have suffered from too strong of a leader. This leader alienated key potential partners who stayed away from the Village Center until they

needed it. Were it not for the development of the BioPark, which was based on the availability of vacant City-owned land and not a desire to move into the Poppleton community, the Village Center would have closed in 2004 and never reopened.

The failure of VCP can be attributed to the initial conflict over the start of the Village Center. Unlike both East Harbor and Washington Village where strong community leadership overcame initial conflicts to form strong community organizations, Poppleton's leaders were never able to re-engage the Hollins Market or Union Square communities or its institutional partners back into the Village Center or EZ process. These communities and UMD/UMMC did not work with the Village Center in any meaningful way until 2003. As a result, the Village Center Board lacked the support and experience of key institutional partners and failed to represent the whole community.

Poppleton is also an example of the problems caused by externally driven community change efforts. The EZ effort came from outside of the community, and the community never took ownership of the program or the opportunities it created. The leadership that emerged was interested in development, not program delivery. Thus, Poppleton never focused on the sustainability of the core EBMC programs, and these ceased when the funding ran out.

The Poppleton community was so intent on taking over the process from the "white" Hollins Market/Sowebo community and "outside" UMB/UMMC interests that it never focused on what it should do with the Village Center once the immediate battles were won. No local leaders emerged to focus on building a strong Village Center organization that bridged the racial divide to meet the needs of the entire community.

Unlike East Harbor, the Poppleton community was never able to re-engage the organizations it displaced to take charge of the Village Center, nor did it develop a strategic plan to better the community. East Harbor built a successful CDC and developed and implemented programs that continue with only minor EBMC support. Poppleton spent federal money and built a CDC that was run by the son of the key organizer. This organization represented the needs of the community, but did not continue the core programs of the Empowerment Zone. Poppleton can be viewed as a partial success for EBMC. The Village Center never functioned well and did not survive in any meaningful form, but the CDC survived and continues to represent and deliver services to the community.

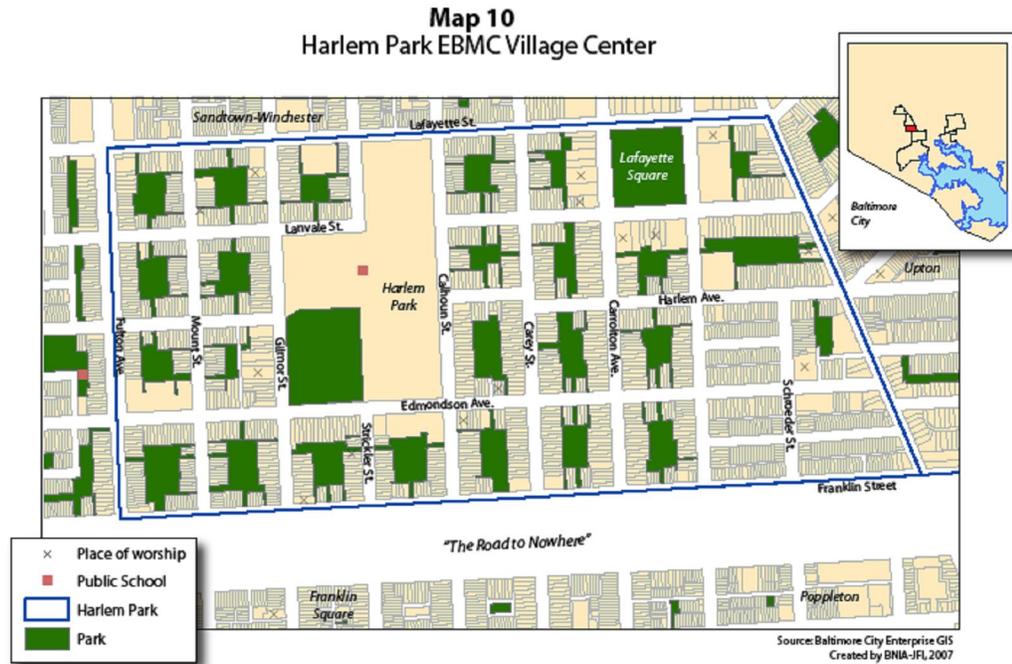
Poppleton provides the best example of the limitations of EBMC's hand-offs approach of letting the village centers function with a high degree of autonomy and only providing assistance when asked. An early and more forceful intervention by EBMC forcing the Village Center to include broader community representation or create stronger management structures may have formed a stronger Village Center. However, EBMC saw its role with Poppleton as grantor-grantee. It insured that the Village Center met its legal, accounting, and performance requirements, but stayed out of internal issues in this and other village centers, unless asked to provide assistance. It discovered and required that the Village Center remedy financial and managerial problems, but only advised Poppleton on how to form a stronger organization. The Poppleton experience demonstrates the complexity and difficulty of community capacity building efforts in balancing community independence with the central goals of the effort.

## **Harlem Park/Lafayette Square Village Center**

The Harlem Park and Lafayette Square community was a neighborhood of formerly beautiful, old row houses and community parks. It does not have an existing commercial area or a large institution located in the community. The Harlem Park/Lafayette Square Village Center (Harlem Park) was one of the last three village centers approved by EBMC in February 1996, and it was the second last to sign its first year's administrative funding agreement in August 1997. When it began operations, the Harlem Park Village Center was the Baltimore Empowerment Zone's smallest Village Center, serving an area with 6,415 residents in 1990, a number that was even smaller when the Village Center became operational in 1997. Harlem Park served one of the most distressed communities in the Zone, having the third lowest level of household income and third highest rate of poverty. Harlem Park's population fell 33% to 4,283 in the 2000 Census. The Harlem Park community had a history of failed redevelopment attempts, as it was one of the nation's first urban renewal communities in the 1950s.

A map showing the Harlem Park service area and key locations mentioned in this case study is included below as Map 10. The service area for Harlem Park was in many ways set by default. The Poppleton Village Center covered the area from "the road to nowhere," which formed a geographic barrier between Poppleton and Harlem Park to the south. The Harlem Park area had been planned by EBMC to link with the Sandtown area to the north. However, these communities had no history of or interest in working together and Sandtown became part of the Self Motivated Village Center. Harlem Park was the remaining area between Poppleton and Self-Motivated. The small population of

Harlem Park was less than the 7,000-person target established in EBMC’s Village Center Guidelines, but the EBMC Board nonetheless approved its formation.



### Harlem Park Village Center Formation

The application and the formation processes for the Harlem Park Village Center were long and contentious. Both the key informants interviewed and focus group participants reported having to overcome local conflict and competition over who would control the Village Center. In the 2004 Harlem Park focus group, participants reported that the award of the Empowerment Zone brought in “undesirable people” with “ulterior motives” and “external organizations that weren’t in the community but said they were affiliated with the community.” Furthermore, while the service area for the Harlem Park Village Center was small, it combined two neighborhoods, Harlem Park and Lafayette

Square, with little history of working together. According to a 2004 interview with Bill Wiley, one of EBMC's two community outreach specialists, Harlem Park and Lafayette Square viewed themselves as two distinct communities. The Village Center came to be dominated by representatives from the better-organized Harlem Park community, and, as Wiley stated, "I don't believe that there were very many people from Lafayette Square that bothered to come to the meetings."

In order to serve both the Harlem Park and Lafayette Square communities, the Village Center was formed as an independent entity despite the existence of two strong organizations already serving parts of the community:

- The Harlem Park Revitalization Corporation (HPRC), a housing and community developer located in the community but working Citywide. It started operations as St. Pious Housing Committee in 1995); and
- The Harlem Park Neighborhood Council (HPNC), a smaller nonprofit community organization and CDC that provided outreach and human services programs.

Both organizations played a role in the formation of the Village Center with the President of the HPNC, Robert Ford, serving as the first Chairman of the Village Center Board, and the President of the Board of Directors of HPRC, Carmena Watson, as an active participant in the Village Center formation process. Watson would later serve for several years as the Chair of the HPVC Board of Directors.

To complicate matters further, one of the trusted leaders of the community who had taken a leading role in the effort to form the Village Center, Jasmine Gunthorpe, the community organizer for HPRC, died unexpectedly. According to one Harlem Park focus group participant:

I remember that there was a lady who was chair of the Board at that time but she really embodied a lot of positive things about what all this process

would be. And she died out of the blue. And you know some of the vision and direction that she was providing was not available to us any longer.

According to an interview with Rachael Edds, a former city planner and EBMC staff member, Gunthorpe, an active and popular member of the HPNC and a staff member of HPRC, could have served as a strong leader and brought the various groups together. (Edds 2006).

Harlem Park applied for Village Center status in July 1995, and its application was approved in February 1996. During the period between the application and approval and again between approval and the first year's administrative funding agreement in August 1997, EBMC provided a high degree of technical assistance and support to Harlem Park in order to overcome ongoing conflict and disorganization in the community. According to Serena Neal, the other of the two EBMC community outreach specialists, the technical assistance, however, failed to get the Village Center staff and Board to cooperate: "We had more retreats with Harlem Park than any other organization in the Zone. The capacity building retreats, three to four days, they had no knowledge. It was just like a vacation to them" (Neal 2004).

### **Harlem Park Village Center Operations**

The HPVC was able to put aside community conflict to begin operations. It hired an Executive Director who worked with the State Department of Economic Development and grew up and lived in the Harlem Park community. The Village Center received 501(c)(3) status and developed a mission statement and goals. It completed its Land Use Plan in 2001 and, according to one focus group participant, the Land Use Plan "was the

only thing, in my opinion, that probably brought us together more than anything else” (Harlem Park Focus Group 2004).

The Village Center Board consisted of 27 community members and two governmental representatives (who could participate in discussions but not vote). The Harlem Park Village Center operated with the Chairman of the Board having a strong degree of control over operations. The Board rarely had the full 29 members called for in its by-laws in attendance and, according to a 2002 assessment of the Village Center, “The Board’s ability to operate appears to be impacted by this shortage of members. In several of the Board’s minutes, it states there is an ongoing problem with attendance and its ability to achieve a quorum” (Spraggins 2002, 40).

Not only was the Harlem Park Board unable to achieve a quorum at many of its meetings, it was unable to develop a strategic direction for the Village Center. According to the NOMAGIC assessment, “HP/LS-VC appears to have a fragmented vision at the Board level, resulting in no coherent leadership for the staff to follow. This has left the organization’s programs extremely limited in ability to adapt to the community’s changing needs and its resident clients growing requirements for new services” (2003b, 29). The Board included two political leaders, City Councilman Dr. Rev. Abayomi and Carmena Watson, the HPRC chair who was elected into the Maryland General Assembly. Unlike other village centers, notably HEBCAC, Harlem Park was not able to leverage these political connections to receive City or State support.

The failure of past redevelopment efforts in the community may have been a cause of the inability of the Harlem Park Board and community to get behind the EZ efforts. Not only did the 1950s urban renewal effort in the community fail to turn around

local slum conditions, a later redevelopment effort under Mayor Schaefer had failed to improve the community and, in fact, demolished community parks and buildings.

According to Watson (2004),

We were the first urban renewal area in the City, and so we were Schaefer's pet at that time. But then he deserted us after coming in and tearing our community up, taking all the inner park houses down, and making them parks. When they took them, they decided on parks . . . But what they didn't do, and I think some of the things that we still did not follow through on is, was being able to teach the people how to survive, how to make us be worthy of what you have, how to keep it, make it useful. They put out the parks but they [were not maintained by the City or the community].

The Village Center hired its Executive Director, Dr. Howard Hill, and most of the staff from within the community. It started with five staff members and ultimately grew to eight. It had very low employee turnover, and only one staff member left in its core years of operations. The stability and local ties of the Village Center staff were considered to be a key asset by the NOMAGIC (2003b) evaluation of the Harlem Park Village Center. These assets were also a source of pride to community members, with one Harlem Park focus group participant reporting, "What I can say and what makes me proud of this center is that the residents who actually lived here in Harlem Park ended up being employed by the center, gave the services. So that's one thing that made us really, in my opinion, outstanding from many other centers" (2004).

Despite this community pride, the experience of the Harlem Park also demonstrates the difficulties associated with employing local leadership and staff. Even though Harlem Park was small in size, the NOMAGIC assessment found that management was a challenge to its sustainability, "It appears that the most critical missing piece is someone to focus only on the internal management and project issues and to make sure all of the signature approaches, strategies, tactics, functions, programs,

projects, tasks activities, tools, technology, and labor are working in harmony” (2003b, 41). In such a small organization, this was clearly the job of the Executive Director.

A founder and past Chair of the Harlem Park Board, Watson criticized the Executive Director’s performance and reported that, since he was from the community, it was impossible to replace him:

We tried to use our community people but it was a disadvantage to us because we picked our Executive Director from the community thinking that we have somebody who was good. It took them like one to two years to realize with all his training and stuff; he didn’t have good management procedures. He could not manage and still doesn’t know how to manage. But, I found out, that became a handicap for the Board because by everybody on the Board knowing him, knows what his talents and capabilities are when, because of situations where it came time to really do what was necessary to be done, when he had to be removed, they didn’t want to do that. [They said] give him another chance. Give him another chance. (2004)

The Harlem Park Village Center emphasized community organizing and reported pride in building working relationships with the churches in the area. Harlem Park, along with Poppleton, was home to several large African American churches that continued to serve and increasingly suburban membership. These churches were some of the few institutions remaining in the community and offered important social service programs. The Village Center implemented numerous neighborhood clean ups and community meetings, and it distributed periodic newsletters. The Village Center, however, was not able to bridge the gaps between the two communities it served. The communities did not feel involved with the Village Center and distrusted some of the organizations, such as HPRC, that were closely tied to it. According to the NOMAGIC assessment, “The perception of HP/LS-VC and the collaborators is not always positive in the community . . . Some communities have the perception that they are ‘not an equal partner’ and ‘their voice is not heard’” (2003b, 34-35).

Wiley, the EBMC outreach specialist for the community reported that Harlem Park was not successful in collaborating with the various organizations existing in the community. EBMC provided technical assistance to the Village Center in order to improve management and governance, but the other EBMC outreach specialist, Neal, reported, “We did some great training with Harlem Park but they just didn’t get it. It wasn’t the kind of training that they needed. It built capacity; it brought them together; it gave them an opportunity to develop some priorities or strategies for the organization; but it didn’t teach them how to do it on their own” (2004).

The Harlem Park Village Center focused on the delivery of EBMC-funded services. It created the HP/LS-VC Career Center to implement EBMC-funded workforce development and social service programs. Through its community outreach efforts, it operated a substance abuse program that referred residents to programs. In the area of public safety, the Village Center hosted the City’s HOTSPOT anti-crime program and Citizens on Patrol (COP) program. Harlem Park did not begin to implement EBMC’s core Block-by-Block or Neighborhood Design Initiative until 2003. It also referred residents to EBMC’s exterior repair and Housing Venture Fund as well as housing and substance abuse programs offered by HPRC.

The Harlem Park Village Center narrowly focused on implementing EBMC’s core workforce development program. It regularly exceeded its goals for career service intakes and placements, and the individuals placed in employment consistently had higher earnings gains and job retention rates than other EZ residents. While the Village Center achieved success in workforce development programs, it failed to engage the community and develop and implement a strategic plan for community change. It did not

implement some core EBMC public safety programs in any meaningful way. More importantly, the Village Center did not plan for sustainability of its operations and was nearly entirely dependent upon EBMC for both operational and programmatic funding over its entire operational period.

Harlem Park was weakly led at the staff and Board levels and never formed a strong organization. According to EBMC's Neal:

I think that, unfortunately for this particular effort, those leaders in Harlem Park were too territorial in the sense that they were not willing to partner, they did not want to share, they did not want to cross over the boundary lines [internal and external], those lines that were unfortunately created as a part of this initiative. They did not want to cross over. They did not want anybody in their space. That led them to where they are today. (2004)

At the end of Harlem Park's EBMC-funded operating period, the NOMAGIC assessment of its sustainability options reported that there was an immediate need for short-term intervention in the Village Center's operations. It was nearly entirely dependent on EBMC funding, had done little to plan for new funding, and had "strained infrastructure," "staff experiencing stress," and "frustrated Board members" (2003b, 6). NOMAGIC determined that the best route for the sustainability of Empowerment Zone activities in the Harlem Park area would be to form a strategic relationship between the Village Center and a stronger organization:

The future of HP/LS-VC lies in their ability to build a strategic partnership with a complementary partner to maximize resources, reduce costs, and share a common vision and agenda that enables them to continue their mission of serving the needs of this vital community. A partnership with HPRC would enable HP/LS-VC to increase its administrative efficiency and provide further programmatic services for its growing client needs through combined strengths, capabilities, vision and mission. (2003b, 32)

Unfortunately, the Harlem Park Village Center did not make it past its last year of EBMC-funded operations. In the last few months of EBMC funding, the Village

Center's Executive Director was accused of receiving \$20,000 in undocumented payments, and the Chair was alleged to have received \$7,000 in undocumented payments (Baltimore Sun Writer 2004). These funding discrepancies are currently being investigated by the Department of Health and Human Services, the EZ funding agent. After the discovery of this discrepancy, EBMC ceased all administrative funding to the Village Center, which was closed. EBMC is now providing some support to HPRC to expand its community outreach capabilities.

### **Harlem Park Village Center Outcomes**

The Harlem Park Village Center achieved relatively modest formal outcomes from EBMC's core programs. It focused its efforts on workforce development programs where it achieved relatively strong results. As shown in Table 20, Harlem Park accounted for 8% of the Empowerment Zone's population but more than 10% of total Zone workforce development placements. Harlem Park's resident job placements also had higher earnings gains and job retention rates than other Zone resident placements. While 494 job placements may seem small, it represents more than 12% of the total population of the community in the year 2000. On the other hand, the Village Center had very low referrals into the Housing Venture Fund and little or no participation in EBMC's public safety programs. It participated in the City's HOTSPOTS and COPS programs, and it experienced the largest reduction in crime with reported crime. Crime fell by 76%, compared to 56% in the Zone and 38% citywide; however, the decline in population appears to be the largest contributor to this reduction in crime since the Village Center was not active in EBMC or other major anti-crime programs.

**Table 20**  
**Harlem Park Village Center**  
**Selected Baltimore Empowerment Zone Programmatic Inputs and Outcomes**

<b>Item</b>	Harlem Park Village Center	Empowerment Zone Total
<b><u>Workforce Development</u></b>		
Total Placements	494	4,725
<b><u>Economic Development</u></b>		
Loans Made	2	109
Loan Amounts	\$258,328	\$16,325,634
Project Costs	\$850,908	\$105,882,050
Jobs Created/Maintained	8	2,555
<b><u>Quality of Life</u></b>		
Home Ownership		
Housing Venture Fund Closings	31	813
Funds Allocated	\$128,236	\$3,432,636
Public Safety		
Safe Neighborhood Design (Year of Plan)	Sep-02	n.m.
Safe Neighborhood Design (Spending)	\$0	\$159,513
Block by Block	\$26,500	\$487,028
Change in Crime Rate (1994-2003)	-71%	-56%
<b><u>Community Capacity Building</u></b>		
Village Center Application Approved	Sep-95	n.m.
Village Center Admin. Funding Agreement	Aug-97	n.m.
Village Center Administrative Funds	\$839,923	\$5,782,696
Current Status	Closed - 2004	n.m.

Source: EBMC

As presented in Table 21, Harlem Park's population declined by 33%, the share of owner-occupied dwellings declined and housing vacancy increased by 17%, the largest increase in any Village Center. The community's poverty rate fell, but so did labor force

participation and unemployment increased. In short, the Empowerment Zone did very little to halt the decline occurring in this community and the Village Center failed to engage the community members in efforts to improve their community.

**Table 21**  
**Harlem Park Lafayette Square Village Center**  
**Neighborhood Conditions and Changes**

Item	Village Center	Total EZ	Baltimore City
<u>Total Population</u>			
1990	6,415	71,503	736,014
2000	4,283	54,012	651,154
Change	-2,133	-17,491	-84,860
% Change	-33%	-24%	-12%
<u>Percentage of Owner Occupied Dwellings</u>			
1990	13%	25%	44%
2000	11%	26%	43%
Change	-2%	1%	-1%
<u>Percentage of Dwellings that are Vacant</u>			
1990	23%	17%	9%
2000	40%	26%	14%
Change	17%	9%	5%
<u>Median Household Income</u>			
1990	\$16,088	\$18,499	\$32,316
2000	\$19,375	\$20,750	\$30,078
Change	\$3,287	\$2,251	-\$2,238
% Change	20%	12%	-7%
<u>Percentage of Residents Living Below the Poverty Level</u>			
1990	42%	41%	21%
2000	37%	34%	22%
Change	-4%	-7%	1%
<u>Resident Labor Force Participation</u>			
1990	38%	37%	47%
2000	33%	37%	44%
Change	-4%	0%	-3%
<u>Unemployment Rate</u>			
1990	14%	15%	9%
2000	17%	17%	11%
Change	4%	1%	2%

Source: U.S. Bureau of the Census, EBMC

## **Harlem Park Village Center Summary**

Harlem Park is an example of what happens when a community organization focuses on meeting the goals of an external funding organization instead of identifying and meeting the needs of the community it serves. This is a significant potential pitfall of externally driven interventions, such as CCIs. The failure of Harlem Park can at least partially be blamed on EBMC's own hands-off policy of letting the Village Centers function independently and intervening only when asked. It was clear throughout its operations that Harlem Park had not been able to engage the community in its operations, even while successfully implementing programs. The Village Center also suffered from a lack of Board and staff leadership. In the end, after failing to achieve sustainability as an organization, the Village Center fell prey to malfeasance as its Executive Director and Board Chair (allegedly) sought to profit from any resources remaining as the Village Center was winding down operations.

