

OTHER COMMUNITY EMPOWERMENT INITIATIVES

Empowerment Principles

THE WHITE HOUSE
WASHINGTON

August 10, 1993

MEMORANDUM FOR: Lloyd Bentsen, Secretary of Treasury
Erskine B. Bowles, Administrator of SBA
Lee Brown, Director of ONDCP
Ron Brown, Secretary of Commerce
Carol Browner, Administrator of EPA
Henry Cisneros, Secretary of HUD
Mike Espy, Secretary of Agriculture
Leon Panetta, Director of OMB
Federico Pena, Secretary of Transportation
Robert Reich, Secretary of Labor
Attorney General Janet Reno
Richard Riley, Secretary of Education
Donna Shalala, Secretary of HHS

FROM: The Vice President
Carol Rasco, Assistant to the President for
Domestic Policy
Bob Rubin, Assistant to the President for
Economic Policy

SUBJECT: Community Empowerment Initiatives

For several months, a sub-cabinet community empowerment working group has been refining the core principles through which we might unify and coordinate the community work of key domestic Cabinet departments. The central idea has been to create a consensus on the objectives of the President's community empowerment policies in order that we both coordinate around cross-cutting objectives at the agency level and assure coordination across departmental lines in local communities.

In considering these matters, the working group has recognized the urgency of community problems, the pleas of local leaders for coordinated federal action, and the constraints of the current fiscal environment. We are convinced that, even in a time of resource constraints, much additional effort can be had at the local level through this policy cross-cutting and local operational coordination. This is a time to build on the things that we know will work and to stress consolidation and performance. It is also a time to build reciprocity and shared responsibility into our programs.

With these imperatives in mind, the working group has considered five principles to use in tying together our community empowerment programs. This memorandum sets forth those principles and a suggested coordinating structure by which the Administration would further