The failure of Harlem Park is related to the history of past redevelopment efforts in the community, the small size of the community to be served, and EBMC's own failure to build on the resources existing in the community. Harlem Park was one of the first areas targeted for urban renewal and was the focus for some redevelopment activities in the Schaefer years. These efforts not only failed to promote any real redevelopment, but often made matters worse by destroying buildings or parks. As a result, it was difficult to overcome resident cynicism. Harlem Park was too small to be able build a critical mass of services, and lacked institutions involved in the community and a viable economic base to be a target for development. Furthermore, the creation of a new organization in a small community already served by several existing organizations

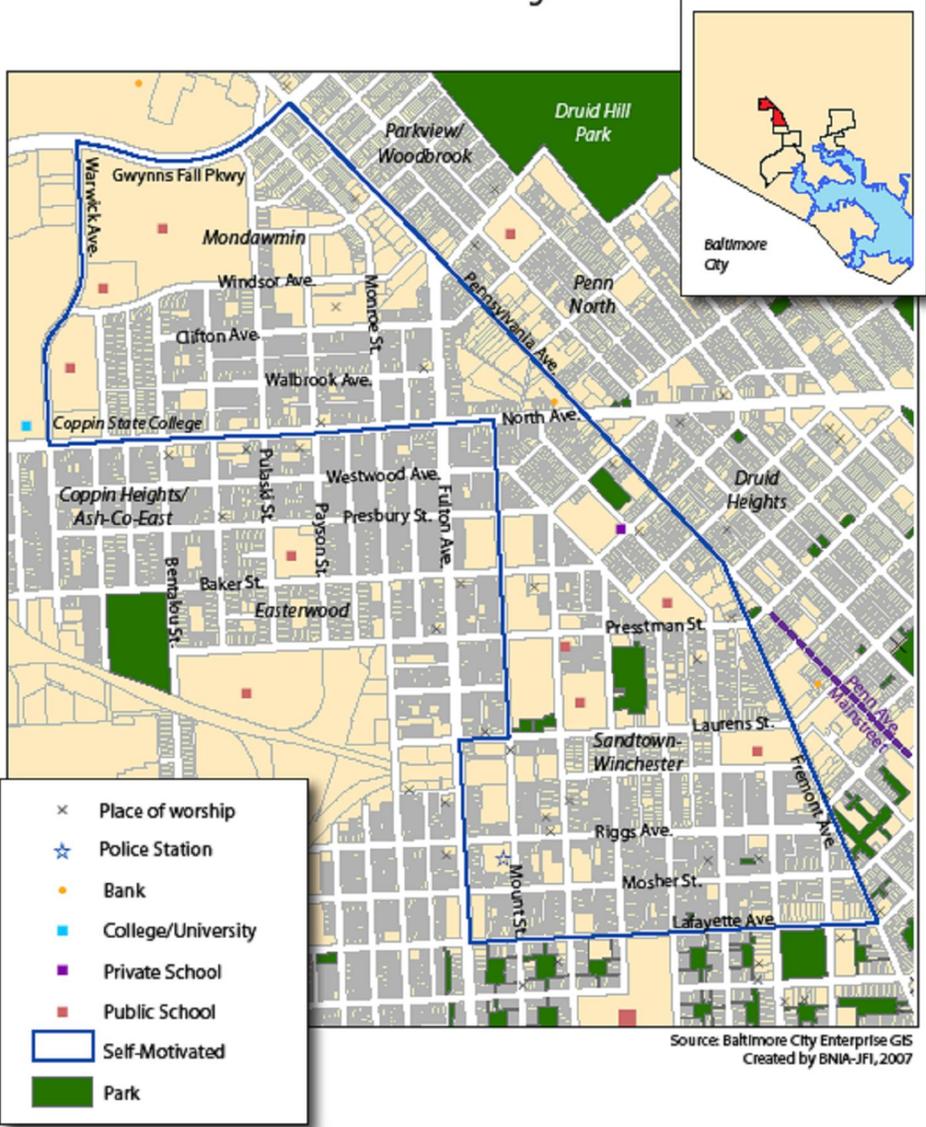
overshadowed the opportunity to strengthen existing organizations, leading to the diffusion of community efforts. EBMC recognized this weakness and is currently working to assist and strengthen the HPRC.

## **The Self-Motivated Community People's Village Center**

The Self-Motivated Community People's Village Center (Self-Motivated) was one of the first three village centers approved in September 1995 and the fourth Village Center to begin operations. Self-Motivated served a large, economically-depressed area encompassing the entire northern part of the western portion of the Baltimore Empowerment Zone. According to a 2004 interview with Serena Neal, this portion of the Empowerment Zone was specifically designed in the EZ application to include both an existing CCI, the Enterprise Foundation's Sandtown-Winchester effort, and the legislative district of a powerful Maryland General Assembly Delegate and Chairman of the Appropriations Committee, Howard "Pete" Rawlings.

The Self-Motivated Village Center service area combined the entire Sandtown area with portions of the existing Penn North, Coppin Heights, and Southern Mondawmin neighborhoods to the north. These communities were served by a number of existing organizations, each targeting a specific neighborhood, and had no history of working together. There existed a feeling of division among the communities to the north of North Avenue that were somewhat less distressed, and the very distressed communities to the south. The boundaries also included Coppin State College, a historically black college, which served as an institutional partner. The college, however, never played a major role in the activities of Self-Motivated. A map showing the Self Motivated service area and key locations mentioned in this case study is included below as Map 11.

**Map 11**  
**Self-Motivated EBMC Village Center**



The Self-Motivated Village Center included portions of the target area for one of the first CCIs in the nation, the Enterprise Foundation’s Sandtown-Winchester effort. As described in the HEBCAC case study, the Sandtown-Winchester community was selected

for noted national developer, Jim Rouse's, Enterprise Foundation-funded community transformation effort because it was in the center of Mayor Schموke's West Baltimore political base. Rouse, the developer of Columbia, Maryland and numerous projects across the country, became convinced that the solutions to poverty needed to be as broad as its causes, so he sought an arena to demonstrate what could be achieved through a comprehensive approach to community renewal.

The Sandtown-Winchester Neighborhood Transformation Initiative began with a seven-month visioning process involving 600 residents, followed by a year-long design phase in which residents worked with staff from the Enterprise Foundation and the City on four areas of program design: community building, physical and economic development, health and human services, and education. This effort produced a comprehensive plan for community revitalization that became known as the "puzzle book" because the picture on the cover of the plan showed the various components of community change as puzzle pieces fitting together.

The Sandtown-Winchester effort established six new organizations to promote comprehensive community change:

1. The Community Building in Partnership organization was formed in 1993, as an independent, nonprofit organization responsible for ensuring the most effective implementation of all the renewal work through coordination and monitoring. Both the Board and the staff, which numbered 53 at its peak, were mainly Sandtown-Winchester residents;
2. The Neighborhood Transformation Center, formed in 1993, which was part of the Enterprise Foundation. This effort concentrated on fundraising and program coordination, and it brought in consultants to advise on program design;
3. The Neighborhood Development Center, formed in 1993, which was an independent nonprofit organization that coordinated housing and commercial development and acted as a developer. One of its projects was the renovation of the neighborhood's market;
4. The Vision for Health, formed in 1994, which was a community-based partnership set up to improve health in the neighborhood by bringing the health

authority and healthcare providers together with the neighborhood's regeneration bodies to establish unified goals and strategies. It set up clinics in all three elementary schools and immunized every child in the neighborhood;

5. The Compact Schools program, started in 1994, which was a partnership among the neighborhood's three elementary schools, the local education authority, and the Enterprise Foundation. Its purpose was to improve educational attainment, and it introduced innovative teaching methods that had some success in helping achieve this goal; and
6. The Sandtown Readiness program of 1996, which was a job program that provided employment advice, life skills and job readiness training, and job placements for young people and adults in the neighborhood. (Renewal.net ND).

The Sandtown-Winchester CCI was a widely cited example of a successful CCI in most books and many articles on community capacity-building reviewed for this dissertation. The effort, however, is viewed with far more skepticism in Baltimore, especially in the Sandtown-Winchester community itself. An investigative journalist wrote a critique of the effort entitled *Left Behind in Sandtown* (Yeoman 1998). He concludes that the Enterprise Foundation set out to repair a broken neighborhood, but all it fixed was the houses. Nearly ten years after this article and almost twenty years after the effort officially started, this assessment remains largely true. The Baltimore Sun reports that Enterprise Community Partners has invested millions of dollars in a fifteen year effort to build and rebuild more than 600 homes – but “even after more than 15 years of focused effort, crime and decay have not been beaten back for good (Hopkins 2006, 1D).” Despite investing millions of dollars, building hundreds of houses, and developing new community institutions, the Sandtown-Winchester effort essentially failed to turn around the community, which continues to be plagued with crime, poverty, vacant housing, and other social problems.

## **Self Motivated Village Center Formation**

The efforts to establish the Self-Motivated Village Center were shaped by the Sandtown community's experience with the Sandtown-Winchester CCI.<sup>14</sup> The Community Building in Partnership (CBP) organization, a joint effort between the City and the Enterprise Foundation to oversee and attract funding to support the Sandtown-Winchester effort, was the local management entity for the CCI. CBP had an 11-member<sup>15</sup> governance Board with neighborhood representatives occupying six seats, local government representatives occupying four seats, and one seat reserved for the Enterprise Foundation. Diane Bell, the president of EBMC, was the City's designated contact with CBP. CBP was officially recognized as a key asset in the City's EZ application and the initial plan was for it to serve as the Village Center for this area. Indeed the Enterprise Foundation's leader for the CBP effort, Pat Costigan, submitted a letter to EBMC in 1995 highlighting how CBP fit the proposed structure of village centers established in the EBMC guidelines (Costigan 1995).

The concept of forming Self-Motivated as part of CBP was broadly opposed, especially in Sandtown. In a summary of a community meeting over the formation of the Village Center provided to EBMC, the meeting facilitator reported,

Many Sandtown-Winchester residents have heard rumors about the City already designating CBP as the tax-exempt organization for any Village Center established in this area. This has caused great concern in the Sandtown community. Residents don't like the 'done deal' feeling of this, resent CBP and the City for imposing this decision or impression on Sandtown residents, and feel that it is useless to participate if the City has already made this decision. (Wallace 1994 1)

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<sup>14</sup> The Sandtown-Winchester CCI served the Sandtown and Winchester communities in West Baltimore, but only the Sandtown area was included in the Zone.

<sup>15</sup> There are numerous case studies of CBP in the literature and none are consistent on the number of people on the Board, which has ranged in size from 53 to 11 members.

There was a broad-based feeling in the Sandtown community that the Enterprise Fund's efforts were done *to* the community, not *with* the community. Enterprise created several new organizations to implement its community change efforts. Unfortunately, it created these new organizations independently of the several organizations already serving the community. This alienated existing community leaders. In addition, the institutions created to implement the Foundation's community change efforts, despite having both Board and general membership from the community, were seen as controlled by "outside" interests: the City, the Enterprise Foundation, and the Rouse Company. According to one Self-Motivated key informant (2004), "That might have been one of the problems, that they [Enterprise] did not work more cooperatively with the entities that were in the community and tried to run it on their own. That is probably one of their downfalls." In fact, the name chosen for the Village Center, Self-Motivated, is a direct response by the community to the Enterprise Foundation's efforts. The community wanted to control the EZ funds itself and would be "self-motivated" to achieve the changes it wanted for itself.

Despite having raised and spent millions of dollars on building and renovating over 1,000 homes, improving education, promoting community public health, and training and placing over 400 residents in jobs, the Sandtown-Winchester effort failed to stem the continued decline of the community. According to one Self-Motivated informant,

The Enterprise Foundation was in this community since 1990, and they have not transformed this community, but they have taken over \$70 million from all kinds of agencies from this community, and the only thing they dealt with was houses. They did nothing for sustainability in the community so you've got houses but you don't have no economic development to sustain the community so the community will remain

poor. They will never get the chance to sustain themselves because they have don't have stores, they don't have nothing to come in the community to sustain themselves. (2004)

Another informant reported,

What happened was that 10-12 years ago, they did have a lot of meetings, and the community residents came out, and we all committed to build these community groups. And that's when the community revitalization started, and what happened when the year was up, in the puzzle book all the different groups put out recommendations but I guess none of them were implemented. That's why people were pissed. They wasted a year of lives and time, and the puzzle book was created, but then Enterprise that came in and said that 'we're going to do what we want to do.' (2004)

Leonard Jackson, a Sandtown community resident, activist, and the Deputy Director of CBP, coordinated the community's efforts to form the Village Center. Jackson was a well-liked man with ties to the community and, through his CDP affiliation, to City government. He, along with other Sandtown residents such as Abner Robinson and General Seitu Muhammad, viewed the Community Building in Partnership/Sandtown-Winchester CCI as externally driven and a failure. They wanted to lead the new EZ effort in a more community-controlled fashion.

The existing Sandtown community organizations that felt shut out of the CBP implementation supported these men. The existing community organizations in Penn North, Coppin Heights, and Mondawmin, each of which served a portion of Self-Motivated's service area and saw the potential to get a portion of the EZ funding for their own organizations also threw their support to these men. According to one key informant, Jackson saw the Empowerment Zone as an opportunity to use EZ funds to create a West Side political organization like the EDO in East Baltimore (Anonymous 2005). Jackson coordinated the application process and became the first Executive Director of Self-Motivated.

Self-Motivated created an overly complex Board structure that ultimately contributed to its failure. The Village Center created a 44-member Board to oversee its operations. Thirty-one members were representatives of designated organizations, each entitled to a seat as long as the organization and Village Center were operational. Twenty of these designated organizations were community organizations from the Mondawmin (five members), Penn-North (two members) and Sandtown (thirteen members) communities. The other Board members included a youth representative, four organizational representatives (Healthy Start, a community center, a medical center and the police department), five educational institution representatives, and a member designated by the City government. The other thirteen Board members were popularly elected. Seven of the elected members were residents (four from Sandtown, two from Mondawmin, and one from Penn North) selected through community elections. The remaining six were three business and three religious organization representatives, one from each of the three communities, and they were selected by local businesses and religious organizations. Such a large Board was unwieldy and difficult to manage. Furthermore, a clear majority of the Self-Motivated Board members were designated from the community organizations already serving the community, and these organizations viewed the EZ as a means of enriching their own organizations. Unlike Washington Village, Self-Motivated lacked local institutions interested in the community and engaged in assisting to resolve community conflicts.

### **Self Motivated Village Center Operations**

The Self-Motivated Village Center was the fourth Village Center to begin operations, and it signed its first year's administrative funding agreement in May 1996.

While Self-Motivated was able to apply for Village Center status and begin operations more rapidly than several of the other village centers, it was never able to overcome the turmoil involving its Executive Director. Soon after its creation, the Village Center experienced the first of two financial problems that ultimately led to Jackson's resignation. In the first few months of operations, Jackson was accused of forging the Village Center Chairman's name on a \$6,500 check. The Self-Motivated Board that Jackson helped organize approved a salary of \$70,000 for the Executive Director, a considerable raise over the \$55,000 he was making at CBP. This higher pay was not approved by EBMC and, as a result, the Executive Director was not paid for several months. (Siegel 1996 a and b).

Jackson was reinstated as Executive Director after EBMC and the Village Center Board began to review the debacle. According to an article in *The Baltimore Sun* (Siegel, 1996c), "Roland Sturm, Jackson's attorney, said his client denied the forgery charge. Sturm acknowledged that Jackson did not follow 'good practice' by depositing a \$6,500 Village Center check directly into his personal account, but said he was owed the money." The article went on to discuss the partial resolution of the situation:

'At Monday night's meeting, the Village Center Board did not resolve the allegation of forgery,' Studivant [Village Center spokesman] said. 'But the Board was swayed by Jackson's statement that he was owed money by the Village Center and that he had made a 'good-faith' effort to follow the proper procedures to get paid,' Studivant said. Studivant said Jackson would be paid retroactively from yesterday once his pay was determined, but said that a decision had not been made on whether to pay him from his July 3 suspension until yesterday (Siegel 1996c).

In 1997, a second payroll discrepancy was discovered leading to a second suspension of Self-Motivated's funding by EBMC and ultimately the resignation of

Jackson as Executive Director. According to an article in *The Baltimore Sun* (Daemmrich, 1997),

Money has been cut off to a West Baltimore Village Center that is part of the multi-million dollar empowerment zone—and its director has resigned—after an audit turned up a \$1,974 payroll discrepancy. The turmoil marks the second time in 14 months that financial questions have engulfed the Self-Motivated Community People's Village Center.

Self-Motivated never overcame the loss of Jackson. He brought together the various community organizations that led the Village Center. After his resignation, no clear leader emerged, and the Village Center became mired in internal conflicts. Three co-chairs, Ronald Anderson, Abner Robinson, and General Seitu Mohammed, led community organizations and jointly managed Self-Motivated's Board for several years.

The Village Center had two Executive Directors after Jackson, but neither was able to build a functioning organization, let alone a strong one. Immediately after the resignation of Jackson, an interim Director oversaw operations while a search was conducted for a new Director. In 1998, Self-Motivated hired Avon Bellamy, a community organizer and Director of the Men's Center at HEBCAC. Then-Board Chair, David Chestnut, hired Bellamy but, before he started, General Seitu Mohammed replaced Chestnut as Board chair. According to Bellamy,

They had to vote and he [Chestnut] didn't become the chair. So now I'm dealing with General Seitu Mohammed and I'm not dealing with Mr. Chestnut. And it started right off the bat. The first thing they tried to do was get me to accept a lower salary than I was initially offered . . . I don't have the job yet and I'm already in an adversarial position with someone who's trying to power play me in this situation. (2004)

Bellamy resigned in 2000 after (unproved) allegations that he provided EBMC workforce development services to non-residents of the community and then ordered that records be

falsified (SMCPVC 2000). Self-Motivated's administrative funding was suspended soon thereafter in September of 2000. According to a *Baltimore City Paper* summary,

The reason is 'a lack of obtained outcomes' in the management of that Empowerment Zone's job placement programs, says Diane Bell, EBMC's Chief Executive Officer. 'We'll be looking at their Board to determine what the barriers are to achieving their goals,' Bell says. EBMC had earmarked the money for administration of a career center, but its Board voted to withdraw the funding until the Village Center improves low job placement numbers. (Bell wouldn't quantify the center's performance except to say that it hadn't met specific goals.) David Chestnut, chairperson of the Self-Motivated People's Center's Board of Directors, says the center itself instigated the EBMC action because its Board lacked cohesiveness. 'Has there been infighting? Yes, there has been infighting,' Chestnut says. 'There's been a clear lack of accountability regarding our leadership. We've requested technical help from EBMC. (Anft, 2000, 2)

The Self-Motivated Village Center lacked strong staff and Board leadership.

After the resignation of Jackson, the Board degenerated into conflict among community groups and leaders over the control of the program and budget. Overcoming this conflict among organizations, each of which was guaranteed seat at the Board, was identified as one of the major challenges facing the Village Center in a 1998 EBMC-sponsored assessment. This assessment found that, "Another concern raised by all of the individuals interviewed related to turf issues and how the VC's agenda could be integrated into a community that is already heavily serviced by a number of veteran organizations" (White and Associates 1998, np). One Self-Motivated Board member (un-named) reported, "The VC should act as convener, mediator, and coordinator, but should not be involved in providing direct services" (White and Associates 1998, np). This is contrary to the stated role of the village centers as program delivery organizations in both the EZ application and the EBMC Village Center Guidelines. Self-Motivated was unable to fully resolve the "turf" issues over control and delivery of services among the various community organizations.

The various community organizations and their leaders continued to argue over control of the money and the programs throughout the entire operation of Self-Motivated. According to a key informant, “They thought that this money is theirs, and everybody wanted a large share of the money, but with a competent Board and a competent staff, you could have gotten through that. That was nothing” (2004). Another informant reported,

In these meetings, everybody had their own agendas, and I’m going to get my piece of the pie—I don’t care what. So then the other pieces, people would come to the EZ meetings and talk about, ‘I’m going to open a day care and I want the EZ to give me a \$1000.’ ‘I’m going to open a restaurant and I want . . .’ But wait; this is not what it is about. ‘Well, Mr. Jackson or Mr. Whatever told me I can come do this.’ People . . . got the wrong impression of EZ, that they can just get the money, a quick fast way of getting a couple of dollars (2004)

One key informant went on to describe how the leader from one of the communities left the Village Center when it became clear that his organization would not be able to receive money directly from the Empowerment Zone effort: “They still started bickering. Mr. X at Mondawmin got mad because he thought that we can get all this money, but you only got a small section of Mondawmin and the money can only go to that. So he quit, resigned, got angry” (2004).

The Village Center Board never functioned well. After the departure of Jackson, the other Board members who had been involved in the Village Center formation tried to take control of the organization. According to another key informant, this group of several members of the Board sought to micromanage Self-Motivated’s operations and reported, “These three guys were acting as co-chairs. And I brought up to them, ‘Where are your plans? Mission statement?’ All this good stuff. The reaction I got . . . was that—‘Who are you and why are you talking about this?’ So they wanted to control

everything.” The informant continued, “[Board Member Name] wanted to micromanage the staff—that was another issue. He came to that Village Center everyday as if it was his office. That was not his job; he was a Board member” (2004)

Despite the attempts by these leaders to assert control over Self-Motivated and its Board, the Board could not get past the conflict to function competently. An informant observed, “So I went to a few meetings, and it was like so much petty community politics and fractionalization of the Board, the leadership—it was just a mess” (2004). The Board meetings would last for hours and accomplished very little. Another informant noted, “They would rehash, over hash. They don’t get anything accomplished” (2004).

As a result of the ongoing conflicts and poor management of the Board, many members resigned. According to a key informant, “What I found is that people in the Board who could have done the most good, got frustrated with the b.s. so they just left” (2004). Another reported, “People got burnt out and people stopped coming. I think we did have people that were really legitimately concerned and would have done a great job, but they got tired sitting at the meetings for hours. So people got bored and got off it” (2004).

After Self-Motivated’s suspension of operations in 2000, EBMC provided technical assistance in order to attempt to salvage it. A preliminary assessment of the Village Center by UMB’s School of Social Work that had been working with the Village Center found many problems including confusion over roles and responsibilities; conflict over power and resources that “may be the result of individuals viewing the empowerment program as a means of securing power and resources;” and the lack of a

strategic plan (Field 2000, 2). The consultant who provided Board development assistance reported,

It appears the Village Center does not have the ability to build the required capacity to meet its performance goals. The current realities of SMPCVC's internal conflict; lack of leadership and structure; lack of contract compliance; and lack of planning required to establish priorities, structure and governance systems, and management and staffing needed to position the organization to operate and produce the required outcome within the required timeframe and create sustainability after the EBMC funding is in great jeopardy. (Link 2000, 1)

EBMC hired a firm to conduct a formal assessment of Self-Motivated Village Center, and it found two core problems:

1. The geographic boundaries for the Village Center combined three communities with little history of working together, and each community "believed they would get a share of the funding and be allowed to go and do their own thing."
2. The creation of designated Board seats created a significant structural barrier for the organization. Many of the organizations represented lacked accountability to their own constituents and had no stake in or accountability regarding the success of the Village Center. (Community Development Associates 2001, 4)

The assessment concluded:

SMCPVC leadership (Board and staff) has not been adequate to meet the needs of an organization requiring experienced, trustworthy, unselfish leadership possessing the wisdom and skills required to build bridges between divided stakeholders. The leadership deficiencies have persisted throughout the life of the organization and cannot be attributed to any one individual or organization. No Board Chair was able to garner enough support and confidence from a large enough proportion of Board members to develop a cohesive decision-making body. On the contrary, Village Center Board Chairs seemed to either have contributed to deepening Board divisions among members or have been unable to build common ground among members. (Community Development Associates 2001, 6)

As a result of these negative assessments and the ongoing inability of the community to come together, even with outside technical assistance, EBMC did not renew administrative funding for Self-Motivated.

The decision to form Self-Motivated as a separate entity, despite the existence of a capable organization, may have been the primary cause of the problems. According to one key informant (2004), “I think Community Building in Partnership could have been, it would have been, a safe fiscal agent for the Village Center. I think it would have handled the administrative functions properly. I think an independent Board could have directed their activity and expenditure.” In the end, the operations of the Village Center were terminated in 2000, and the community could never get organized to restart it.

According to Bill Wiley (2004),

They never asked us for [further] technical assistance [TA]. They never called another meeting in order to discuss whether they would ever want TA. They had one more meeting, and Diane [Bell] and I went and explained to them what we’re going to do and what was on the table. But the request never came. Our Board chair even allowed David [Chestnut] to stay on our Board to represent their community.

The core EBMC workforce development program continued to be implemented in the community by Goodwill Industries. EBMC worked with members of the community on coordinating a community fair and public safety planning, but every time money or programs became available, the community organizations would start to fight, and EBMC would again step back.

### **Self Motivated Village Center Outcomes**

Despite the organizational problems experienced by the Village Center, as shown in Table 22, the Empowerment Zone achieved programmatic results in the Self-Motivated community. Goodwill Industries operated the EBMC workforce development program and placed 749 persons in jobs. Other community organizations, including CBP, advertised for other EZ programs like the Housing Venture Fund, and the Village Center area had the second highest number of home closings. Despite the lack of a

programmatic emphasis and late implementation of EBMC crime programs, overall crime in Self-Motivated fell more rapidly than in the City, but by less than the overall average for the Empowerment Zone as a whole. As a result of a lack of local marketing combined with a small business base, the level of business use of economic development incentives was low, but a large-scale project was funded.

It is difficult to isolate the impact of the Empowerment Zone on the Self-Motivated community using Census data, especially since the EZ overlapped with the much larger Sandtown-Winchester CCI that spent millions on housing demolition and development as well as operating employment and public health programs. As shown in Table 23, between 1990 and 2000, the Self-Motivated community lost 2,439 residents, 20% of its population. The percentage of owner-occupied dwellings increased, but this was a major emphasis of the Enterprise program, and the region also had a large Habitat for Humanity program. Average income increased and poverty fell, but this may be related to the Enterprise-funded housing programs.

**Table 22**  
**Self-Motivated Peoples Community Village Center**  
**Selected Baltimore Empowerment Zone Programmatic Inputs and Outcomes**

<b>Item</b>	SMPCVC Village Center	Empowerment Zone Total
<b><u>Workforce Development</u></b>		
Total Placements	749	4,725
<b><u>Economic Development</u></b>		
Loans Made	4	109
Loan Amounts	\$426,836	\$16,325,634
Project Costs	\$942,500	\$105,882,050
Jobs Created/Maintained	403	2,555
<b><u>Quality of Life</u></b>		
Home Ownership		
Housing Venture Fund Closings	142	813
Funds Allocated	\$613,899	\$3,432,636
Public Safety		
Safe Neighborhood Design (Year of Plan)	Sep-02	n.m.
Safe Neighborhood Design (Spending AIR)	\$83,000	\$408,500
Block by Block (AIR)	\$80,981	\$612,303
Change in Crime Rate (1994-2003)	-53%	-56%
<b><u>Community Capacity Building</u></b>		
Village Center Application Approved	Sep-95	n.m.
Village Center Admin. Funding Agreement	May-96	n.m.
Village Center Administrative Funds	\$649,300	\$5,782,696
Current Status	Closed - 2001	n.m.

Source: EBMC

**Table 23**  
**The Self-Motivated People's Community Village Center**  
**Neighborhood Conditions and Changes**

Item	Village Center	Total EZ	Baltimore City
<u>Total Population</u>			
1990	12,070	71,503	736,014
2000	9,630	54,012	651,154
Change	-2,439	-17,491	-84,860
% Change	-20%	-24%	-12%
<u>Percentage of Owner Occupied Dwellings</u>			
1990	22%	25%	44%
2000	32%	26%	43%
Change	10%	1%	-1%
<u>Percentage of Dwellings that are Vacant</u>			
1990	18%	17%	9%
2000	22%	26%	14%
Change	3%	9%	5%
<u>Median Household Income</u>			
1990	\$14,784	\$18,499	\$32,316
2000	\$23,606	\$20,750	\$30,078
Change	\$8,822	\$2,251	-\$2,238
% Change	60%	12%	-7%
<u>Percentage of Residents Living Below the Poverty Level</u>			
1990	45%	41%	21%
2000	35%	34%	22%
Change	-10%	-7%	1%
<u>Resident Labor Force Participation</u>			
1990	35%	37%	47%
2000	35%	37%	44%
Change	-1%	0%	-3%
<u>Unemployment Rate</u>			
1990	18%	15%	9%
2000	18%	17%	11%
Change	-1%	1%	2%

Source: U.S. Bureau of the Census, EBMC

### **Self Motivated Village Center Summary**

The failure of Self Motivated demonstrates the importance of leadership. The Village Center never overcame the loss of the leadership resulting from the resignation of Leonard Jackson. Mr. Jackson had built the coalition among the organizations to form the Village Center, which fell apart after his resignation. After his resignation, an unwieldy Board structure and ongoing and unresolved Board conflict weakened the organization. The Village Center hired a respected community activist to serve as executive director, but he could not work with or through the Board. Furthermore, the loss of Mr. Jackson's leadership made it more difficult for the directors that followed him. According to one key informant "It [firing Mr. Jackson] was a board splitting activity because some of the people who were all for him were still on the Board. So anybody else coming in was like you have come into the footsteps of the messiah, you'd never be as good as him, etc."

The failure of Self Motivated also provides an example of the importance of geography and history in community building. By combining communities with no history of working together and indeed some level of organization competition and animosity, the boundaries selected contributed to the failure of the Village Center. Lacking a common identity or agenda, the community ended up simply fighting over the money. According to Bill Wiley, "now clearly, if I would have drawn the boundaries for the Village Center I wouldn't put those communities together (2004)." The EZ effort also could not overcome the community's skepticism over the failure of the Sandtown-Winchester effort.

Another key informant blames EBMC and the rushed process to form the Village Center and the lack of technical assistance over the process and during the problems.

This person reported,

What I'm saying about the process is that the process did not consider from its inception how people who weren't used to power were able to control the situation. That you have to have the training to do it, I don't care if they have the intelligence. It was never intelligence that's the issue, the issue is the experiences, and the needs, and the processes. And it was kind of throwing a sophisticated weapon there, the only thing that you're taken a chance on is to hurting themselves because they don't know how to use the weapon. (Interview Self Motivated Key Informant 2004).

Ironically, two key informants (Mike Seipp and Rachael Edds) viewed the Village Center as starting with a strong possibility of success. Like HEBCAC, the Sandtown area had national visibility and a potential institutional partner in the Enterprise Foundation. It was also the political base of Mayor Schmoke. All of these factors would have assisted in attracting the resources necessary for building a strong community organization. It was initially led by a strong leader who was able to build a coalition of community organizations and had a vision for the community. The problem was he (allegedly) stole money. The Village Center never overcame the loss of this leader.

**CHAPTER 5**  
**LESSONS LEARNED FROM THE COMMUNITY CAPACITY-BUILDING**  
**IMPACT OF THE BALTIMORE EMPOWERMENT ZONE**

**Introduction**

Community organizations have played a central role in national urban policy since its inception. Community organizations evolved from informal local and philanthropically supported reform and assistance efforts in the Progressive era, to direct implementers of federal policy interventions during the Great Society, to indirectly supported implementers of federal policy under devolution and privatization. The Clinton Administration's EZ/EC Initiative was an attempt to tie together the various trends that shaped the evolution of the role of community organizations into a new federal urban policy under which community organizations would be at the center of policy design and implementation.

Chapter 2 describes the overall national policy context for this dissertation by describing how the Clinton Administration's EZ/EC Initiative was shaped by the evolution of the role of community organizations in urban policy. Chapter 3 describes the local context for this dissertation by analyzing how the implementation of the Empowerment Zone was shaped by local economic, social and political conditions in Baltimore City. Chapter 4 describes as six case studies the experience of the Baltimore Empowerment Zone in building the capacity of community organizations to act as agents of change. This Chapter will analyze the experience of the Baltimore Empowerment Zone and its six village centers and set in the context of the national literature on community organizations the lessons that can be learned from Baltimore's decade long effort to build community organization capacity.

The Clinton administration called for community organizations to have a central role in Empowerment Zone implementation and Baltimore, with its rich history of community involvement, was recognized as having the most community-driven implementation strategy (Stoker 2003; Hebert et al. 2001). Among the cities awarded a full Empowerment Zone, only Baltimore employed community organizations at the center of its implementation strategy. The combination of long-term federal funding in a City with a strong history of community involvement provides an excellent test case to examine the feasibility of community-driven urban policy interventions. If community-driven urban policy cannot succeed in a well-funded and supportive environment, then it is fair to question the overall value of the approach.

As discussed in Chapter 4, after ten years of effort and more than \$8 million in expenditures, the legacy of Baltimore's community capacity building effort is that four of the six village centers continue to operate in some form. Three village centers, East Harbor, HEBCAC, and Washington Village continue to operate in much the same role and capacity as they did during the EZ and the fourth, Poppleton CDC, is a community development corporation that is the successor of the Poppleton Village Center. These four remaining organizations all continue to represent and serve their communities, as Baltimore's redevelopment efforts are moving into each community. Furthermore, the three remaining full village centers are continuing to offer similar programs and services even after the end of federal funding.

This chapter will begin with a summary of the lessons learned from the community capacity building efforts of the Baltimore Empowerment Zone. It will then present, summarize, and analyze the experience of the community capacity-building

efforts of the Baltimore Empowerment Zone and its six village centers in two parts: the formation of the village centers and the operations of the village centers. It will conclude with a summary of the overall relevance of the research conducted and recommendations for future research.

### **The Lessons Learned From The Community Capacity Building Efforts of The Baltimore Empowerment Zone**

The community capacity-building experience of the Baltimore Empowerment Zone can be summarized into twelve lessons that can guide future community capacity building efforts.

*Community capacity building is a time intensive process.* The Baltimore Empowerment Zone set an initial goal of spending all of the federal money over a five-year period rather than the full ten years allowed. Not only did this goal prove to be impossible, the rush to implement zone programs conflicted with Baltimore's goal of creating sustainable community development capacity in the village centers. The rush to form the village centers severely limited the ability of these new community groups to engage the community in the organizational development and planning process. This reduced community support for the village centers. A longer start-up process would have allowed more time for community mobilization and planning as well as more extensive early technical assistance and allowed the new village centers to better engage the community in their operations.

*Community change efforts should target appropriately sized and resourced communities.* The size of the village center service area and concentration of local resources and institutions had a large impact on success. The HEBCAC area, with a population of nearly 30,000 in 1990, was too big to form a truly community led

organization, and community mobilization and support was lower than in other village centers. The Harlem Park community with only 4-6,000 residents and no sizeable local institutions or commercial area was too small to generate any development momentum or form a viable community organization. The target of creating village centers to serve communities with 7,000 residents that was set in the initial EBMC village center guidelines was an appropriate goal for community service area size.

*An early focus on sustainability is critical in community building.* Despite the initial goal to spend down the federal EZ money over five years and resulting rush to form the village centers, EBMC did not formally begin sustainability planning until seven years into EZ implementation. Rather than designing steps, such as engaging City agencies, foundations, and other stakeholders, into the early implementation of the village centers, the Baltimore EZ initiated a sustainability effort, fairly late in the implementation period. It proved to be difficult to generate outside funds to continue to support EZ funded efforts, which been run with little formal interaction with City agencies and foundations. EBMC did not seek early and ongoing foundation or City support for its targeted initiatives, indeed one representative of the foundation community reported that foundations saw the EZ as a reason to target their efforts on other communities. The village centers, such as Washington Village, that operated with the greatest support from institutional and internal stakeholders from the beginning, faced much less difficulty in post-EZ sustainability. Had EBMC and the other village centers emphasized long-term sustainability from the start, they might have experienced less difficulty in planning for sustaining operations after the EZ program ended.

*Community centered planning and strategies are critical for success.* The focus on the delivery of EBMC developed programs hindered efforts to promote organizational sustainability for some of the village centers. EBMC developed the programmatic focus of the Baltimore Empowerment Zone in a centralized manner, with its board and staff developing the core programs. EBMC required that village centers develop community plans, and all village centers viewed their plans as a core accomplishment. However, most village centers focused, at least initially, on meeting the EBMC established requirements for organizational and programmatic support. This focus on externally developed programs hindered efforts to mobilize community residents, who wanted more control over strategy and focus. Village centers that developed their own programs to address community needs, such as East Harbor with economic development and Washington Village with crime programs, built stronger, organizations.

The village centers that based their operations on a clear and concise plan with community support, East Harbor, HEBCAC, and Washington Village, were the most successful village centers. For most village centers, the Land Use Plan required and funded by EBMC served as the long-term guide for their efforts, even after it was 5 years old. Several village centers supplemented their Land Use Plans with their own strategic plans, and Washington Village, in particular, revisited its strategic plan every year or so. In the more successful village centers, their plans served to both engage the community and guide operations.

*Community change efforts must recognize and address the legacy of past efforts.* Many urban communities have a legacy of failed redevelopment efforts. In the Baltimore Empowerment Zone, Harlem Park has been the target of redevelopment

attempts since the City's first urban renewal plan in 1956, yet community conditions were among the worst in the City. The Sandtown community in the Self Motivated Village Center was the target of the Enterprise Foundation's CCI effort in the 1980s and Johns Hopkins had dominated East Side redevelopment since the 1970s. Village centers with a history of failed interventions like Harlem Park and Self-Motivated, or a history of conflict with key institutions over redevelopment like HEBCAC, were less likely to form strong, sustainable organizations. It proved to be difficult to overcome residents' cynicism about past failures or substantial power differentials relative to dominant institutions. However, village centers like East Harbor that put a direct and early focus on addressing a history of conflicts created stronger organizations. Any effort to build community capacity must recognize and address the historical context of past efforts.

One of the most critical findings of this research is that *community momentum matters*. It is easier to engage a community and keep its residents engaged if their community is in the path of redevelopment, as was the case with both East Harbor and Washington Village. Community momentum provides a reason for residents to become involved, in order to either benefit or protect their interests from redevelopment. Poppleton was a failed Village Center until a large-scale redevelopment project created a reason for local institutions and the community to work with and through the Village Center. More importantly, community momentum provides incentives for the City's power structure to pay attention to community organizations because they can stop or delay development projects. Community momentum also provides incentives for other investments in the community as development makes the return on housing, workforce

development, or economic development programs more attractive to outside organizations, such as City agencies or foundations.

***Conflict resolution is essential for building strong community organizations.***

All of the village centers had to address conflicts among communities, residents, community leaders, and community organizations over control over the new organizations. The village centers brought new programs, jobs and resources into underserved communities, all of which wanted to at least protect their interests, if not control the new opportunities created. The village centers, like East Harbor and Washington Village, which spent the time necessary to truly resolve initial conflicts, built stronger organizations. Village centers that were unable to resolve these initial conflicts, like Harlem Park, Poppleton, until the development of the BioPark, and Self-motivated were less successful as core institutions or communities did not work with or support each village center. Indeed, with Self Motivated the organization was never able to resolve its internal conflicts, after its first executive director resigned.

***The presence of strong, engaged local leadership is critical to the success of community-building efforts.*** Village centers with strong leadership succeeded, those without it failed. The experience of the Baltimore Empowerment Zone, however, does not point to a single model of effective leadership. East Harbor was an example of a staff-led organization while Washington Village was an example of a board-led organization with a strong staff. Organizational leadership was also based on hiring and training local residents as was seen in East Harbor, or hiring a professional staff, as in Washington Village. Harlem Park focused on hiring local residents to run the Village Center, but, this created a reluctance to remove local staff when they were not effective.

In contrast, East Harbor identified and trained a cadre of local resident leadership that is now running respected citywide programs. The Self-Motivated Village Center collapsed when its strong, founding leader was removed for misuse of funds.

*Community mobilization is important, but difficult.* Overcoming apathy and conflict in poor communities in order to engage residents in community change efforts is important for success. In forming and operating village centers, all of the Baltimore Empowerment Zone communities faced challenges in mobilizing and engaging their residents. The two village centers that were the most successful in community mobilization, East Harbor and Washington Village, were also the most successful programmatically and had the least difficulty in sustaining operations. Again, the experience of the Baltimore Empowerment Zone does not point to a single strategy for community mobilization efforts. East Harbor's leaders used direct community organization techniques to mobilize the African American community. Washington Village mobilized its community indirectly, through the existing community organizations that oversaw the Village Center. Community mobilization is not resource dependent, HEBCAC at one time had five community organizers, but failed to achieve high levels of community support.

Village centers with a strong record of community involvement, like East Harbor (for the African American community) and Washington Village, created stronger and more sustainable organizations. All of the village centers reported that they would have benefited from more extensive community outreach and engagement activities. More extensive community involvement aided in organizational sustainability as external funders, most importantly foundations, were more likely to support organizations with

high levels of community engagement. In mobilizing the community, *overcoming conflict* is key. There were numerous sources of conflict in the village centers. It was race-based as was seen in East Harbor, Washington Village, and Poppleton; class-based as in gentrifying East Harbor and Washington Village; or history-based as with Self Motivated. Conflict was also seen between newcomers and existing residents in gentrifying Washington Village. With the Baltimore EZ, the key to conflict resolution was effective technical assistance, sometimes from within the community (Washington Village) and other times provided by EBMC. Organizations that were able to get past conflict and mobilize the community became stronger organizations.

*Effective communication is essential in any community capacity building effort,* especially in a large-scale approach like the Baltimore Empowerment Zone. The principal means of mobilizing and engaging the community in change efforts is through effective communications. Effective *internal* communication strategies between the coordinating agency (EBMC) and the community organizations (village centers) would have ensured that all were working toward common goals and that community organizations were aware of technical assistance opportunities and other issues. While village center leaders served on both the EBMC board and Advisory Committee, this did not always guarantee effective dissemination of information. In the case of Harlem Park, one board member reported that the Executive Director failed to communicate issues and opportunities to the Village Center Board. Effective *external* communication was critical for both the coordinating agency and the community organizations in order to control the expectations of the community, inform stakeholders on the status and results of efforts, and engage and mobilize the community. All of the village centers used newsletters and

flyers to advertise meetings and opportunities, but face-to-face communication between community organizers and residents was often the most successful communications strategy.

***Building internal networks within and external networks outside of target communities is essential for building strong community organizations.*** The village centers that created the strongest internal and external linkages created the strongest organizations. Washington Village provided the best example with the strength of both its internal and external networks. It had stronger Board participation by the many organizations within the community than other village centers, and created a stronger, more representative organization. It also had strong Board participation by external organizations active or interested in the community that attracted both resources and programs into the community. Similarly, the political and institutional linkages of the HEBCAC Board contributed to that organization's early successes in attracting non-EZ programs and support. All of the village centers focused too heavily on attracting key community leaders to their boards. The capacity-building efforts of the Empowerment Zone would have been strengthened if both the village centers and EBMC had done more to attract participation by external stakeholders, such as City agencies, foundations, and nonprofits, to the village centers' boards early in the process.

***Politics can support or hinder the development of community development capacity.*** In its early days, HEBCAC's strong ties to the City's political leadership allowed the Village Center to attract significant City, State, and external funding and programs; however, once the Mayoral administration changed, HEBCAC was sidelined, its core staff leadership left, and the City created a competing organization to direct

redevelopment in its area. As a result of this political change, HEBCAC went from a nationally recognized best practice in community redevelopment to needing to find a new basic mission.

***Goal setting, monitoring, evaluation, and technical assistance are critical.***

EBMC engaged in a formalized, long-term process of working with the village centers to set annual goals that were required as a part of receiving administrative funding as well as monitoring and evaluating progress towards these goals. When village centers failed to achieve their goals, they were required to present the reasons to the EBMC Quality of Life/Capacity-Building Subcommittee, which could sanction the village centers (some had their funding cut until a problem was remedied while others had funding completely cut off), provide additional time, or provide technical assistance to address problems. Surprisingly, only one village center complained about the monitoring and evaluation process. The monitoring system put in place enabled EBMC to recognize the problems with Self-Motivated early, and when efforts to address the problems failed, funding was terminated. All village centers reported that they benefited from the technical assistance received, and the major complaint about technical assistance was either that village centers were not aware that they could receive it or that they needed more of it.

The experience of the Baltimore Empowerment Zone demonstrated that federal and other community change efforts programs **can** create sustainable community capacity. Furthermore, based on Baltimore's experience, the ability of an intervention to create community development capacity is not dependent on either the socio-economic status or diversity of the targeted communities. Baltimore's efforts succeeded in creating sustainable village centers in both highly poor and highly diverse communities. Two

keys to success are the presence of supporting local institutions and opportunities for redevelopment to occur. However, Baltimore's experience also highlighted the difficulties and complexities involved in these efforts. Success is not guaranteed, even in a well-funded effort in a nurturing environment, as demonstrated by the closure of two of the six village centers. None-the-less, the lessons learned from the Baltimore Empowerment Zone can guide future efforts.

Federal and philanthropic efforts have often viewed community-based implementation strategies as both a means and an end of urban policy interventions. Community-based strategies are viewed as more efficient and targeted than the people-based policies that now dominate federal policies. Community-based strategies are viewed as more efficient, because they are located within concentrated areas of poverty or other social problems that the intervention is directed to address. This reduces transaction costs for outreach and participation and can integrate the various people-based strategies now housed within different federal, state and local agencies. Community-based strategies are viewed as more targeted than the people-based policies that now dominate federal policies, because they directly serve communities and their residents in need. Community-based strategies are also popular because they are seen as a return to the retail community-based politics of the past, rather than the wholesale politics of today. They are seen as a means of promoting "civic engagement" and "building social capital."

All of these goals of community-based strategies can be true – but they are all based on the presumption that there is sufficient community capacity to implement a policy intervention. However, the poor communities targeted for such policy

interventions, often lack the community organizations, institutions, leaders, and other elements of community capacity required for change efforts to succeed.

By treating community capacity as both a means and an end, past federal and philanthropic urban policy interventions have confused strategies and results. As a result, the national legacy of community capacity building is mixed. A core criticism that can be leveled at community change efforts, including the Baltimore Empowerment Zone, is that by concurrently working to build community capacity while implementing community programs, the opportunity for forming strong community organizations to serve as change agents is not fully realized. These efforts would benefit from a longer process to build community capacity in the form of strong, viable community organizations with the capacity to deliver services and represent the interests of communities. Had Baltimore spent more time: supporting community mobilization and planning; providing technical assistance; and designed an early emphasis on sustainability into the implementation strategy; the success of the effort would have been greater. Such an emphasis on early planning and capacity building runs against the need for federal programs and philanthropic interventions to quickly demonstrate results and even the desire of community to immediately begin to fix their problems. A longer, more focused and patient design process should yield a greater likelihood of success.

Based on the experience of the Baltimore Empowerment Zone, community-based strategies can offer benefits over current people-based strategies. Baltimore's strategy demonstrates that community driven efforts can achieve results in terms of crime reduction, improving community quality of life, and implementing workforce programs (discussed more fully in the following Epilogue). The Baltimore EZ's village centers

were able to offer integrated services, such as combining substance abuse counseling with job training or job placement and home-ownership assistance, in innovative ways. More importantly, Baltimore's EZ effort created organizations that represented and engaged their communities as Baltimore's redevelopment success reached into these neighborhoods. The most successful village centers, most importantly East Harbor, HEBCAC (before the change in City administration) and Washington Village, were all able to play a positive role in larger redevelopment efforts, where they both represented their communities and facilitated redevelopment.

The core lesson of the Baltimore Empowerment Zone is that community capacity building is a worthwhile, but expensive and complex undertaking. The experience of the Baltimore Empowerment Zone demonstrates that future efforts to implement community-based strategies should:

- Allow sufficient time for community mobilization and planning, at least a year to eighteen months before program implementation;
- Target communities with 6-8,000 residents and containing and some interested stakeholder institutions;
- Target communities where there are at least some development potential, and preferably, some redevelopment occurring;
- Focus on addressing community-identified needs and issues;
- Provide sufficient technical assistance, especially in the areas of conflict resolution, board and leadership development; and
- Design accountability, monitoring, sustainability planning, and evaluation into the process.

The experience of the Baltimore Empowerment Zone also demonstrates that the success of future efforts to implement community-based strategies will depend on:

- The development of strong leaders, drawn where possible from the local community;

- Effective communications strategies, both between funding agencies and community organizations and between community organizations and the residents they serve;
- Effective, hands on, mobilization strategies to inform and engage community residents;
- The development of internal networks, linking the community organization with their service area;
- The development of external networks, linking the community organization to core external stakeholders, such as City agencies or foundations; and
- Sufficient time and resources to support a long term effort, the Empowerment Zone's ten year target is much more realistic than the 3-5 year efforts of many CCIs.

This dissertation will now describe the experience of the Baltimore Empowerment Zone in building community development capacity and relate it to the national literature on community organizations and development. The remainder of this chapter will discuss and analyze in context of the national literature on community organizations the case studies presented in Chapter 4.

### **The Capacity-Building Experience of the Baltimore Empowerment Zone: The Village Center Formation Period**

Four key issues shaped the Baltimore Empowerment Zone's village center formation process. These were:

1. Determining of the geographic boundaries of the village centers;
2. Determining whether to create new organizations or to rely upon existing organizations;
3. Overcoming conflicts within each of the communities served; and
4. Overcoming barriers formed by the formation process as designed and implemented by EBMC.

#### **Village Center Boundary Selection**

The boundaries of the Baltimore Empowerment Zone were determined in the City's application to the federal government, but the specific service areas for each of the

village centers were established during the village center application and formation process that began after the EZ was awarded to Baltimore.<sup>16</sup> The strategy used to establish the boundaries for the Zone created difficulty in the village center formation process. Nathan and Wright (1995), argued that cities sought to balance a variety of factors in selecting the EZ/EC boundaries. The federal government established guidelines that required that the targeted areas have pervasive poverty, unemployment, and general distress, and it established poverty-based guidelines for the census tracts to be included in each Zone. Cities needed to target areas of real need; however, in doing so, they had to balance political pressures, community lobbying, and the overall desire to achieve success. All of these pressures shaped the selection of Baltimore's Empowerment Zone boundaries and influenced the village center service area selection.

Two communities were included in the Zone because of political pressures: Self-Motivated and HEBCAC. The Mayor made sure that the Sandtown neighborhood that became part of the Self-Motivated Village Center was included in the Zone because it was home to an existing CCI and City redevelopment efforts, and, more importantly because it was located in the heart of the Mayor's West Baltimore political base. The northern border of the western portion of the Zone extended north of the Sandtown community in order to include portions of the district of the powerful State legislator, "Pete" Rawlings; similarly, the area served by HEBCAC was included because of a political agreement between the Mayor and the powerful East Side Democratic Organization.

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<sup>16</sup> This analysis focuses on the east and west portions of the Baltimore Empowerment Zone. The Zone actually consisted of three areas: the east and west portions analyzed here and an industrial area, Fairfield, in the southern part of the City. Because the Fairfield area is nearly entirely industrial and commercial land and has few residents, it was never planned to have a village center organization.

In setting the boundaries for the EZ, the federal government required that cities rely on census tract information to define Zone geography; however these tracts often did not match how residents defined the boundaries of their “neighborhoods.” As a result of this reliance on artificial census tract boundaries, Baltimore’s effort experienced three problems:

1. Communities with little history of working together were combined into village centers (in East Harbor, Self Motivated and Washington Village);
2. Communities with a strong history of collaboration were divided (for example in Self Motivated the only Sandtown portion of the Sandtown-Winchester CCI was included and the HEBCAC service areas was larger than the EZ); and
3. The tract-based designation did not match the service areas of preexisting community organizations, like CBP or HEBCAC, leading to further division within these communities.

The boundaries for three of village centers were established fairly rapidly.

HEBCAC’s boundaries matched its service area that was included in the Zone, although in establishing its boundaries it initially sought to extend its boundaries further to the south to include several large housing projects. Washington Village and Pigtown had little history of working together prior to the Empowerment Zone, but a group of community leaders emerged in the EZ application process. This group continued working together to address community issues after the application was sent to HUD and working with the City’s designated facilitator, were able to select boundaries and form their Village Center quickly. Since HEBCAC assumed control over the entire northern section of the eastern portion of the Zone, the boundaries of East Harbor were selected by default as the remaining southern communities included in the EZ.

The boundary selection process for the rest of the western portion of the Zone was more complex. Washington Village assumed control over the entire southern part of the Zone. The Village Center of Poppleton’s boundaries followed the designation of a City

planning district. During the early days of the EZ, City officials planned that the Sandtown portion of Self-Motivated would be part of the Harlem Park area, but these two communities could not agree. As a result, Sandtown became part of Self-Motivated. This left the service area of Harlem Park as the territory between Poppleton and Self-Motivated.

### **Existing Versus New Community Organizations**

Baltimore has a two-tiered system of community organizations. There are numerous organizations, formal and informal, large and small, serving neighborhoods throughout the City. The Baltimore City Planning Department identified more than 700 community organizations in the City ranging from tenant councils and block clubs to large associations (Baltimore City Office of Planning 2006). Many communities in the City are served by a system of 23 “umbrella organizations” which provide services to larger service areas that combine multiple neighborhoods. They are larger and better organized than the smaller neighborhood associations; many have paid staff, and have experience in contracting and service delivery.

Four of the Empowerment Zone’s communities were served by umbrella organizations. The Southeast Community Organization (SECO) served East Harbor, and Communities Organized To Improve Life (COIL) served the Poppleton area. The Sandtown-Winchester CCI, the City, and the Enterprise Foundation-funded Community Building in Partnership (CBP) served the Sandtown-Winchester part of Self-Motivated. HEBCAC was a newly formed umbrella organization that ended up serving as the Village Center itself.

In its EZ application, the City referenced these organizations as “strengths to build on” and stated, “Baltimore’s Empowerment Zone is largely covered by well-organized and active organizations” (Baltimore City 1994, 1-2). In the village center formation process, however, the Baltimore Empowerment Zone had to address the question of whether the village centers should be formed within these existing umbrella organizations or as separate and independent entities.

According to an interview with Michael Seipp (2004), the City’s application envisioned that the village centers would be formed as part existing umbrella organizations. HEBCAC would have managed its territory; SECO would manage the southeast part of the Zone; and COIL and CBP would form village centers in the western part of the Zone. However, many in the Zone neighborhoods and the EBMC Board did not share this vision. According to one long-term EBMC Board member who participated in a focus group on the capacity-building impacts of the EZ effort,<sup>17</sup>

From the beginning there was a common feeling at the Board level, and I think it was justified, that as it was structured at that point in time, 1995, if you allowed any lead organization, for example SECO, if you give it [the village center] to them to run, there will be no collective ownership for that. There will be none because that’s an existing organization and they always take the lead and so – so what? So there was a distinct effort to put into place a new structure that would have a chance with all the communities that wished to get involved, and in a way putting a demand on the communities to get involved in order for the village centers to be created. (2004)

As a result, HEBCAC was the only Village Center formed as part of an existing organization. All of the other village centers were formed as new, independent organizations. The conflict over whether to form village centers as a new or as part of an existing organization was most important in the East Harbor and Self-Motivated areas. In

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<sup>17</sup> In implementing the focus groups, all participants were guaranteed anonymity so that they could speak freely. The list of focus group participants is included in the appendix.

each case, the existing umbrella organizations were seen as either not responsive to the African-American community, as with SECO and East Harbor, or as controlled by outside interests, as with CBP and Self-Motivated.

The EBMC staff and Board recognized the difficulty in creating new organization. One focus group participant reported:

That's [starting new organizations] the hardest way to do it. It's the right way to do it, I really agree with that, but it's the hardest because you're starting from absolute ground zero. Nothing exists, and you've got to try to bring all of these people together and somehow create a sense of organization there, which doesn't exist at all, and you've mentioned the history of conflicts, and race, and all kinds – those are all the elements that were involved in trying to put these village centers together. And it is not surprising that it took years before they could be effective as any kind of community center. (2004)

### **Overcoming Division Within Village Center Communities**

All of the Empowerment Zone communities had to overcome some level of internal conflict in the village center formation process. Distressed communities often lack core elements of local capacity, sometimes called social capital, to control, implement, or even adapt to change (Gittell and Vidal 1998). This lack of local capacity was explicitly raised at the Harlem Park focus group, when one participant concluded: “What you had was a community that wasn't astute enough to understand the overall process of how you go about developing a plan from the ground and making it live” (2004).

Conflict also arose when communities with little history of working together were joined, as was the case with Self-Motivated, which combined the Sandtown, Coppin Heights, Penn North and Mondawmin communities. In the case of the East Harbor Village Center, neighborhoods with a history of racial animosity (white Little Italy and the predominantly African-American housing projects) were united. With Poppleton,

there was a division between residents living on the north and south sides of Baltimore Street. The African-American residents on the north side of the street expressed a fear that the white residents from the southern part of the community and local institutions wanted to control the Village Center. In the case of HEBCAC, only a portion of the pre-existing organization's service area was included in the Village Center. In all of the village centers, problems arose because residents on one side of a street were often part of a village center while family and friends across the street were in a separate village center, or in some instances, excluded from the Empowerment Zone altogether.

The core community-level barriers to village center formation were:

- Controlling expectations and communications
- Conflict among community organizations
- Conflict with local institutions
- Racial and class conflict
- Community leadership
- Community history

### **Controlling Expectations and Communications**

Issues related to communications and controlling expectations were raised by all of the village centers in both the interviews and focus groups. Residents heard that \$100 million was going to be spent on programs and redevelopment efforts, and they thought that their communities would change overnight. One participant in the EBMC staff and Board focus group reported,

I think it was cruel to put the hundred million dollars up there which, if it were in my bank account, I'd be very happy, but when it's in 10 years' worth of development of some of the most depressed areas in this City, when the school budget is \$1 billion a year, it's peanuts. But you know, I really think it raised expectations cruelly among the residents. (2004)

Another reported, “I remember hearing people say, ‘You have all this money. How come something hasn’t changed yesterday?’” (2004). Every village center thought that the EBMC should have done a better job of communicating how and what the money would be spent on and what residents should expect. One Harlem Park focus group participant reported, “The mandate of the Empowerment Zone concept wasn’t laid out in a manner that was understood by the everyday lay person” (2004).

### **Conflict Among Community Organizations**

Many of the existing community organizations in areas that would become village centers thought that they should become or control the village center. During the formation process for Washington Village, each of the three leading organizations in the community fought for control over the new Village Center. Washington Village was successful in overcoming this conflict by engaging all three of the community organizations in Village Center management using an innovative rotating-Chair system developed by a Board member. In contrast, Poppleton Village Center was never able to overcome the initial conflicts that erupted between the Hollins Market Merchant Association, a predominantly white business association, and University of Maryland representatives and the African-American community. Hollins Market Merchant Association and University of Maryland started the village center application process only to be forced out of its leadership by the African-American residents from north of Baltimore Street. In the case of Self-Motivated, after the loss of a strong leader who coordinated the formation process, the leaders of the many organizations serving that community fought for control, resulting in the closure of the Village Center.

### **Conflict With Local Institutions**

Several of the village centers reported that conflicts between the community and dominant local institutions impacted the village center formation process. There was often a strong history of conflict between the local communities and the institutions in their neighborhoods, especially in the East Side of Baltimore. Overcoming community distrust of Johns Hopkins was a key barrier to the formation of HEBCAC. As described above, on the West Side, the Hollins Market Merchants Association and the University of Maryland started the Poppleton Village Center, but were forced out by African-American community leaders. As a result, the Merchants Association and the University had very little interaction with the Village Center during its early years.

### **Racial and Class Conflict**

Conflict between different racial and socio-economic groups impacted the formation of village centers, especially in the more diverse communities of East Harbor and Washington Village and in Poppleton. Racial conflicts dominated the formation of the East Harbor, and Washington Village reported having to overcome both racial and socioeconomic divisions between long-time residents and new residents, both African-American and white. Poppleton never overcame its initial racially based conflicts over control.

### **Community Leadership**

While strong leadership often benefits the process of village center formation, changes in or a loss of leadership can set the process back. Harlem Park reported that the loss of a community leader who had served as the focal point for the Village Center significantly hurt the formation process. In contrast, the strong leadership of Clara Butler

brought the East Harbor Village Center through initial conflicts to build and a strong, effective organization.

### **Community History**

The efforts to form the Baltimore Empowerment Zone's village centers were shaped by the history of past redevelopment efforts and community issues. Johns Hopkins was a founder and major supporter of HEBCAC, whose staff became Hopkins employees in order to receive benefits. This funding relationship between HEBCAC and Johns Hopkins caused credibility problems with the local community because of the long history of conflict between Hopkins and the surrounding community.

Harlem Park residents never recovered from the failure of past redevelopment efforts in their community. One focus group participant reported:

Urban renewal did a lot of damage in Harlem Park. We were one of the first urban renewal sites in the nation, and they did a lot of damage. They came in; they told us what they were going to do; they did it and they left. And they left us with whatever they left behind (2004).

Self-Motivated was formed as a Village Center independent of the City and the Enterprise Foundation's Sandtown-Winchester redevelopment effort managed by Community Building in Partnership because of a feeling in the community and among its leaders that the CCI's efforts were neither improving or involving the community. One resident said, "The Enterprise Foundation was in this community since 1990, and they have not transformed this community" (2004). Another reported, "Residents of Sandtown-Winchester felt that outsiders were always coming in to tell them what to do. The money went to administration and housing, not programs, and the community thought all that money was wasted" (2004). In all three cases where past redevelopment

efforts failed, in Poppleton, Harlem Park, and Self-Motivated, resident cynicism hampered community mobilization and engagement.

### **Process Barriers**

There was very little time between the City's being awarded the Empowerment Zone in December 1994 and the beginning of the village center formation process in March 1995. EBMC itself was formed as an entirely new organization and had to hire staff, form a Board of Directors, finalize a strategic plan, and begin operations. It created the guidelines for village center formation by March 1995, and accepted applications for the first four village centers by September 1995. This fast pace of implementation resulted from the City and EBMC's goal to complete the EZ effort in five years rather than the ten years allotted by the program. As a result, opportunities for planning, technical assistance, facilitation, and negotiation were limited.

The village centers all experienced some level of difficulty caused by the rushed EBMC processes, especially the limited time available to create the village centers and the lack of start-up financial, technical, and other support. The time pressures for village center formation came from both EBMC, which wanted to spend the money in five years, and from community residents who wanted to get started on improving their communities immediately. The village centers that were the first to begin operations, HEBCAC and Washington Village, were the ones who complained most about time pressures and the lack of technical assistance in the interviews and focus groups, while the village centers that began operations later reported fewer time-related constraints and a higher utilization of technical assistance.

One Washington Village focus group participant reported:

EBMC did nothing to protect the [village center formation] process, and they did nothing for a very long time to provide the technical assistance that was necessary for a Board to learn how to be a Board . . . They just gave out this matrix and said, 'Go form a village center!' and then they have about one page in there that said, 'A village center should consist of a, b, c, and d, and when you get that together, submit it to me and we'll let you know whether you are one or not.'(2004)

A Harlem Park focus group participant reported, "[EBMC provided technical assistance] after we got started. We were more or less left on our own to form as a Village Center" (2004). The time constraints were also recognized at the EMBC staff and Board level with one focus group participant reporting, "The heat was on from day one to get organized and get going . . . We should probably have had a slower start up and much more attention focused on leadership and plans you could get a grip on" (2004).

Village centers needed to be incorporated as a 501(c)(3) organization to access EBMC funds, but they needed the funds to become incorporated. Washington Village reported that they had to "pass the hat around to pay for incorporation because they wouldn't release any money until you had your 501(c)(3) designation" (2004).

The lack of funding and support in the village center formation process caused logistical difficulties. One Poppleton focus group participant reported, "I'll start out by saying we had a whole lot of problems just finding some places to meet. We looked here there and everywhere" (2004).

### **Summary and Conclusion – Village Center Formation**

All of the village centers were able to overcome initial barriers to become functioning organizations. In doing so, they relied on both internal and external resources and on technical assistance. Washington Village and HEBCAC relied extensively on internal resources in the village center formation process. HEBCAC had a

professional staff and Board before becoming a Village Center, and Washington Village had a core group of committed institutional Board members who brought both skills and resources to the formation process.

As described in Chapter 4, Washington Village needed to overcome substantial community conflicts in the formation process. In response to this conflict, Board members with community organizing and outreach experience designed a Board structure and bylaws that would not allow any one group to dominate the process: “We conceptualized a strategy to create a Board that would be big enough so that no single clique could dominate it and small enough that it wouldn’t be unwieldy” (2004). They also devised an initial rotating Chairmanship for the Board so that no group could control it and more citizens could experience leadership.

All of the village centers reported using traditional community organizing techniques to engage the community. East Harbor, in particular, used an effective outreach process: “We had a person at Flag House, one at Chapel, and me representing Perkins. But one of the things we did right was that I didn’t just stay at Perkins. I was in Chapel; I was in Flag House; I went to Little Italy. Before the Hispanics even became the Hispanic Community they are today, I was already dealing with them” (2004).

EBMC technical assistance was viewed more positively by those village centers that had a longer start-up process. The assistance provided by the University of Maryland, Baltimore through EBMC was viewed as critical in getting 501(c)(3) status. Poppleton reported, “[The UMB volunteer lawyer] was very instrumental in helping us get started” (2004). EBMC technical assistance was seen as critical in overcoming community conflict in East Harbor:

I went to EBMC, told them what the problem was. They got a facilitator. We had two meetings. We had one at SECO; that was the planning session. Then we had a big meeting at Lombard Middle School, and we invited everybody. And all I wanted them to see was the community, not color. The facilitator started and what happened was they forgot about color because they started talking about what does your community need. (2004)

Harlem Park also reported that EBMC technical assistance was critical:

We had technical training, Board training, early on. They [the TA providers] explained what a Board was to do, what the organization was to do. So we were able, with that training, to get the center off the paper (2004).

The primary lesson of the village center formation period is that creating community organizations, or even implementing programs through existing organizations (in the case of HEBCAC), is a complex, long and time consuming process. The poor communities targeted by place-based initiatives often lack the organizations and resources required to implement programs and have a history of failed efforts. Any community change effort must allow sufficient time to overcome conflicts, mistrust and apathy in the targeted community. Initiating a “bottom up” community-centered planning effort to identify key needs and program goals is the best way to start a targeted community program. This process will increase community engagement in and support for the effort.

### **The Capacity-Building Experience of the Baltimore Empowerment Zone: The Village Center Operation Period**

Upon completion of the application process, the first step in beginning operations and the delivery of EZ services was to enter into an Administrative Funding Agreement with EBMC. These agreements had to be approved by EBMC and ratified by its Board. Four village centers signed Administrative Funding Agreements and became operational in 1996 [Washington Village (3/96), East Harbor (5/96), HEBCAC (5/96), and Self-

Motivated (6/96)], and the remaining two became operational in 1997 [Harlem Park (8/97) and Poppleton (9/97)]. Within EBMC, the community capacity-building effort and the village centers were managed by a staff of two community outreach specialists who were overseen by the Quality of Life/Community Capacity-Building Subcommittee of the EBMC Board. EBMC also developed a technical assistance system that was overseen by the community outreach specialists in order to provide requested assistance to the village centers.

During the early operations of the village centers, EBMC and its Board began to understand the complexity involved in creating and implementing programs through new organizations. In May 1997, EBMC and its Board realized that the village centers would need sustained levels of funding, so they increased the administrative funds available to the village centers by \$2.5 million to a total of \$6.5 million over the planned five-year funding period. At this time, the Board approved the funding allocation for the first year—\$300,000 for HEBCAC and \$200,000 for the remaining five village centers—as the annual allocation formula for the expected five-year funding period. The Board also established that each village center would propose an annual administrative budget and provide an annual report regarding outcomes of the funding. It also ruled that the EBMC President would approve village center administrative funding levels (Empower Baltimore Management Corporation, 2003).

These decisions created the village centers and solidified the centralized control of EBMC and its business- and foundation- dominated Board over the Zone. EBMC and its Board decided on the overall strategy and created the core Zone programs. It acted as the funding agent of the village centers and supported the core administrative operations

of the village centers through an annual performance-based grant system. The village centers were required to apply to EBMC for funding for each of the core service delivery programs, and, as part of the Administrative Funding Agreement process, each village center was to annually report its programmatic goals as well as the progress and outcomes attained on the previous year's goals.

The centralization of control of EBMC and its Board was contrary to the more diffused strategy outlined in the City's application, and it was opposed by both the village centers and their residents. This centralization of City control, however, was consistent with the experience of federally-funded community initiatives in the Johnson era.

The lesson of the Great Society's Community Action Partnership (CAP) program was that creating new organizations outside of City Hall was a threat to existing power structures. As a result, in the transition from CAP to Model Cities, city government became the fiscal and oversight agent to control community programs. City government control over federally-funded community programs was later strengthened by the transition to block grants. As a result of this history, it is not surprising that the Baltimore's EZ effort was implemented in a more centralized manner than was outlined in the original proposal. No mayor would cede control over a highly visible and well-funded program. Still, it is important to note that EBMC was more independent than EZ/EC efforts in other cities. This independence was in many ways an outgrowth of Baltimore's long-term experience with its shadow government of quasi-governmental agencies and experience in working with community organizations.

Under the initial implementation plan developed by EBMC and its Board, each village center was to receive five years of administrative funding; thus, the formal

funding period was expected to run through 2001 and 2002. Many village centers had interruptions in their funding as a result of problems in service delivery and reporting, and some would deliberately not request their full allocation in a year in order to be eligible to receive administrative funding for longer than five years. As a result, East Harbor, Harlem Park, and Poppleton, received administrative funding through 2003. Five of the six village centers continued operations through 2003 with Self-Motivated ceasing operations in 2000 because of financial irregularities. The total administrative and programmatic funding of the village centers is presented in Table 24.

**Table 24**  
**EBMC Village Center Total, Administrative and Programmatic Funding**  
**Core Operational Period 1996-2003**

Item	1996	1997	1998	1999	2000	2001	2002	2003
<b>Total Funding</b>	<b><u>238,324</u></b>	<b><u>843,034</u></b>	<b><u>1,235,434</u></b>	<b><u>2,369,757</u></b>	<b><u>2,069,148</u></b>	<b><u>2,643,461</u></b>	<b><u>2,268,418</u></b>	<b><u>2,243,249</u></b>
EHVC	29,463	118,574	350,631	421,442	374,540	500,918	295,636	337,283
HEBCAC	14,514	441,758	205,071	654,183	437,178	591,334	416,753	293,372
HPLSVC	2,000	--	27,368	357,337	239,043	263,503	364,166	575,402
VCP	--	26,860	126,289	53,393	217,182	513,391	697,389	806,800
SMPCVC	76,122	146,244	107,266	473,706	279,245	14,084	--	--
WVPNPC	116,225	109,598	418,809	409,696	521,960	760,231	494,474	230,392
<b>Administrative Funding</b>	<b><u>198,324</u></b>	<b><u>645,810</u></b>	<b><u>677,732</u></b>	<b><u>1,156,054</u></b>	<b><u>905,909</u></b>	<b><u>980,505</u></b>	<b><u>455,154</u></b>	<b><u>669,446</u></b>
EHVC	29,463	87,574	157,485	207,056	78,664	200,000	19,979	184,737
HEBCAC	14,514	306,624	127,886	439,013	305,607	260,404	0	45,952
HPLSVC	2,000	0	27,368	170,632	128,352	119,692	151,956	200,000
VCP	--	26,860	95,064	0	11,055	154,129	283,219	238,757
SMPCVC	76,122	146,244	95,418	176,004	141,428	14,084	--	--
WVPNPC	76,225	78,508	174,511	163,349	240,803	232,196	--	--
<b>Programmatic Funding</b>	<b><u>40,000</u></b>	<b><u>197,224</u></b>	<b><u>557,702</u></b>	<b><u>1,213,703</u></b>	<b><u>1,163,239</u></b>	<b><u>1,662,956</u></b>	<b><u>1,813,264</u></b>	<b><u>1,812,560</u></b>
EHVC	--	31,000	193,146	214,386	295,876	300,918	275,657	152,546
HEBCAC	--	135,134	77,185	215,170	131,571	330,930	416,753	247,420
HPLSVC	--	--	--	186,705	110,691	143,811	212,210	375,402
VCP	--	--	31,225	53,393	206,127	359,262	414,170	806,800
SMPCVC	--	--	11,848	297,702	137,817	--	--	--
WVPNPC	40,000	31,090	244,298	246,347	281,157	528,035	494,474	230,392

Source: EBMC

During the village center operational period from 1996 through 2003, the village centers had to address both internally- and externally-driven challenges. Internally-driven challenges are those issues within the village center that impact operations including staffing; board relations; mission and strategic planning; community organizing and mobilization activities; outreach and communications; size; interactions with community institutions; and community momentum. Externally-driven challenges refer to issues concerning the village centers' relationships with EBMC, the City, and other external stakeholders.

### **Internal Operational Issues**

Hager et al. (1996) identify six clusters of factors that impact nonprofit organizations: size; age; instability; managerial acumen; success and other. Applying a similar model to the experience of CDCs, Rohe, Bratt and Biswas (2003) identify the core internal organizational factors affecting community groups as: staffing; board of director's issues; mission; community involvement; networking; and funding. The Village Centers faced many of these issues in their operations. Based on the research conducted, the key internal operational issues related to Village Center operations included: staffing; board relations; mission and strategic planning; community organizing and mobilization activities; outreach and communications; size; interactions with community institutions; and community momentum.

### **Village Center Staffing**

Staff and the Board of Directors provide the leadership of community organizations; therefore, the strategies used to staff the village centers had significant impact on their operations. According to Chaskin et al. (2001), "Leaders are a core

component of a community's capacity. They facilitate and give direction to the work of community organizations" (27). Glickman and Servon (1998) cite an effective Executive Director and competent and stable staff as two core elements of the internal capacity of a community organization. Cowan, Rohe, and Baku (1999) note that Executive Director tenure improves organizational efficiency and outcomes. Rohe, Bratt, and Biswas (2003) also found that the loss of key staff is a primary cause of the failure of community groups. All of these were present in Baltimore's EZ effort.

The village centers were located in many of the City's poorest and most disadvantaged communities. These communities often lacked residents or leaders with the formal skills and training necessary to create and run an organization. One Poppleton key informant reported, "Finding, training, and retaining staff was a problem. And basically, the problems that were identified in retaining and finding a staff was the fact that so many had specific barriers themselves" (2004).

The first decision that village centers had to make with respect to staffing was whether to recruit from within the community or through an open recruitment effort. East Harbor focused on hiring and training local leaders, and it had significant success in developing new community leadership. HEBCAC and Washington Village tried to hire local leadership and staff but often hired from outside of the community for key management positions.

Three of the village centers recruited their Executive Directors from outside of the community. HEBCAC's Executive Director was a senior manager in the Baltimore Development Corporation, the manager of the City's EZ application process, who had a strong relationship with Mayor Schموke. After a short period under the management of

a local community leader, Washington Village hired an experienced social services professional as its Director. The Poppleton Village Center was led by its Chair, a person with a relationship with the Mayor and Housing Commissioner, who had ties to but did not reside in the community.

The other three village centers recruited leaders from within. Self-Motivated's Executive Director was an established community leader active in the Zone and Village Center application process. Harlem Park recruited a Director who grew up in the community, and East Harbor's Director was a long term resident who led the Village Center application process. All of the village centers recruited support and programmatic staff from within the community.

Hiring and training local residents is a widely accepted core goal of any community capacity-building effort. The tradeoffs involved between hiring local residents versus experienced professional staff from outside of the community are seen in the experience of the village centers. The two village centers that hired experienced, City staff members as Directors, HEBCAC and Washington Village, formed stronger organizations more quickly than the others. The Directors had existing relationships with City agencies, which facilitated interactions with the City, and had management experience. In contrast, the Self-Motivated Village Center hired an established community activist as its first Director only to have this person removed for misuse of funds.

In the case of the Harlem Park Village Center, the hiring of local leadership had mixed results. One Harlem Park focus group participant reported pride over their success in hiring local residents: "What I can say and what makes me proud of this center is that

the residents who actually lived here in Harlem Park ended up being employed by the center, gave their services. So that's one thing that made us really, in my opinion, outstanding from many other centers" (2004). Yet another Board member criticized the Director as ineffective and reported that it was impossible to remove him because of his ties to the community. He was ultimately removed in the last year of operations as a result of (alleged) financial misdeeds.

According to an interview with Serena Neal (2004), East Harbor had substantial success in recruiting both its Director and staff from the community, but this required significant direct and technical assistance from EBMC. She reported that the Village Center undertook considerable efforts and expense to train its leaders, even sending one local resident to earn a degree in community development. The success of East Harbor shows that developing community leaders is possible with sufficient time, technical assistance, and training.

Vidal (1992) reports that, because of low salaries and benefits and high stress, community organizations often have difficulty in finding and retaining good leadership and staff. The Baltimore Empowerment Zone's commitment of high and stable funding to the village centers helped to solve this problem by offering competitive, stable salaries; however, by solving this problem of competitive salaries, it created another as the community members resented the pay scale offered to managers. Most village center Executive Directors earned salaries between \$50,000 and \$75,000, which were substantially higher than the earnings of most community residents.

Vidal (1992) and Rohe, Bratt, and Biswas (2003) argue that staff turnover hurts organizational performance. Poppleton, Self Motivated, Washington Village, and

HEBCAC were all impacted by staff turnover and long-term vacancies in key positions. This loss of leadership had significant implications for the operations of each of these village centers. For example, HEBCAC lost most of its senior management in a six-month period, and it was forced to operate with an interim Director as the City was planning a major East Side redevelopment effort. After a long search process, the person hired as Director left after a few months, and the position was vacant again for approximately 18 months. As a result, the organization lost much of its early momentum and had to both rebuild its operations and redefine its mission. Washington Village, on the other hand, was able to overcome problems with staffing turnover and vacancies, primarily because of the strength of its board. Self Motivated was never able to overcome the loss of the dynamic leader who led the Village Center formation process.

There was also a problem associated with how the village centers' professional staff and board members related to community members. Many community residents reported that the more educated staff and board members undervalued the contributions of community residents, many of whom had lower levels of formal education: "I don't put a whole lot into the degrees. Because I've been in this neighborhood 50 years on one corner, and I have been from the mountaintop to the basement, and the people I'd rather be around with are the ones who hocked their degree to get common sense" (Poppleton focus group, 2004). Another EZ community resident noted: "They [more educated staff and board members] talk about all this stuff, and I can't vote because I don't know what they are talking about. They use the initials and this or that, and we don't know" (Washington Village focus group, 2004).

### **Village Center/Board Relationships**

Gittell, Newman, and Ortega (1997) argue that, because policy makers assume community organizations to be appropriate vehicles for articulating and promoting community needs, it is best when the staff and board are representative of the communities that they serve. Glickman and Servon (1998) and Gittell and Vidal (1998) in their reviews of CDCs and community organizing found that successful CDCs have both active and representative boards, and that an inactive board and lack of resident participation undermine CDC effectiveness and capacity. EBMC emphasized active, representative, and diverse boards. Village centers were required to annually report on board structure, attendance, and activities in their Administrative Funding Agreements. Technical assistance on forming and managing a board was provided to the village centers that requested it.

Village centers utilized various strategies to create and populate their boards. Local residents dominated each of the village centers' boards. Resident board members were generally selected by direct election or by nomination by an existing community organization that was a supporter of the village center. All village center boards had seats set aside for institutional and business representatives. In cases such as Poppleton, these institutional representatives did not have a vote. In others, like HEBCAC and Washington Village, institutional board members typically let residents serve as Chair but played an active role in management and oversight.

In Poppleton and Self-Motivated, the boards were dominated by a slate of designated board members. In Poppleton, a group of ten "interim selected Directors" was able to avoid election and control operations throughout the operation of the Village

Center. In Self-Motivated, a majority of board members were the designated representatives of community organizations and were guaranteed their seat. In Poppleton, these un-elected Board members dominated the Village Center and in Self Motivated, this slate of guaranteed Board members are the same Directors the fought for control, ultimately contributing to its closure.

There were substantial variations in the level of board activity and control among the village centers. East Harbor is an example of a staff-led organization where the board played a supportive role to a strong leader. Washington Village was more of a board-led organization where the board provided management continuity in the face of high staff turnover. Poppleton was an example of an organization where a key board member played a dominant role. After the resignation of its first Executive Director, the Self-Motivated board was dominated by a small group of Board members, which caused other members to feel excluded from the decision-making processes.

Almost every village center experienced some level of difficulty in developing and maintaining a board of Directors, and most reported low attendance and participation in board meetings. The difficulties included: managing the operations of the board; engaging members in the management process; and balancing the strengths and responsibilities of various members. As a result, EBMC provided substantial technical assistance on board development.

East Harbor, Harlem Park, and Poppleton all reported difficulty in engaging their boards in operations, maintaining a quorum at meetings, and having each board take active roles in operations: “Recently, I’ve had a problem with maintaining a board. And I’d say in the past two years most of the Board members have moved out of the area.

Some have moved out, some of them organization-wise have changed functions” (East Harbor focus group, 2004). A Harlem Park focus group attendee noted:

Our Village Center did not have a quorum for the board. Let me tell you how they operated. With one of the previous chairpersons, they would claim they had an executive session. They did not call it, and what they were doing was that they were running around to certain people’s houses when they wanted to get something done who was on the executive committee and telling them to vote for this, vote for that, things like that. They just did things (2004).

A Poppleton resident commented:

Keeping the board working has been a struggle. The executive committee of the board has remained intact and very strong and active, and then a few of the community organizations have as well (2004).

Village centers also experienced problems in maintaining the appropriate roles for board members in relation to the organizations. Self-Motivated faced difficulties with key Board members trying to micromanage the organization. When board members turned over, especially after conflicts, the village centers often lost access to the information collected by the exiting board members: “When board members and Chairs left they didn’t pass on all of the information to new members or Chairs. It was like ‘I’m going to hold this and this person ain’t going to know’” (Harlem Park Board member interview, 2004).

With one notable exception, the village centers that formed the strongest boards, HEBCAC and Washington Village, formed stronger village centers. Board members not only provided strategic direction and oversight (an area where Washington Village was especially successful), they also served as links to the City and State government. One Washington Village Board member worked for the court system and was able to bring a community court to the Village Center, which was recognized as a best in practice effort by the Clinton administration. HEBCAC’s Board had high-powered political leaders and

representatives from Johns Hopkins who were able to bring in federal, State, City, and Johns Hopkins resources.

Both Self-Motivated and Harlem Park had high levels of board-related conflict (within the board and with the village center staff) and low levels of board participation. Self-Motivated ceased operations in only four years of funding, and Harlem Park never became a strong Village Center. A very strong leader dominated the Poppleton Village Center Board and staff in a way that stifled the Village Center's development.

East Harbor is the exception. As a result of the conflict over the formation of the Village Center, the Board never attracted significant participation from white residents or organizations serving white communities. Furthermore, the Board exerted very little control over the Village Center's operations and the Chairman rarely attended meetings. Very high-level leaders and developers were on the Board, especially for the East Harbor CDC, and they did assist the Village Center and CDC, but East Harbor was essentially staff-run.

### **Mission Statement and Strategic Planning**

Roman and Moore (2004) found, "Studies suggest that the presence of a clear, concise mission statement with articulated goals and objectives is important to an organization's success in the community" (19). EBMC required that all of the village centers develop a Land Use Plan and strategic plan to guide their operations. The Land Use Plan analyzed current and expected patterns of development. The strategic plan outlined key social and programmatic goals. These plans not only directed the efforts of the village centers, but through the charettes and public meetings held to develop these plans, they served as a means of mobilizing community engagement with the village

centers. Nearly every village center considers the Land Use and strategic plans to be among the most important things produced by the Empowerment Zone, and despite being five or more years old, most still guide their village centers' operations today.

HEBCAC and Washington Village had the most detailed strategic planning efforts, and Washington Village updated its strategic plan annually. One flaw in the EBMC process was that the village center strategic planning occurred after the village centers were formed. Some key informants reported that more planning would have been beneficial during the village center formation process; most importantly a thorough needs assessment of each community. Moreover, because EBMC and its Board developed the Zone's overall strategy and program emphasis, the core activities of Zone programs did not always match community level priorities.

The village centers that emphasized strategic planning formed stronger organizations. Washington Village engaged in annual strategic planning retreats as a means of both guiding the organization and maintaining board and community involvement. HEBCAC had a detailed strategic plan that guided its efforts. East Harbor's strategic plan laid out the Village Center's successful strategy to become engaged in community development.

### **Community Organizing/Community Mobilization**

Community organizing is the mobilization of local community residents to participate in and support the activities of a community organization. Haeberle (1986) summarized the literature on the demographic and environmental influences on resident participation and found that socioeconomic status (income and occupation), environmental conditions (population, home ownership, and age of housing stocks) and

race all influence community participation. Community organizing in Baltimore's Empowerment Zone with its high rates of poverty, low home ownership, and concentration of African-American residents was difficult. While community organizing was once a core activity of community organizations, it has often become only one of many functions as a result of the growing professionalization of the role that CDCs and other community organizations in housing development and service delivery. Work by Stoecker (2003) has identified the tensions facing CDCs between community organizing, with its emphasis on representing the needs of the community, and community development, with its requirement of cooperation with political and for-profit actors who often have different goals from the community. The federal EZ program sought to resolve this conflict by emphasizing the community outreach aspect and directly funding programs. Similarly, the Baltimore City Empowerment Zone emphasized the need for the village centers to organize and mobilize residents as a core goal, and it funded community organizer positions in each of the village centers. EBMC's community mobilization goal was for the village centers to directly engage residents in both oversight and activities.

All of the village centers reported difficulties in mobilizing and engaging the community in operations. One Washington Village key informant reported:

It was hard to get people to come to meetings. Then they cry that their area is getting left out. There was apathy in Washington Village towards the EZ, but rich community life under this apathy. The Empowerment Zone under-invested in community organizing" (2004).

Even HEBCAC, which at its peak had four or five community organizers, reported difficulty in overcoming community apathy and mobilizing the community. The community's history of distrust of Johns Hopkins University, which was both a founder

and a funder of the organization, exacerbated this problem. Other village centers reported problems in getting community organizations to work with the village center:

With any group, they will come if there's something for them or that they need. With any group that I've worked with where they should have been part of the Village Center, that has been the pattern. They only come if it's in their interest, and they don't participate otherwise. (East Harbor focus group 2004)

A Harlem Park focus group attendee commented,

I got this impression that you got all these communities and all these organizations and don't nobody know what this community does or that community does. I'm just saying nobody knows their roles and then when you get these organizations and these groups, nobody wants to work together, but you've got everybody who wants to be in charge. (2004)

Most of the village centers experienced only modest success in engaging the community, and none obtained broad-based participation. The difficulties involved in successful community organizing have been well established in community development literature. For example, in their evaluation of a LISC demonstration program, Gittel and Vidal (1998) highlight the difficulties, complexities, and problems encountered in community organizing. The results in Baltimore were similar. Nearly all village centers started with broad-based participation, but community interest and involvement declined over time as the more mundane aspects of running an organization overshadowed the initial excitement of community members.

Some village centers were more successful than others in engaging and involving the community. Washington Village, HEBCAC and East Harbor reported fairly large numbers of residents participating in activities such as neighborhood clean-ups; however, overall public participation in village center governance was modest. Across the village centers, public participation in governance most often came from the leaders or members of existing community

organizations, people who were already active in City or community issues. The successful village centers, like Washington Village, were able to fully engage these active community leaders and residents in governance and operations. Weak village centers, like Self-Motivated and Harlem Park, were crippled by conflicts between those leaders over the money and power associated with the village centers.

### **Outreach and Communications**

Community organizations must have an effective outreach and communications strategy in order to support their programmatic and community mobilization missions. If neighborhood residents are unaware of an organization's services, utilization will be low. If they are not informed of the issues impacting their community, they will not become involved in efforts to improve local conditions. Furthermore, effective outreach by community organizations can be a vital means of collecting information on key issues facing the community and acquaint staff with stakeholders. According to Chaskin et al. (2001), "Although outreach and communication by themselves do not constitute community organizing as we have defined it, they are often vital to capacity-building efforts in neighborhoods where the populace is alienated from institutions and lacks self-efficacy" (115). According to Chaskin et al. (2001), community-building efforts utilize advertising, door-to-door canvassing, and outreach through existing community organizations. The Empowerment Zone and the village centers employed all of these strategies.

Overall, the village centers did not develop effective outreach and communications strategies. More effective communications could have assisted the

efforts at mobilizing the community. Most village centers produced newsletters, but they were published irregularly. The village centers also publicized their community meetings but often had low turnout. Even with better communication, many village center key informants reported how difficult it was to increase community participation:

But you know what I think it all boils down to? One of the barriers is we did not have and still don't have total community awareness of what's going on. I think the community has been informed, but I can agree that the community as a whole has been reluctant and slow to come to the table to take part in the overall process. But as far as getting the word out, I think we did an excellent job at getting the word out about the programs that are offered here at the Village Center. (Harlem Park focus group 2004)

### **Size**

The size of the communities served also affects the viability of community organizations. If the area is too large, it will make it difficult for a community organization to have broad-based resident participation (Haberle 1986), but if is too small, it will limit the potential service and development activities, and tie success to a small market (Rohe, Bratt, and Biswas 2003). As a result, a community organization will need to define a service area that is large enough to attract sufficient interest and programmatic funding, but be small enough to maintain resident participation and commitment.

In the year 2000, the Empowerment Zone portion of HEBCAC had a population of 18,351. One HEBCAC key informant reported, "I think it might have been too big for – I think it was too big for them to really get the things done that should have been done" (2004). On the other hand, Harlem Park had a population of 4,283 in the same year and also had several existing community organizations already serving the community. It

was too small to support a village center in addition to the existing community organizations already serving the community.

### **Interaction with Community Institutions**

Efforts to organize residents and form community organizations can be shaped by the participation and reputation of key local institutions. Eicher and Hoffman (n.d.) identify the involvement of an institutional partner as essential in building community capacity. Local institutions such as hospitals, universities, and large employers can serve as psychological and fiscal anchors and external relationship brokers of a community organizing effort. However, if the institutional partner has ulterior motives, this can damage the credibility of the community organizing effort. The participation of institutional partners will generally also support the creation of stronger organizations, but ties to a dominant local institution can cause mistrust among community residents.

HEBCAC was the best example of the positive and negative impacts of organizational relationships with dominant institutions. East Baltimore residents have long viewed Johns Hopkins with suspicion. It was seen by many as benefiting from the blight in the surrounding neighborhood that drove out the residents and allowed Hopkins to acquire local property at a low price. By acquiring and boarding up properties on surrounding blocks, the institution was seen as contributing to local decline. According to an interview with Mike Seipp, HEBCAC's first Director, people in the community even thought that Hopkins was distributing crack cocaine to residents to cause urban decline (2004). HEBCAC was formed to address these negative perceptions and to foster cooperation between Hopkins, community organizations, local political leaders, and the City in revitalizing this community. HEBCAC received a substantial base of its funding

from Hopkins and the City, and it never relied on the Empowerment Zone for more than one-third of its funding. The relationship with Hopkins also attracted external federal and foundation support for programs and access to drug treatment and other services. However, the relationship between Hopkins and HEBCAC damaged the relationship of HEBCAC with the community. A strong institutional relationship strengthened HEBCAC as an organization, but weakened its relationship with the community.

In the formation of the Poppleton Village Center, African-American community residents opposed the initial formation plans developed by the University of Maryland, Baltimore and Hollins Market Association and took control of the Village Center. Poppleton leaders were suspicious that the University of Maryland wanted to move across Martin Luther King Boulevard (a boundary between the University and the neighborhood). Their suspicions were validated in 2003 as the University made plans for a research park on a vacant City parcel in the community. After that decision, Poppleton reported both a stronger working relationship with the University: “Certain segments left [the Village Center] until the University of Maryland piece [research park] came up, and now people are coming back” (2004). This demonstrates that community organizations and institutions can overcome initial disagreements to work together.

In Washington Village, an involved and committed institutional presence on the Board provided access to both organizational skills and programmatic funding, demonstrating the supportive role that institutions can play in organizational development. In contrast, Harlem Park demonstrates that communities lacking an institutional presence can be at a disadvantage in building strong community organizations. One EBMC staff key informant reported, “Harlem Park actually suffered

a double whammy. Not only were they small, but they had no institutional partners and they had no business district” (2004). Thus, strong institutional support tended to assist in forming strong village centers; however a too dominant institutional presence can weaken organization’s credibility.

### **Community Momentum**

Neighborhood redevelopment, renewal, and gentrification often provide the impetus for community mobilization. Most community-based organizations are organized to address the problems associated with poor and blighted communities. These organizations often face new challenges when redevelopment occurs in their communities. Redevelopment and gentrification often threaten to uproot the residents of poor communities who are forced out by increasing rents or the outright condemnation and demolition of existing structures, both occupied and unoccupied, to make way for upscale housing and commercial space. As a result, existing community organizations and residents often end up opposing rather than participating in this redevelopment. This represents a loss of an opportunity to develop a new socially-oriented redevelopment paradigm that combines traditional redevelopment with the community-oriented development activities of CDCs (Peterman and Hannan 1986; Robinson 1996). Robinson’s community-based “alternative social production process” is more cooperative and sensitive than traditional redevelopment by including residents and community organizations in the process, production, and projects completed (1996).

Patterns of redevelopment and gentrification in Baltimore City played an important role in the strategy of the Empowerment Zone and operations of the village centers. Two of the Zone’s communities were in the path of redevelopment and

gentrification radiating from downtown Baltimore. The East Harbor Village Center was located on prime, waterfront real estate between downtown Baltimore and the already-gentrified community of Fells Point.<sup>18</sup> The Washington Village/Pigtown Neighborhood Planning Council was centered on a historic commercial corridor, Washington Boulevard, and had been considered a prime redevelopment site for many years before the Zone was awarded. HEBCAC was also at the center of redevelopment activities occurring around Johns Hopkins Hospital.

Most models of community capacity-building strategies predict the failure of community organizing efforts when the target communities are in the path of, or more cynically, in the way of redevelopment. Fainstein and Fainstein (1986) and Stone (1989) both find that neighborhood groups rarely develop the skills or power to challenge ‘downtown regimes.’ This is especially true in a City like Baltimore with its shadow government of quasi-governmental organizations formed to limit, not enhance, public control over redevelopment projects (Stoker 1987). Ironically, the two strongest village centers, East Harbor and Washington Village, were formed in such communities.

The East Harbor Village Center was formed to meet the needs of the poor, African-American residents living in the public housing projects and communities existing between downtown and Little Italy on the west and Fells Point on the east. Its strategy was to represent this community during the dramatic redevelopment that occurred in this community. It served as a bridge between the City, the developers, and the community. In this role, the Village Center received substantial City, State, and federal funding related to HOPE VI redevelopment, community planning, and relocation

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<sup>18</sup> Portions of Fells Point are in the Zone, but the Fells Point community organizations have played only a minor role in the East Harbor Village Center or the Zone.

assistance. With many of the City's most successful developers supporting the East Harbor Village Center, it formed its own CDC that developed a community center that included retail space, and it is in the process of developing new federally-funded housing in the community.

According to Serena Neal, East Harbor protected the interests of the local African-American community:

“She [Clara Butler, Director of East Harbor] has partnered with City, local developers, Hopkins to do development, getting absolutely little or nothing out of the deal for her organization, but she's developed a partnership to assist Flag [Flag Court Housing Project – which was being demolished and redeveloped]. For the last five years, almost five years now, they've been fighting over how many residents would come back to them into that thing. The developer wanted to keep them all out. She's fought them. She's got housing now for those folks who came out of Old Flag.” (2004)

East Harbor ensured that existing residents would not only be provided with transition services but that many would be able to return to the redeveloped housing.

Washington Village was located to the west of downtown between Martin Luther King Boulevard and Interstate 95. With its proximity to downtown and the City's two sports stadiums, and with the presence of a pre-existing commercial strip and townhouses, it has long been considered a candidate for redevelopment. Gentrification was occurring on a small scale in Washington Village before the City was awarded the Empowerment Zone, and there was tension between the community and the new higher-income residents as well as several developers investing in the community. Washington Village did not become as active as East Harbor in the development process, but did work to represent the community's needs to the City as redevelopment occurred.

The differences in the roles of each village center in community redevelopment was most likely due to the differences in the redevelopment activities occurring in each community. Located on the waterfront outside of downtown, East Harbor had seen large-scale redevelopment projects such as new office towers, hotels, and retail space developed by the City's major developers. The East Harbor community was home to several large public housing projects, many of which were being redeveloped under the Federal HOPE VI program. The political requirements associated with these large-scale development activities created the need for including residents in the redevelopment process, thereby creating a role for East Harbor. In contrast, redevelopment in Washington Village consisted mainly of individual investors developing small-scale properties, and it did not create a formal role for the Village Center in representing the community.

The village centers serving communities experiencing redevelopment and gentrification formed strong organizations. Both East Harbor and Washington Village were in the natural path of Baltimore's waterfront and downtown-driven redevelopment. Redevelopment provides internal mechanisms to support capacity building as community residents either band together to protect themselves from gentrification or rally to support that things in their communities are starting to change. For example, in both East Harbor and Washington Village, defending the interests of existing residents in the City's redevelopment plans was a central factor supporting community participation. East Harbor sought to ensure that residents were able to return to redeveloped housing, and Washington Village sought to ensure that residents were able to benefit from redevelopment through home ownership and renovation programs.

Redevelopment also provides external mechanisms to support capacity building since the City's agencies and developers need to work with local organizations as part of the public participation component of large-scale redevelopment efforts. As a result, developers often find it expedient, as in the case of the UMB BioPark and Poppleton, or required of them, as with HOPE VI, to work with community groups. As reported by an East Harbor resident, "Another issue is the unique development opportunities along the waterfront that were part of these boundaries, which was different from any other village center. The big powers—the Struever Brothers, Paterakis—the people in control were a factor in this Village Center" (2006). External funders like foundations see and feel that they can make more of a difference in a changing community; thus, the foundation community stepped up and supported programs in both East Harbor and Washington Village.

### **External Operational Issues**

Externally-driven issues refer to factors outside of the village centers or their communities that influence operations. National, regional and local factors as well as the political environment influence community organizations. Hager et al. (1996) identify four external factors that impact nonprofit organizations: local competition and carrying capacity, local demand for goods and services, the availability of resources, and legitimacy. Applying a similar model to the experience of CDCs, Rohe, Bratt, and Biswas (2003) identify the core contextual factors affecting community groups as federal policies and support, national intermediary support and assistance, and local market conditions. Because the village centers were created and supported by a large-scale federal program, this analysis will focus on local conditions, most importantly the

relationship of the village centers with EBMC, the City, and with other external stakeholders.

### **Relationship with EBMC**

Rather than the bottom-up approach proposed in the City's Empowerment Zone application, EBMC structured the Zone's operations in a grantor-grantee format. EBMC was the funding agent for Zone programs and the village centers. One Board member reported in the focus group, "It got clearer to me, as I was here a few years, that we were really the grantor agency and we should function as such. And we provided a lot of things that other grantors don't provide" (EBMC Board/staff focus group 2004).

This grantor-grantee relationship resembled a CCI in that a new external agent sought to improve conditions in targeted neighborhoods through a specified set of funded policy interventions, implemented through community organizations, and supported with technical assistance. This CCI-like structure was shaped by the early participation in the Zone's design by James Rouse, whose Enterprise Foundation created the Sandtown-Winchester CCI, and by Diane Bell, the City's representative to the Sandtown-Winchester CCI. According to an interview with Bell, the local representatives from the Enterprise Foundation were active in the City's application process and the early development of the Zone's management strategy (2004). Similar to a CCI, EBMC sought to leave behind the local capacity to continue to organize and implement programs to improve the targeted communities, with the village centers as the most important legacy of the Zone effort.

Like a CCI, EBMC interacted with the village centers in three main ways: it funded, developed, and implemented a centralized system of control over village center's

operations; it required evaluation and monitoring as part of its fiscal control; and it provided funding and referrals for technical assistance to the village centers when requested.

As the village centers started operations, they had to adapt to the centralized control system created by EBMC. The initial conflict over centralized versus decentralized control was an important early area of tension between EBMC and the village centers, especially with HEBCAC, a pre-existing organization run by the coordinator of the City's EZ application, and Washington Village, one of the first village centers formed. Some centralized control was essential, especially in the area of setting the strategic goals for the Zone. Baltimore City's Empowerment Zone application laid out a considerable number of goals and programs that sought to address the full spectrum of urban problems. As the City and EBMC began to implement the plan, it became clear that EBMC would need to focus its efforts on a few key programs and goals or risk dissipating the money with little impact. According to one long-term EBMC Board Member:

There was every good thing in the world in that application, and there was no way in the world that those good things could all be achieved. So a decision had to be made pretty early on where we were going to put the focus, and that may have been a different focus from what people in the village centers, many of whom probably worked on the application and saw different things in it. This Board made a decision that we're going to focus on job creation and workforce development and the other things that impact employment. And that could have been a disappointment to people who didn't see it that way. (EBMC Board focus group 2004)

Workforce development, economic development, community capacity-building, and a variety of smaller programs (crime reduction, housing assistance, lead paint abatement, after-school programs, and others) aimed at improving neighborhood quality of life became the core programmatic areas of the Zone, with program funding highly

concentrated in workforce and economic development. In EZ implementation, EBMC and its Board developed a list of core programs for which the village centers needed to apply for funding to implement in their area. Workforce development consisted of job referral, training, and substance abuse programs. Economic development, or job creation, was implemented by EBMC and focused on grants, loans, and programs to assist business recruitment, retention, and expansion. Community capacity-building consisted of the support provided for the formation, operation, and sustainability of the village centers. Quality of life programs focused on improving community conditions through housing and crime programs. With the exception of economic development, all of the programs were implemented by the village centers under contract with EBMC.

This centralization of control and implementation was not consistent with the City's application. According to an interview with Mike Seipp (2004):

My premise is that the Empowerment Zone should have been six laboratories to test creative ways of community development, service delivery, management of City obligatory services like education, and the partnership entities, which included government institutions and neighborhood residents. And what it became was a central entity that established the rules and regulations for how employment development was going to be structured, for how workforce was to be structured, and how housing would be structured.

According to one Washington Village focus group participant, EBMC's centralization of control and strategy cost the EZ effort early momentum:

What I am saying is the team that was in place, ready to make things happen was dissipated. Mike Seipp was thrown to the side. Diane was brought in, and the direction that we would have gone in was changed dramatically with much less concern for the individual village centers and much more concern for the impact on the City, and a blue ribbon panel to protect those interests. Everything was changed, and the culture, the manpower, and the energy was lost. (2004)

The village centers also criticized EBMC's centralized control as not rewarding innovation or success. Village centers that attracted new programs or funding or fully implemented their allocated share of an EBMC program reported that, rather than getting behind their success, EBMC often slowed the process down so that other village centers could catch up. The EBMC Board acknowledged this with one focus group participant reporting, "If you give money to village center x, village center y is saying, 'Well I deserve the same thing,' so we're [EBMC Board] always doing this balancing act" (2004).

As part of EBMC's centralized control system, each of the village centers was required to set and report progress toward meeting annual goals as part of EBMC's evaluation and reporting requirements. Surprisingly, most village centers did not object to the evaluation and reporting requirements set by EBMC as a condition of their administrative funding agreement. According to Seipp, "I would say that the upside was that there was limited opportunity for gross negligence, malfeasances, and undocumented barriers" (2004). One of EBMC's core goals was to limit opportunities for misuse of funds. EBMC forced each of the village centers to obtain formal 501(c)(3) status so that they would be legally responsible for their funding. This system worked, and EBMC was able to quickly find the misuse of funds that occurred at the Self-Motivated Village Center and later at Harlem Park and remedy poor fiscal management at Poppleton.

Because the village centers drew their boards and much of their staff from the local communities that were poor and disadvantaged, there was a substantial need for training and technical assistance to provide the skills necessary to create and run the village centers. As a result, EBMC played a critical role in supporting the village centers

through training and technical assistance. EBMC community outreach staff provided informal technical assistance by working with each of the village centers in the areas of general management, board management, and explaining EBMC rules and regulations. Staff could also recommend, and the village centers could request, specialized consultant-provided technical assistance. This was most often provided in the areas of strategic planning and board management.

All of village centers reported that EBMC training and technical assistance had a positive impact. According to one Poppleton focus group participant, “The board had several [EBMC-facilitated] retreats to assist them in handling operating issues of the Board. That was very positive” (2004). Harlem Park received a great deal of technical assistance regarding board development as well (Harlem Park focus group 2004).

The core criticism of the technical assistance effort was that all village centers did not take advantage of it. One Washington Village key informant reported, “The [technical assistance] money was there, but I don’t think the Board and/or the staff necessarily knew to ask for certain things. I don’t think we knew what to ask for” (2004). Several HEBCAC key informants reported that they also could have benefited more from technical assistance, but that they did not ask for it or might not have received it because they were a larger, better-funded organization than the other village centers.

Overall, the village centers overcame their initial opposition and adapted to EBMC’s centralized control. Most village center board members and staff interviewed viewed EBMC with a grudging respect; however the EBMC Board was viewed as driven by downtown business and political goals, not community issues. The EBMC Advisory Council that was established to provide community input was never able to take a major

role in setting or changing EBMC's Board-driven policies, and served mainly as a vehicle for the community to respond to EBMC initiatives. Over time, participation in the Advisory Council fell and the group exercised very little control over the Zone. While some village center leaders resented the centralized strategy and control system in place, all were able to work within the established system.

EBMC used its fiscal control to put in place an annual performance-based monitoring and evaluation system to track village center performance. It developed fiscal accountability procedures and audited the village centers. Through these monitoring procedures, EBMC discovered fiscal improprieties in the Self-Motivated Village Center in July 1996 and again in 1997- ultimately closing the Village Center, and it halted funding of the Poppleton Village Center in May 1999 until better fiscal controls were put in place. In 2004, EBMC found fiscal improprieties at Harlem Park and closed the Village Center immediately.

Overall, there was a tension between the Empowerment Zone's accountability requirements and technical assistance efforts. Village centers had to request technical assistance. When EBMC saw problems, it suggested but did not force village centers to receive assistance. The village centers that experienced the most problems reported that they wished that EBMC had stepped in earlier; however, EBMC wanted the village centers to solve their own problems. According to an EBMC Board Member,

Some people have said, 'EBMC should come in [to the Village Center] and make this right.' And what we say is, 'If you're not violating your bylaws, you're not violating criminal law, you're not violating any federal mandate or your funding agreement, then maybe this is the situation that you're unhappy with, a decision that your village center is making, and you need to muster support among your colleagues to move that in a different direction' (2004).

EBMC's stand-back approach was evident in the events leading to the suspension of operations of the Self-Motivated Village Center. After the discovery of fiscal improprieties at the Village Center in July 1996, there followed a fourteen-month period of conflict within the organization between members of the Board and the Director. The Executive Director resigned in September 1997. He was replaced, but the Village Center was never able to overcome the various conflicts in the community and on the Board. In September 1999, the Village Center, with the assistance of EBMC, formed a new Board of Directors. This new Board failed to resolve the problems and, in September 2000, the new Self-Motivated Board requested that EBMC assume a trustee-like role and manage the Village Center itself. After a consultant-conducted assessment of the community and the Village Center, EBMC terminated support for Self-Motivated. Goodwill Industries continued to run the workforce development program in the community, and it served some of the functions of a Village Center. One key Self-Motivated informant reported:

I felt Empower Baltimore at some point should have stepped in and have been more of a force in instituting proper fiscal policy and restraints over and above what the Village Center Board did. If they perceived a problem early on, not wait, wait, wait, and then when operation is not functional say let's close it. It should have never gotten to that point (2004).

Overall, the relationship between EBMC and the village centers worked. EBMC required planning and monitored progress, exercised fiscal control, and provided technical assistance when requested. Village centers accepted and could work within the guidelines set by EBMC. In its oversight function, EBMC's stand back approach of waiting for help to be requested by the village centers may have contributed to the problems experienced in Harlem Park and Self Motivated. However, had EBMC assumed a more direct role in Village Center management, it would likely have been resented or resisted.

## **Relationship with the City**

Most of the village centers did not see the City government as an ally in the community capacity-building efforts of the Empowerment Zone. Many key informants reported that they felt there was an effort by City agencies to take over the core programs implemented by the Empowerment Zone and the village centers. There was also a feeling in the village centers that the City did not meet its responsibilities when it was in charge of programs or needed to make investments or actions to support the Empowerment Zone. The informants said that this was especially true of the public safety, housing demolition and redevelopment, and housing exterior repair programs:

The Department of Housing and Community Development was doing what they call scattered-site demolitions, and you see it now. You walk down a block and in the midst of it will be a clear lot where one house was in such disrepair that, under Mr. Henson [Commissioner of DHCD], they just took it out. I think it finally came to everybody's awareness that neither scattered-site renovation nor scattered-site demolition leads to big development or any development at all (Washington Village focus group 2004).

City politics also impacted the success of the village centers, especially on the East Side of Baltimore because, as one key informant reported, "East Side and West Side politics are a bit different. East Side, they [the politicians] really control. You have a small group controlling everything. In West Baltimore, you have a lot of different groups" (2004). The West Side village centers reported that City politics played a minor role in the creation and operation of the village centers with Harlem Park reporting the most cooperative relationship with local political leaders. On the East Side, HEBCAC was in many ways a creation of the political power structure in that part of the City, and this benefited the Village Center in the form of both program funding and administrative support, especially in the early days of the Empowerment Zone. However, with the

change in City administration in 1999, HEBCAC's cooperative relationship with the City changed, and the City created a competing organization to manage its East Side redevelopment efforts. One key informant reported,

When Martin O'Malley was elected, HEBCAC leadership tried to meet him. 'Here is our plan, we want you to understand what our plan is, and we want you to be on board.' He basically would refuse to meet . . . At that point, the City's participation in everything we were doing disappeared. We used to have weekly meetings with City agencies. Gone. They just stopped meeting with us (HEBCAC Village Center focus group 2004).

This termination of political support was in part due to conflict between the new Mayor and the East Side political establishment that had run its own candidate for Mayor. In a *Baltimore Sun* article on the resignation of Mike Seipp as HEBCAC Director, the Mayor "welcomed" his departure, and the City's new Housing Director said, "This is not the Mike Seipp Community Action Coalition" (Siegel, 2000b). The City targeted HEBCAC and its Director for removal in order to pursue and control its own major redevelopment effort in the community. In doing so, the City benefited from divisions in the formerly coordinated East Side political system as new leaders sought to take control from the old guard. These emerging younger leaders targeted delegate Hattie Harrison, the leading political supporter of HEBCAC, for removal.

One key informant reported that the entire relationship among all of the village centers and the City changed after O'Malley's election: "[Former Mayor] Schموke assisted the Empowerment Zone because it was his baby. O'Malley, he knew nothing about Empowerment. O'Malley didn't care about Empowerment" (EHVC focus group 2004). The O'Malley administration took a more centralized role than either of the two mayoral predecessors in City management. Mayor Schaefer was a very strong leader, but he worked with and through community organizations throughout his political career.

Mayor Schmoke broadened the base of community organizations in the City to include new African-American organizations. Mayor O'Malley created an Office of Neighborhoods, but the City was governed by a centralized, bureaucratic management system.

### **Relationships with Other Stakeholders**

In spite of the call for partnerships to be formed to facilitate the Empowerment Zone, few of the village centers had any large-scale interactions with other stakeholders in the City. Only HEBCAC had any major external funding throughout the Village Center operating period. It received program and operating support from the City, grants from major local foundations, and a large workforce grant from the federal government. East Harbor slowly built up its external funding and, by 2003, it began to receive substantial external funding to support the development of its new CDC. In 2003, the East Harbor CDC received a \$350,000 grant from the U.S. Department of Health and Human Services to redevelop an old City firehouse and a \$50,000 grant from Hewlett-Packard to develop a technology center in the firehouse. In addition, the organization received \$149,000 in federal and local grants to develop Individual Development Accounts. The other village centers had only limited success in leveraging EBMC funding. Both Washington Village and HEBCAC operated Main Street commercial redevelopment projects, and Washington Village began an effort to submit proposals for alternative funding in 2001. The Poppleton Village Center received modest City and private support for its CDC, and Harlem Park received almost no external funding.

The village centers were supposed to be the sustainable portion of the City's Empowerment Zone strategy. They were supposed to continue after the federal money

was spent. Despite this goal, one significant flaw in EBMC's strategy was the failure to emphasize sustainability from the beginning. According to the EBMC Action Item Review, the tracking report on progress toward attaining goals, EBMC did not begin discussions with the village centers and the Advisory Council until May 1999, and it did not form its Sustainability Committee until January 2001 (EBMC 2003).

The City's strong base of foundation support for community issues and advocacy was not brought in to support the village centers or their programs. According to Ann Sherrill, the Director of the Baltimore Neighborhood Collaborative (BNC), an organization formed by the leading foundations in the City to support community development and neighborhood revitalization, "I think the assumption was that there was not a need for BNC to invest in community capacity-building in the Zone because of the federal dollars and other dollars that the Zone would leverage, and that there was an assumption that groups in the Zone would be getting funding from Empower Baltimore, and there wasn't a need for the collaborative to invest in the Zone" (EBMC 2004, 322). As a result, the foundation community, whose efforts were coordinated by BNC, saw the Zone areas being helped by EBMC and used this as an opportunity to redirect their efforts to other communities. Federal funding was actually seen as an excuse not to invest in the poor communities in the Zone. Furthermore, no efforts were made to get the major businesses or foundations serving on the EBMC Board to invest in or assist the village centers, and the blue ribbon EBMC Board did little to force the City to work with and through EBMC or its village centers.

## **Summary and Conclusion – Village Center Operational Period**

Five of the six village centers made it through the formal operational period of the EZ. EBMC's monitoring and evaluation systems discovered and remedied the misuse of funds, closed the Self-Motivated Village Center, and found and remedied poor fiscal management in the Poppleton Village Center before it became a problem. All of the village centers were able to overcome internal barriers and adapt to the environment in which they operated in order to become functioning organizations. There was a general consensus among the EBMC staff and Board members and other key informants interviewed that the Zone's community capacity-building effort was most successful with the Washington Village and East Harbor village centers. Both of these village centers formed strong organizations that not only delivered core EBMC services but also represented the needs of their communities and were able to attract outside support. HEBCAC was viewed as an important and potentially strong organization that needed to adapt to a changing political environment. Poppleton and Harlem Park were viewed as organizations that would face challenges in attaining sustainability (Interviews EBMC Staff and Board 2004 and Clinch 2004a and b).

The factors that contributed to village center success differed among village centers. HEBCAC and East Harbor were both examples of staff-led organizations while Washington Village was a board-led organization. Poppleton was a board-led organization, but a dominant member of the Board so monopolized the village center that it never developed a highly functioning staff or organization. HEBCAC experienced problems in community mobilization because it was so large and was seen as dominated by a single institution, while Harlem Park never achieved a critical mass in its operations

because it was too small and had no institutional support. Washington Village faced racial conflict and went on to form a successful organization serving a diverse population, while East Harbor overcame racial conflict only to become a successful organization serving primarily its African-American population. Poppleton was never able to overcome its early racially driven conflicts. All of the village centers suffered from low levels of community participation and poor outreach and communications.

EBMC's implementation strategy caused difficulties that affected village center operations and sustainability. EBMC's failed goal of spending the federal money in five years rushed the village center formation and operational process. Numerous observers have likened EBMC as "running a sprint when community development requires a marathon. (Various interviews 2004)" EBMC's centralized control over the strategic emphasis of the EZ effort forced the village centers into a centralized strategy. As a result, the village centers were formed without having engaged in a localized process of setting their own agenda. Both of these factors contributed to low levels of community mobilization and resident participation.

EBMC provided technical assistance when requested, but did not take an active role in addressing problems in the village centers before they became critical. EBMC and its staff recognized the difficulty of their community capacity-building efforts. In a presentation to the EBMC Management Team, Robert Stoker, the local evaluator for the HUD Team, reported that he was astonished that EBMC stuck with the community capacity-building effort given the complexity, difficulty, and uncertainty associated with the task (EBMC 2004). When asked to comment on the overall capacity-building effort, one EBMC Board member reported, "We started six village centers. If four are

successful, we're batting over .600, and I'll take that" (EBMC Board and staff focus group 2004).

Several core lessons from the Baltimore Empowerment Zone's community capacity building efforts can be applied to other federal or philanthropic efforts. The primary lesson is that fiscal and managerial accountability systems are essential in order to monitor progress and use of funds. EBMC successfully used accountability systems to control and monitor village center operations and reduce opportunities for misuse of funds. However, EBMC's hands-off approach of waiting for the village centers to request help allowed some village centers, most importantly Harlem Park and Self Motivated, to fail. Early and strong interventions could have assisted these organizations overcome their problems. The experience of the Baltimore Empowerment Zone also demonstrates the value of technical assistance, with the most successful village centers relying on internal or EBMC assistance to overcome problems.

A new finding of this research is the community development momentum plays an important role in developing community organizations. The successful village centers were able to play a positive role in community development projects while representing and defending the interests of residents. The experience of the Baltimore Empowerment Zone validates past research that leadership; community service area; board relations; and planning all contribute to the success of community change efforts.

### **Village Center Sustainability Planning Period**

EBMC administrative funding for village center operations was supposed to continue for five years. As a result, administrative funding should have ended for the village centers in 2001 and 2002. Just as this five-year funding period was ending for

some village centers, EBMC and its Board recognized that more time would be necessary to meet the goal of creating sustainable community development capacity in the form of the village centers. In January 2001, EBMC replaced its Quality of Life/Community Capacity-Building Subcommittee with an ad hoc Sustainability Committee to explore sustainability options for the village centers. In September 2001, the EBMC Board allocated an additional \$1.5 million to support village center sustainability. Each village center would receive funding if it achieved its administrative funding agreement goals, developed a sustainability plan, and received matching funds from other sources. The village centers began to meet with this committee in December 2001. Sustainability planning and support started that same month and continued through 2004, with most funding provided in 2004 and 2005. During this period, an assessment of the overall status of the Empowerment Zone's community capacity-building effort was conducted by the Jacob France Institute (Clinch 2004 a and b), and a detailed analysis of the sustainability issues for the five operating village centers was prepared for the EBMC by a consultant - NOMAGIC.

At the end of the sustainability-planning period in 2004, East Harbor and Washington Village appeared to be well on their way toward sustainability. HEBCAC and Poppleton were in the process of inserting themselves into neighborhood redevelopment efforts as a means of representing the needs of their respective communities. It was determined that these two village centers could become sustainable to the extent they can provide the services needed to support these redevelopment efforts and that both could benefit from a strategic planning effort to redefine their missions in the context of ongoing redevelopment efforts. Harlem Park achieved some programmatic

success and built a functioning organization. However, the NOMAGIC (2004) assessment recommended merging of the Village Center with either the existing CDC or another community organization was the optimal strategy for Harlem Park sustainability. However, before this could be implemented, the Director and Chair of the Village Center were removed for (alleged) misuse of funds. EBMC is now providing limited funding to the Harlem Park Revitalization Corporation to serve this community, and it continues some EZ programs and functions.

A summary of the findings of the 2004 sustainability assessment of each of the village center follows (Clinch 2004a):

**East Harbor Village Center** built a strong relationship with the lower-income residents targeted by the Village Center programs. It had a clear programmatic mission, a track record of success in program implementation, and a strong management team. It was highly viable in terms of near-term stability because it had financial reserves sufficient to support at least two more years of operations; it had established a CDC to provide future funding streams; and it had diverse funding sources. The Village Center was benefiting from the effects of positive momentum as development moved into the area from downtown. Long-term sustainability will depend upon maintaining a positive role in serving as an intermediary between community residents and the development activity.

**Harlem Park/Lafayette Square** had a moderate level of community engagement. It had a mission statement and plan, but experienced ongoing difficulties in engaging its Board of Directors and facing competition from existing organizations serving the same community. Harlem Park achieved positive programmatic outcomes, but the small size of the Village Center service area made achieving a sufficient scale of operations

difficult. The Village Center had only one more year of operations funding available from EBMC, but remains almost entirely dependent upon EBMC funding. The Harlem Park/Lafayette Square area was also adversely affected by the lack of a real economic driver to promote redevelopment in the area, and the Village Center lacked a strong institutional partner. Given the lack of an economic driver, the lack of a potential institutional partner, and the nearly complete reliance on EBMC for funding support, the long-term sustainability of the organization is questionable.<sup>19</sup>

**Historic East Baltimore Community Action Coalition (HEBCAC)** had a head start over the other village centers because it was formed as part of a pre-existing organization, because it had the benefit of a strong institutional partner in Johns Hopkins and political ties to the East Side Democratic Organization. The Village Center reported substantial early success in attracting programmatic funding from non-EBMC sources, and it was traditionally the least dependent upon EBMC funding. However, the Village Center's efforts were negatively impacted by the loss of a dynamic leader, employee turnover, and political conflict with the City. Despite the clear community momentum building around the East Side redevelopment efforts, HEBCAC did not reap the organizational benefits that other Village Centers received from redevelopment. This is because of the creation of a City-sponsored competitor organization, EBDI, which assumed some of HEBCAC's core functions, most importantly in the area of housing development. Nonetheless, HEBCAC had a strong record of success in program management implementation and the economic and political benefits of a strong institutional sponsor. In order for the organization to continue, it must redefine its mission as it relates to EBDI and the East

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<sup>19</sup> Two months after this assessment was completed, the village center was closed as a result of misuse of EZ funding.

Side redevelopment. In redefining its mission, the Village Center should recognize that the social service program delivery, community organizing, and land-use planning areas where HEBCAC was successful are still needed by the community and are fully compatible with and supportive of the goals for East Side redevelopment. If HEBCAC can redefine its mission to focus on the services needed to support East Side redevelopment, and if the City can recognize the need for these services, HEBCAC will be a sustainable organization.

**The Village Center of Poppleton** achieved a moderate and increasing level of community engagement as well as a moderate level of programmatic success. The Village Center formed a CDC that completed three development projects and is planning new projects for the future; however, the Village Center remained highly dependent upon EBMC for core funding. Poppleton sought out and achieved a high level of success in working with the University of Maryland, Baltimore (UMB) on supporting the development of the UMB Research Park. It can achieve sustainability if it can link its efforts to this development project and play a supportive role in promoting redevelopment within its boundaries.

**Washington Village/Pigtown Neighborhood Planning Council** achieved a high level of success in community outreach. It was successful in implementing programs for workforce development, public safety, community clean-ups, and substance abuse. The Village Center formed strong vertical linkages with community organizations and horizontal linkages with City agencies and service delivery organizations. Washington Village operated a successful Main Street program. It was in its seventh year of operations and had diversified its sources of funding, but still relied on EBMC for more

than half of its operational funding. The Village Center has several factors that contribute to its long-term stability including a well-defined strategic plan, good real estate, community momentum, and an energized Board; however, employee turnover and job vacancies are a constraint. The successful record of the organization in both service delivery and community outreach bodes well for the Village Center in terms of attracting new funding sources and maintaining stability.

### **Current Status and Conditions**

As of the end of 2007, EBMC is continuing to operate as a much smaller, five-person office. Three of the original six village centers are operational with the same staff, functions, and programs: East Harbor, HEBCAC, and Washington Village. The Poppleton Village Center was closed when the EBMC funding ran out in 2005, but the Poppleton CDC that was formed out of the Village Center continues to operate and has maintained the Village Center Board. The CDC has also recreated some of the Village Center functions with funding from the community impact fund of the UMB BioPark. EBMC de-funded the Harlem Park Village Center in 2005 as a result of its discovery of misuse of funds by the Harlem Park Executive Director, possibly in collusion with the Chairperson of the Village Center Board.

All of the federal funds have been spent or committed, but EBMC is continuing to operate based on residuals and the proceeds of loans and investments made in several large-scale redevelopment projects. EBMC expects to operate for three to five more years until the money runs out. EBMC is concentrating on continuing the workforce development and quality of life programs. It does not provide operational support to the remaining village centers, but is providing funding for specific projects. Spending on

community capacity-building activities is currently about \$500,000 per year, but is spread across a number of projects. EBMC is funding a community organizer for both HEBCAC and East Harbor and a public safety program at Washington Village. EBMC is also organizing the creation of a Technical Assistance Collaborative with CPHA to provide both ongoing support and technical assistance to the village centers. EBMC is providing minimal technical assistance to the Harlem Park Redevelopment Corporation, a local CDC serving that community, to serve as the link between that community and the continuing Zone programs.

### **Summary and Conclusion – The Community Capacity Building Experience Of the Baltimore Empowerment Zone**

The federal Empowerment Zone program may be viewed as a one-time event, and the substantial efforts made by Baltimore to develop local capacity may be considered a unique experience among the small set of federally designated Empowerment Zone/Enterprise Communities. The lessons of the Baltimore Empowerment Zone can, however, be generalized to any place-based urban policy initiative implemented through community organizations. It is especially relevant to those that attempt to build local community development capacity as a means of promoting community change. The implementation of interventions through community-based organizations is a recurrent theme in both federal and foundation urban policy efforts. There is rich literature on both the role and importance of communities and community organizations in urban policy. As a result of devolution and reductions in federal funding, nonprofit organizations have been called on to take an increasingly active role in the implementation of social and welfare programs, especially in urban areas, for many reasons. The most frequently cited reasons include:

- Replacing the fragmented implementation of national people-based policies, such as welfare or job training, with coordinated neighborhood services;
- Improving the delivery of services by involving the community and stakeholders in the design and delivery of social services;
- Leveraging declining federal funding for poverty alleviation and other social programs with local and foundation support; and
- Building a more “civil society” and expanding “social capital” through community engagement (Poole & Colby 2002).

All of these factors were evident in Baltimore’s community-driven EZ approach.

Village centers provided integrated services that cut across various programmatic categories. The village centers linked diverse programs such as workforce development, substance abuse counseling, projects promoting community development, home ownership and crime prevention. Village centers also sought to improve service delivery by involving the community in planning and implementing EZ programs. Community residents were hired to staff key programs and were engaged in village center planning and governance. The successful village centers were able to leverage EZ funding with City, State, federal, and foundation funding. The Baltimore EZ made it a core goal to build social capital by creating new, resident-driven community organizations outside of the existing power structure, which was seen as non-responsive to the poor and African-American residents of EZ communities.

All of the village centers were able to implement programs to achieve the EZ/EC initiative’s four goals of creating economic opportunity, sustainable community development, community-based partnerships, and a strategic and comprehensive vision for change. The village centers promoted economic opportunity through workforce and economic development programs. They supported sustainable community development by organizing and engaging residents in development activities and implementing

housing, crime, and other community programs. The village centers were organized as community-based partnerships with a strategic and comprehensive vision for change through their land use and strategic plans, most of which are still guiding development in their communities today. Thus, Baltimore's EZ effort can be judged a success in promoting the core goals of the federal EZ/EC program.

The experience of the Baltimore Empowerment Zone and the central emphasis it placed on building and delivering services through community organizations is an important case study for community capacity-building. It tied together federal urban policy, community organizations and capacity issues, and the performance and impact of CCIs, and it tested the arguments for and against expanding the role of community-based organizations.

The expanding role of community-based organizations was documented by the National Congress for Community Economic Development (1991, 1995, 1999, 2004) and analyzed by numerous urban scholars (Vidal 1995; Gittel & Vidal 1998; Halpern 1995; Keating, Krumholz, & Star 1996; Rubin H. 1993, 1994, 1995, 2000; Von Hoffman 2003). Community based organizations' role and performance were critiqued (Lehman 1994; Stoecker 1997, 2003, 2005), and the causes of organizational successes and failures have been analyzed (Cowan, Rohe, & Baku 1999; Rohe, Bratt, & Biswas 2003). This dissertation contributes to this base of literature on the roles of CBOs as well as the factors influencing their successes in urban policy and service delivery.

Beginning in the 1990s, national and local foundations recognized the potential and increased the importance of community organizations, and they began CCIs to assist and strengthen existing community organizations or form new ones to encourage

community change efforts. Few good evaluations of the experiences of CCIs exist, but the most recent national study of CCIs concluded, “The enduring aspects of CCIs seems to be not the initiatives themselves but the capacity for change that they build, the connections they forge among people and organizations, the broad strategic principles that they promote, and the opportunities for knowledge that they provide” (Kubisch et al. 2002, 8). The national EZ/EC initiative was likened to a CCI (Walsh 1997; Gittell & Vidal 1998; Gittell et al. 2001), and, among the EZ cities, Baltimore was both structured like a CCI and recognized as the most community-driven. The successes and failures of Baltimore’s efforts in leaving behind capacity for change in the form of village centers can inform future CCIs and community change efforts.

As a result of the growth in the role of community organizations, the rise of CCIs, and the establishment of federal Empowerment Zones, Kingsley, McNeely, & Gibson (1997) reported that “community building is coming of age.” Clavel, Pitt, & Yin (1997) called for a “community option” in public policy. The community-driven implementation strategy of the Baltimore Empowerment Zone, a well-funded, long-term effort in a City with a strong history of community organization involvement, provides an excellent case study of the potential role of community organizations in urban policy. Robert Stoker (2003) viewed Baltimore’s EZ experience as a policy innovation, the success of which rested on the survival of the village centers. This dissertation tests Stokers criteria for success and provides a useful analysis of efforts to build community development capacity to implement community change at the neighborhood level.

Overall, the community capacity-building experience of the Baltimore Empowerment Zone demonstrated both the challenges and opportunities of community-

driven urban policy interventions. The Baltimore Empowerment Zone succeeded in creating and supporting five of the six targeted village centers over the decade long implementation period. As its legacy, it left behind four organizations, three of the original village centers and a successor CDC, to continue its work. These organizations continue to represent their communities as Baltimore's downtown renaissance moves outward into new communities as well as deliver services needed and desired by their communities. According to an interview with Diane Bell (2006), one of the most important successes of the Empowerment Zone was the creation and role of the village centers as representatives of their communities in the redevelopment process.

Traditionally, as neighborhoods are redeveloped, they become gentrified and local residents are displaced. Through home-ownership programs and advocacy, the village centers were able to ensure that each community's residents shared in the benefits from redevelopment. The failure of two village centers was almost inevitable in an undertaking as complex as community building. In addition, the fact that the financial improprieties that led to the ultimate closure of Self-Motivated and Harlem Park were discovered very quickly indicate that federal and outside funds can be effectively monitored.

This dissertation set out to answer the question: *Can a federal policy which links the long-term provision of discretionary federal resources for the creation of new or expansion of existing community-based organizations result in the development of sustainable organizations which are effecting positive change?* The short answer to this question is maybe, but with much difficulty and great chance of failure. The Baltimore Empowerment Zone created five new (and supported the expansion of one existing)

community organizations. Five of the six village centers operated throughout the core EZ implementation period from 1996 through 2004. Four of the six village centers proved themselves to be sustainable in some form. Two, East Harbor and Washington Village, achieved a high level of programmatic success, were recognized as leading CBOs in the City, and continue to operate with only modest EBMC support; and both attracted new programs and resources to support operations. HEBCAC was able to redefine its mission and continues to serve the community despite its loss of political favor. It provides needed services with little EBMC support. The Poppleton CDC, formed out of the Village Center with EBMC support, reconstituted the old Village Center Board to direct the use of community impact funding it received from the UMB BioPark, an investment itself stimulated and supported by the EZ effort. It became a successful CDC with participation in three large-scale redevelopment deals. All of the Village Centers contributed to positive change in their communities by implementing job training, housing, crime, and other EBMC programs, and four continue to effect positive change through their own programs. Many of these programs continue today, and new services have been developed in four of the six targeted communities.

This dissertation set out to address two related research questions: (1) *What internal–(community) factors influenced the development of community development capacity?* and (2) *What external (political, policy, social, and economic) factors influenced the development of community development capacity?* It is in addressing these two questions that this dissertation contributes to the growing base of literature on the factors that impact the success or failure of community organizations.

The community capacity-building effort of the Baltimore Empowerment Zone *succeeded* where it should have failed for all of the right reasons. The two most successful village centers, East Harbor and Washington Village, were in racially and socially diverse communities in the path of redevelopment. Community building is far more difficult in diverse communities (Haeberle 1986), and cities and developers do not want to have to deal with community organizations as they redevelop an area (Stone 1989). Nevertheless, each village center was able to overcome initial conflicts to build a strong organization, and each was able to deliver services and represent its community. In the case of East Harbor, success was attributed to strong and dedicated leaders supported by EBMC. In Washington Village, success was attributed to strong board leadership and good staff that were able to identify and meet the needs of the community. The lessons from these village centers are that leadership and community momentum matter.

The community capacity building-effort of the Baltimore Empowerment Zone *failed* where it should have failed for the right reasons. Chaskin et al. (2001) and Glickman & Servon (1998) discussed the importance of leaders in community organizations, and Rohe, Bratt, & Biswas (2003) analyzed the impact of the loss of leaders on community organizations. Self-Motivated was never able to overcome the loss of its leader who formed the organization and became mired in internal conflict. EBMC learned a lesson from this and strengthened its technical assistance capabilities. Harlem Park was weakly led at the staff and board level, having also suffered the loss of an early leader, and it served a community that was too small and had no economic drivers (Haeberle 1986). It competently delivered EBMC services, and was one of the

most successful workforce development providers; but never formed a strong, capable, community-led organization. This was in part due to: poor leadership; the lack of development opportunities; the lack of supporting institutions; the failure to engage the community; and a history of fifty years of failed redevelopment efforts. The lessons of Harlem Park and Self-Motivated were that overcoming conflict is a key barrier to community capacity-building and that good leadership is a prerequisite for success. Both cases also demonstrate that history matters: Harlem Park was a failed urban renewal effort, and Self-Motivated was home to the locally discredited Sandtown-Winchester CCI.

In the cases of both HEBCAC and Poppleton, the results of the Baltimore Empowerment Zone were mixed. The lesson from HEBCAC was very clear: *politics matter*. It went from being a well-funded, nationally recognized best practice in community capacity-building to needing to find a new basic mission overnight as a result of the election of a new Mayor and divisions within the East Side Democratic Organization that formed it. That HEBCAC continues and has found a new niche in social service delivery alongside the Mayor's East Baltimore redevelopment effort is a testament to the resilience of strong community organizations. That EBMC technical and financial assistance supported HEBCAC is a testament that community capacity-building efforts can sustain and strengthen existing organizations.

Poppleton, in a way, was an example of accidental success. As a Village Center, Poppleton was a failure. It experienced programmatic and administrative problems from the start and was never able to get past the initial conflicts over its formation and engage the entire community. It suffered from the dominance of a strong leader who seemed not

to share the vision of Baltimore's EZ effort and had an adversarial relationship with EBMC. However, under this person's leadership, the Village Center created, with EBMC support, a CDC that became involved in several redevelopment projects. In addition, the Village Center Board was able to work with UMB to facilitate a transformational redevelopment project in the community, the UMB BioPark. This CDC is now playing a similar role with the proposed La Cité residential development. In the case of Poppleton, the Baltimore Empowerment Zone left behind enhanced community capacity, but not in the form it desired. Despite the failure of the Village Center, the Poppleton CDC enjoyed the support of the community's leadership, negotiated on behalf of the community for the UMB and La Cité projects, and applied for and received community impact funding from the UMB BioPark. Poppleton was an example of the complexities of community building. EBMC incubated the development of community capacity in the CDC as a byproduct of its core capacity-building effort to form the Village Center, which failed.

After the conclusion of the ten-year federally-funded Empowerment Zone effort, EBMC is continuing on a smaller scale, until all funding is exhausted. The EBMC community capacity-building legacy is the creation and sustained operation of three of the six village centers that it started and the creation of a CDC formed out of the Poppleton Village Center. This survival rate is consistent with the experience of CCIs and other community capacity-building efforts.

In an overall evaluation of the extent to which the federal EZ/EC Initiative achieved its goal of promoting redevelopment through increased citizen participation through community organization, Gittell et al. (2001) concludes that the EZ program has

fallen far short of its stated goals. The study found that despite varying successes in maintaining citizen participation in the implementation of EZ programs, none of the six EZs succeeded in creating governance structures that included citizen participation. It also found that the traditional closed political structure of City politics deterred efforts to expand citizen participation. Gittell et al. (2001) noted that the federal mandate for citizen participation that guided the EZ application process was abandoned in implementation and that the broadening of the concept of community capacity-building by the inclusion of CBOs was summarily abandoned (97-100).

Robert Stoker, the local evaluator for the HUD-sponsored EZ/EC Evaluation, differs with Gittell et al. He concludes that governance in all six EZs emphasized community participation, and that “In comparison to other Empowerment Zones, Baltimore has sponsored more community-based organizations and given them more responsibility for delivering services to Zone residents” (Stoker 2004). He observes that Baltimore’s Empowerment Zone strategy represents a policy innovation, and he believes that the success of this innovation is made manifest in the survival of the village centers after the end of EBMC funding.

Stoker’s analysis is consistent with Gittell et al.’s overall finding that governance of the EZs was dominated by the governing political, business, and foundation elite in the EZ cities. In Baltimore, overall EZ strategy was nearly entirely set by the EBMC Board, which was controlled by downtown business, foundation, and political interests; however, the village centers were represented on the Board and did have a voice in shaping overall policy. The village centers and residents had only an advice and consent role through the Advisory Council.

This dissertation contradicts Gittell et al.'s finding that citizen participation and CBO involvement was abandoned by all EZ cities. At least in Baltimore, CBOs in the form of village centers played a central role in program implementation. With Baltimore's EZ effort structured like a CCI, with EBMC as the organizer and funder, the village centers needed to function within guidelines and deliver programs and services designed, funded, and controlled by an oversight agency. The three successful village centers were able to leverage EZ funding and programs to attract new programs desired by their residents and boards. A fourth organization spun out of the village centers, the Poppleton CDC, has become involved in three major redevelopment projects and met the goal of its founder and Board to engage the African-American community in the redevelopment process. In Baltimore, CBO involvement was not abandoned. *CBOs were not only involved, they were created and strengthened by the EZ effort.*

This analysis tests Stoker's hypothesis that the success of the innovative capacity-building strategy adopted by the Baltimore Empowerment Zone rests with the survival of the village centers. Three of the six village centers are operational and not dependent upon EBMC funding, and the Poppleton CDC is in a strong position to participate in several redevelopment efforts in its community. The 50%-66% survival rate of Baltimore's village centers points to the complexity and difficulty involved in building community capacity. The experience of this capacity-building effort tests the feasibility of the "community option" in urban policy and can inform future capacity-building efforts.

## **Thoughts on the Impact of the Baltimore Empowerment Zone and Future Areas of Research**

These case studies explored the factors that contributed to the success or failure of the community capacity-building effort in Baltimore. This analysis assumed the continued operation and survival of the community organization as the core measure of success. If a community organization has the capacity and ability to effect positive change in a community, it will be able to garner the support of the key urban policy stakeholders, such as city, state, and federal agencies, foundations, and businesses. Future research should develop a means of defining and measuring what capacity is and how it contributes to the vitality of a community.

These case studies do not explore the issue of how the capacity of community organizations impacts the actual redevelopment or vitality of a targeted community. Apart from the difficulties involved in even defining vitality or redevelopment, it is nearly impossible to isolate the presumably small impact of a community organization in the context of the broader regional, national, and even international trends impacting urban communities. Future research, however, could analyze the impact of community capacity on neighborhood change.

My review of the literature found that there is no “scientific” means of measuring the capacity of a community organization or to isolate the impact of the organization from the other larger influences on community vitality; however, the experience of the Baltimore Empowerment Zone can shed some light on these issues. The three village centers that had either a strong board (Washington Village), a strong staff (East Harbor), or both (HEBCAC) had higher capacity in terms of financial, staff, and network resources to utilize in community change efforts. In my opinion, these stronger village

centers were able to facilitate revitalization efforts in their communities but not, by themselves alone, bring about revitalization. To me, the strongest impact of these organizations may have been their ability to assist residents in benefiting from redevelopment. In the case of East Harbor, the Village Center was able to lobby to ensure that local residents were able to return to the HOPE VI redevelopments occurring. In the case of Washington Village, the large number of residents participating in the home ownership program gave them a stake in gentrification.

It is more difficult to assess the impact of the Baltimore Empowerment Zone and the village centers on the lives of Zone residents and social environment in the targeted communities. Census data are unavailable for the start (1995) and end (2005) years of the EZ effort and, even if available, do not measure individual benefits. According to a review of the EBMC evaluation materials prepared over the decade-long implementation of the EZ program (Jacob France Institute 2005), the Baltimore Empowerment Zone created 5,777 and retained 826 jobs in the Zone.<sup>20</sup> According to Jacob France Institute (2005b), 7,007 residents (13% of total 2000 Zone residents) registered with a village center run career center, and 3,159 were either placed in a job or received training. (10% of the working age population) were placed in a job or received training. Annual earnings gains ranged from \$2,948 for a person placed in a job to more than \$6,000 for the 1,425 residents who received customized training. Clearly, some of these residents would have participated in other City or State workforce programs, but the localized workforce development program made it easy to serve residents and is likely to have improved participation. As described in Chapter 4, crime rates in the Zone fell by 56% compared to a 38% decline citywide, and 813 households were able to purchase a home

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<sup>20</sup> Job creation is for the whole Empowerment Zone, including the industrial Fairfield area.

through the Housing Venture Fund (Clinch 2005, 21-30). See the Epilogue for a discussion of the overall impact of the Baltimore Empowerment Zone.

The Baltimore Empowerment Zone emphasized job creation, workforce development, crime prevention, and home ownership, and the village centers were in charge of implementing the last three. While it is impossible to determine how much of these program outcomes would have happened without the Empowerment Zone, it is clear that the job creation, workforce, crime, and housing programs made some contribution to the individual and community quality of life. In my opinion, the stronger village centers (East Harbor, HEBCAC, and Washington Village) generally had stronger participation in and outcomes from these programs.

As described by Gittell & Vidal (1998), poorer communities tend to have lower levels of local leadership and fewer organizational resources. By leaving behind few organizations to organize and protect community interests, the Baltimore Empowerment Zone added to the stock of social capital in these communities and, in the case of both East Harbor and Washington Village, developed new local leaders who continue to serve their communities.

## **Epilogue**

### **The Impact of the Baltimore Empowerment Zone on Baltimore City**

This dissertation focused narrowly on the question of whether a federal policy intervention can create sustainable community development capacity based on an analysis of the experience of the Clinton administration's EZ/EC Initiative in Baltimore City. As a final analysis in this dissertation, one committee member posed the following questions:

- Was the Empowerment Zone “worth it” to Baltimore?
- Was the money well spent?
- Did it have the desired impact on the City and the targeted poor communities?
- Should the federal government try these comprehensive, place-based strategies in the future?

This Epilogue will address these questions from the perspective both of a researcher involved in Baltimore's Empowerment Zone effort for the past five years and as a student who has conducted this detailed assessment of the village centers.

Answering these questions could be another dissertation in itself, so this Epilogue will, of necessity be, brief, high level, and based in large part on the author's opinions. However, this high level analysis can be viewed as valid for two reasons. The first is that because Baltimore's Empowerment Zone effort employed the village centers studied in detail in this dissertation to deliver its workforce, social and community development programs, the author is in good position to discuss the overall results of these efforts. Only the economic and business development programs were delivered in a centralized manner by EBMC and these only accounted for 20% of total Empowerment Zone spending. The second is that the author has been engaged by the EBMC to produce

evaluation reports in several of the core programmatic areas – including workforce development (the largest program) and economic development (Jacob France Center 2005 a and b).

The answers to each of these questions follow.

**“Was it worth it?”**

As described in Chapter 1, the federal EZ/EC initiative was based on four fundamental principles: economic opportunity, sustainable community development, community-based partnerships, and a strategic and comprehensive vision for change (Gittel & Vidal 1998). The efforts of the Baltimore Empowerment Zone met each of these the four goals. It created *economic opportunity* through successful economic and workforce development programs. It created *community-based partnerships* in the form of village centers, five of which operated over the entire ten-year period. It left behind *sustainable community development* capacity in four of the six targeted communities where the original village centers or successor organizations continue to operate as of the beginning of 2008. Finally, both EBMC and the village centers operated with a clear and formal *strategic and comprehensive vision for change*. A program that meets its stated goals can clearly be viewed as *worth it*. The results of the Baltimore Empowerment Zone in each of these areas are discussed in more detail below.

In Baltimore, the EZ created *economic opportunity* by supporting and investing in economic development to create jobs in the targeted communities and by providing workforce development programs to assist residents find jobs. As described earlier, there have been few ex post evaluations of the overall federal EZ/EC effort. The 2001 HUD *Interim Assessment of the Empowerment Zones and Enterprise Communities (EZ/EC)*

*Program: A Progress Report* evaluated the performance of the six urban Empowerment Zones and twelve of the Enterprise Communities at the mid point of the ten year effort, but HUD has never published a final evaluation. This report is the only national HUD evaluation of the program and only contains information on the first five years of the program. The *Interim Assessment Report* analyzed the performance of the EZ and selected EC communities in employment growth, their strategic vision for change, economic development, workforce development, and community capacity building. According to the *Interim Assessment* report, as of the mid-point of the ten-year implementation period, Baltimore experienced the following major selected changes:

- Between 1995 and 2000, employment in Baltimore's Empowerment Zone grew 31% from 53,200 to 69,770. This was the most rapid employment growth of any of the EZ communities. Employment in Baltimore's EZ grew more rapidly than in the contiguous and comparison areas selected in the *Interim Report's* evaluation;
- Baltimore was one of three EZ's where Zone business' employment of Zone residents more than doubled in the first five years of the effort;
- Baltimore was one of four EZ's where the number of businesses owned by Zone residents doubled; and
- The *Interim Report* did not provide quantitative measures for economic opportunity or workforce development, but cited the Baltimore EZ as being successful in integrating social services with workforce development and workforce development with the larger regional economy through its reverse commuting program (originated by HEBCAC and expanded to serve the larger EZ by EBMC).

In 2006, the U.S. General Accounting Office (GAO 2006) published an evaluation of some of the demographic, economic, and social changes occurring in thirteen EZ and EC communities. This report found that the number of business establishments in the Baltimore Zone fell, but in-Zone employment increased by 5,667.

In addition to the analyses of the community capacity building efforts of the Baltimore Empowerment Zone described in Chapters Four and Five (Clinch 2004a and

2004b), the author directed two reports cumulating available reports and data on the various impacts of EBMC and the Empowerment Zone (Jacob France Institute 2005a and 2005b). The *Job Creation Impacts of the Baltimore Empowerment Zone 1994-2004* report (Jacob France Institute 2005a) analyzed available information on the impacts of EBMC's business development efforts. Some of the selected findings of this analysis are as follows:

- Overall the tracking system maintained by EBMC on its economic development programs identified 5,777 jobs created or maintained by assisted businesses;
- EBMC business development loans of \$16.3 million leveraged or supported 109 projects with total project costs of \$105.9 million that retained 826 and created 1,729 jobs. The repayment of these loans is supporting EBMC's continued operations;
- EBMC brought the Main Street commercial revitalization program into the City, and supported the development of two designated Main Street areas in the Zone that created 206 jobs through 55 business starts, relocations or expansions and funded 88 façade renovations;
- EBMC provided funding and technical assistance to form CDCs in four of the Village Centers, and two of these CDCs, East Harbor and Poppleton, are quite active in redevelopment efforts in their communities; and
- EBMC provided funding, political support, and community outreach for several major reinvestments now occurring in parts of the Zone, most importantly the Montgomery Business Park, the UMB BioPark, and East Baltimore Development Inc.

Based on these evaluation materials, the Baltimore EZ appears to have created, or at least facilitated, economic opportunity through its economic development programs; however, as with many economic development programs, it is impossible to know the role that EBMC's efforts truly played in many of these projects. Presumably, many of these deals would have happened without EBMC funding or assistance. However, based on interviews with the developers for many of the EBMC assisted projects, and all of the major projects, EBMC provided early financial and political support considered to be important in catalyzing these investments. EBMC also required that the developers of

these efforts work with and through the village centers, giving the communities both a say and stake in these projects. Both the East Harbor and Poppleton CDCs were brought in to participate in redevelopment projects in their communities, providing revenues to support their community development efforts. The cooperation between the village centers and the development community also yielded programmatic benefits, as many of the graduates of EBMC funded and village center provided workforce training found employment in EBMC funded projects. Thus, on balance, it appears that the Baltimore EZ's economic development programs successfully created economic opportunities in the target communities.

The Baltimore EZ played an even more important role in creating economic opportunity through its workforce development programs, which were the largest programmatic emphasis in Baltimore. The *Review and Synthesis of EBMC Evaluation Materials* report (Jacob France Institute 2005b) analyzed available information on the various programs implemented by the Baltimore Empowerment Zone, with an emphasis on its workforce development programs. In the area of workforce development, a total of 7,007 Empowerment Zone residents received workforce services from a Village Center Career Center. This amounts to 13% of the total number of 54,012 Empowerment Zone residents as of the 2000 Census and 22% of residents of working age (18-64). However, not all persons that visited a Career Center received placement or training services. Of the 7,007 residents that signed up at an EBMC Career Center, 3,159 were either placed in a job or received training. This accounts for 10% of the EZ's working age population and 6% of the EZ's total population. A total of 2,587 Zone residents were referred to a job or directly hired by an employer working with the Zone's workforce programs, 253

received occupational skills training, and 319 received customized skills training. Thus, a large percentage of Zone residents participated in EZ workforce programs.

Jacob France Institute evaluations found that residents placed in a job experienced a \$737, 42% increase in quarterly earnings, those receiving occupational skills training experienced a \$1,341, 76% increase in quarterly earnings, and those receiving customized training received a \$1,515, 83% increase in earnings. These results were comparable to other City and national programs. Furthermore, because the EBMC funded workforce programs provided stipends for training program participants, they were able to serve many of the poor community residents unable to participate in existing City and state workforce programs.

One of the other key successes of the Baltimore's EZ workforce program identified in the research conducted for this dissertation and recognized in several of the EZ/EC Initiative analyses, is the integration of workforce development with other social services. Unfortunately, the EBMC evaluation materials did not track referrals of residents served between programs. Anecdotal information, however, suggests that the combination of the delivery of workforce development and other social services in a single office community setting led to a greater ability to provide integrated services than the fragmented, people-based approach implemented by separate City and State bureaucracies. All of the village center leaders interviewed or participating in the focus groups discussed their ability to find and help persons in need in their own communities as a core value of the community-driven implementation approach. Representatives from HEBCAC and Washington Village in particular discussed how they referred the graduates of drug treatment or persons identified in public safety programs into their

workforce development programs. Washington Village even referred some graduates of its workforce development program into their home-ownership program.

The EZ created *sustainable community development* and *community-based partnerships* by leaving behind four community-based and community run organizations that continue to represent and provide services to their communities. These four village centers or successor organizations themselves are important remaining impacts of the EZ effort and continue to operate and represent their communities as redevelopment efforts are moving into these areas. East Harbor has played an important role in supporting several HOPE VI projects in East Baltimore where they succeeded in advocating on behalf of current residents, many of whom have been able to return to newly constructed housing units. Poppleton CDC was able to negotiate similar rights of return for the planned La Cite' redevelopment, participated in the redevelopment of the Parren Mitchell building, and has applied for and received funding from the UMB BioPark community impact program. One of Washington Village's proudest achievements is its role in representing and protecting resident interests in that community's ongoing redevelopment.

Finally, the Baltimore EZ had a *strategic and comprehensive vision for change* by developing and implementing a clear strategic plan and vision at both the overall EBMC level and in each of the six communities. The land use and operational plans developed by the village centers continue to guide efforts in each of the communities today.

**“Was the money well spent?”**

As described above, the Baltimore Empowerment Zone succeeded in developing and delivering programs that met the stated goals of the federal EZ/EC Initiative as well

as the goals established in the City's own plans. The program provided needed services to the residents and achieved results in its major programmatic emphasis, workforce development, comparable to City and state programs, while targeting a quite poor population. It fostered and supported the development of organizations and programs in four communities that continue to operate, and have, thus, passed the market test of sustainability.

EBMC implemented formal performance reporting requirements for the village centers as part the funding mechanisms put in place. This system forced the village centers to be accountable to EBMC. Where problems occurred, EBMC provided technical assistance to the village centers and to the workforce development and other programs. EBMC also tracked and annually reported on its own performance, both to its Board and to the City – though an annual President's Report, and to the federal government, through the formal HUD performance and evaluation system. EBMC required formal audits of the village centers and found and remedied fiscal problems where they occurred. This reduced opportunities for fraud and misuse of funds, and EBMC found and closed the two village centers where fraud occurred and remedied poor financial reporting at a third. Thus, it appears that the money was *well spent*, on programs consistent with the goals of the initiative, with formal accountability, and financial controls that found and remedied problems.

**“Did it have the desired impact on the City and the targeted poor communities?”**

The answer to the question is more complex. If the desired policy impact is to fundamentally change poor communities into non-poor communities, then the answer is no. However, in light of the small amount of money committed relative to the larger

governmental budgets or economic forces impacting urban communities, this goal of fundamental change in the targeted communities is probably unrealistic. If one accepts a more modest impact, of providing needed services, assisting communities in need, and facilitating community participation in and benefits from redevelopment activities, then the EZ effort can be viewed as a success.

Some of the programmatic outcomes of the EZ effort on positive impacts on the City and Zone are described in the *Review and Synthesis* report (Jacob France Institute 2005b), which cumulates and describes some of the impacts of the Baltimore EZ effort. In addition to the economic and workforce development outcomes described above, the Baltimore Empowerment Zone reported other programmatic successes consistent with its goals of creating communities of choice in the six targeted communities. EBMC implemented four public safety programs, and several village centers, HEBCAC and Washington Village, were able to attract other City, State or federal anti-crime program funding. Overall crime in the Zone fell by 56% in the EZ compared to 38% in the City. This reduction in crime was identified as a core impact of the program by Diane Bell (2004, 2006) and the EBMC Board (2004). An analysis of housing sales in the Zone for the 1996-2000 period analyzed housing sales transactions in the village center service areas. This analysis identified a total of 1,361 sales for owner occupancy (as opposed to 3,375 sales for investors interested in flipping the property). Of the 1,361 owner-occupied purchases, 710 purchases or 51% of the total were made through the EBMC Housing Venture Fund. By 2002, the number of Housing Venture Fund purchases had increased to 813. The majority of Housing Venture Fund purchases occurred in Washington Village (324), Self-Motivated (142) and Poppleton (140). In the case of

Washington Village, and to a lesser extent in Poppleton, the Housing Venture Fund enabled many long-term residents to purchase homes in a rapidly gentrifying community, thereby reducing resident displacement. Thus, the EZ effort contributed to a decline in crime and promotion of home ownership in the targeted communities.

However, two national studies question the impact of the EZ/EC Initiative in Baltimore and nationally. The 2006 U.S. Government Accountability Office evaluation report attempted to evaluate the demographic, economic, and social changes occurring in thirteen EZ and EC communities. In Baltimore, this report found that:

- The percentage of EZ residents living in poverty fell from 41.8% to 35.6%, falling more rapidly than comparison census tracts; and
- The unemployment rate increased, but less rapidly than comparison census tracts.

This report found that improvements in poverty, unemployment and economic growth occurred in the EZ communities analyzed, but that these improvements could not be definitively or statistically linked to the EZ Initiative (GAO, 2006, p.5).

There has been a single published article that quantitatively analyzes the impact of the EZ/EC Initiative across the different jurisdictions identified by the author. Oakley & Tsao (2006) analyzed the changes in 1990 and 2000 census data for core demographic variables for the six urban Empowerment Zones. According to this analysis, the poverty rate decreased and incomes increased in the Baltimore Empowerment Zone, but not by a statistically significant difference when compared to similar comparison tracts. Oakley and Tsao (2007) reach a quite negative conclusion about the overall impact of the EZ/EC initiative and conclude that the results are unimpressive, not linked to the level of funding, and similar to changes in comparison communities. They end their article by stating, “What we can state more definitely is that the Empowerment Zone was no

panacea to tackling urban distress, and certainly was not as innovative a policy as the initial rhetoric indicated 446-7).”

The existent national evaluation material, the GAO report and Oakley and Tsao article, both conclude that the positive impacts of the Empowerment Zone effort, in Baltimore and across the various sites, were minor and not statistically significant when compared to comparison tracts or relative to funding levels. Based on these two analyses it would seem fair to conclude that the EZ/EC Initiative was a failure, and not worth the resources committed.

This would be a false conclusion based on incomplete data. There are no available pre and post Empowerment Zone data on demographic, economic or social conditions in the EZ communities. As a result, the two analyses above are forced to rely on 1990 and 2000 census data. The EZ/EC Initiative began between these two years, and programmatic funding, at least in Baltimore, did not begin in any significant way until 1998. Thus, these evaluations are based on only one to two years of programmatic effort. As described above, based on evaluation materials prepared for EBMC, there is reason to think that a later analysis, when 2010 Census data become available, may yield more positive results.

As described in Chapter 2, there is a lack of good, quantitative evaluation data on government or philanthropically implemented community change efforts. It is almost impossible to separate the impacts of any community initiative from the influence of much larger and stronger national, and even international, demographic, economic and social changes. Moreover, the size of most community change efforts is quite small in comparison to government or even philanthropic expenditures in a city and is dwarfed by

broader economic trends and flows. The seemingly large EZ budget of \$100 million dollars, or \$10 million per year, is in fact quite small in light of Baltimore City's annual budget of approximately \$2 billion. To put the \$100 million EZ budget in context, the Zone's 2000 population was 54,000 and dividing the \$10 million annual budget by the Zone population equals \$185 per person per year. The first two buildings of the UMB BioPark cost more than \$102 million to develop. While \$100 million seems a great deal of money, it is small relative to need and economic forces. Thus, it is impossible to expect any effort to completely change any targeted community. The EZ effort, however, did succeed in the mode modest goal of provided needed and integrated services in areas of need and providing residents with both a voice and stake in redevelopment.

**“Should the federal government try these comprehensive, place-based strategies in the future?”**

This question also requires a more complex answer. This dissertation demonstrates that community capacity to implement comprehensive community change efforts can be created, but it is an expensive, time consuming process where success is far from guaranteed. Where it succeeds it can create an opportunity to provide the integrated services needed by poor communities, achieve positive results, and give poor communities a stake in redevelopment efforts. In an environment of government cost cutting, the wholesale approach of people-based programs and market directed redevelopment is the lowest cost alternative, but this often ill-serves the poor and leaves them at whim of market forces. A retail, community driven approach can often better serve communities, but only when there is sufficient resources and interest in making it work.

## **Summary and Conclusion**

The experience of the Baltimore Empowerment Zone demonstrates that targeted, place-based initiatives can improve conditions and develop integrated social service delivery systems to better serve residents of poor communities. The Baltimore Empowerment Zone created or supported four community organizations that continue to implement programs to serve community residents as independent and viable organizations no longer reliant on federal funds. These organizations are providing needed services in underserved communities. The EZ implemented a workforce development program that reached as much as 10% of the Zone's resident population, many of whom experienced an immediate increase in earnings. It assisted 813 resident families purchase homes, accounting for 11% of the entire number of owner occupied dwellings in the 2000 Census. It implemented anti-crime programs that coincided with a larger decline in crime than occurred in the City as a whole. It offered integrated social services provided in a local office that were provided in a way that, at least anecdotally, allowed for better outreach and combined the multiple services needed by the urban poor, many of whom face multiple barriers.

Another, more important lesson of the Baltimore Empowerment Zone is that targeted, place-based initiatives can both support and protect community residents and interests from market-supported urban redevelopment. Baltimore by design targeted its EZ effort largely on communities in the path of redevelopment radiating outward from the City's successful downtown revitalization efforts. In doing so, Baltimore succeeded in the dual goal of facilitating redevelopment and ensuring that local residents and communities have a say in and a stake in redevelopment. This strategy differs from

traditional urban redevelopment projects, which most often displace existing residents and communities. In Baltimore, the efforts of the Empowerment Zone gave local communities a stake in redevelopment by giving them a seat at the table; gave residents an opportunity to capitalize on redevelopment, through integrated social, workforce development, and homeownership programs; while facilitating the redevelopment activity directly, through economic development incentives, and indirectly, through anti-crime programs. Baltimore's EZ experience can help guide other urban initiatives, like HOPE VI, that promote mixed-use development opportunities on former public housing sites.

## Appendix A

### Baltimore Empowerment Zone Key Informants

#### Focus Groups List of Attendees

##### **Focus Group 1: HEBCAC (April 1, 2004)**

Mitchell Henderson	Michael Jenkins
Douglas McWilliams	Elroy Christopher
Ephram Potts	

##### **Focus Group 2: Washington Village/Pigtown (April 5, 2004)**

Arnold Sherman	Shawn McIntosh
Edith Nelson	Mary Gunning
Raymond Corday	Shannon Jeffords
Mary Lou Kline	Bob Kirk

##### **Focus Group 3: Poppleton (April 12, 2004)**

Rev. Ned Moore	<i>Lenny Clay</i>
Jacqueline Lightfoot	George Thomas
Robert Blount	Clarence (Tony) Brown
Rev. James Ball	

##### **Focus Group 4: East Harbor (April 14, 2004)**

Talib Horne	Darryl Dunaway
Clara Butler	Caroline Boitnott
Dorothy Scott	Robert Hazel

##### **Focus Group 5: Harlem Park (May 10, 2004)**

Reginald Sample	Annie Thomas
Tachelle Rich	Cecilia Walker
Michael Carter	Lilly Swift
Howard Hill	Rev./Hon. Kwame Abayomi
Michelle Redfern	

##### **Focus Group 6: EBMC Staff/Sustainability Committee (June 30, 2004)**

Decatur Miller	Sister Barbara Anne English
Bill Wiley	Serena Neal
Constance Maddox	Ian Neuman
Richard Oppitz	

## **EBMC Interviews Conducted**

### **East Harbor Village Center**

James Bond (2004)  
Clara Butler (2004)  
Talib Horne (2004)  
Dwight Warren (2004)

### **Harlem Park/Lafayette Square Village Center**

Dr. Howard Hill (2004)  
Carmena Watson (2 interviews 2004)

### **Historic East Baltimore Community Action Coalition**

Lucile Gorham (2004)  
Del. Hattie Harrison (2004)  
Constance Maddox (2004)  
Ephram Potts (2004)  
Michael Seipp (2004, 2005, and 2006)  
Scott Spencer (2004)  
Jeff Thompson (2004)

### **Village Center of Poppleton**

Dr. Doris Hall (2004)  
Jacqueline Lightfoot (2004)  
Sam Singletary (2004)

### **Self Motivated Community People's Village Center**

Avon Bellamy (2004)  
Emanuel Price (2004)  
General Seitu Mohammed (2004)  
Inez Rob (2004)  
Michael Randolph (2004)  
Oscar Savage (2004)

### **Washington Village Pigtown Neighborhood Planning Council**

Joseph Brown (2004)  
Shawn McIntosh (2004)  
Chris Ryer (2004 and 2006)  
Tony Savage (2004)

**EBMC Staff and Board**

Serena Neal (2004 2005 and 2006)  
William Wiley (2004 2005 and 2006)  
Diane Bell (2004 2005 and 2006)  
Dick Cook (2006)  
Rahim Spence (acting Director Washington Village) (2004)  
Rachael Edds (2006)  
Terri Turner (2004)  
Ian Neuman (2004)  
Sister Barbara Ann English (2004)

**Other**

Jane Shaab, University of Maryland (2006)  
Ron Krietner, Westside Renaissance (2006)  
Avis Vidal, Wayne State University (2004)  
Robert Stoker, George Washington University (2005)  
Marilyn Gittell City University of New York (2004)

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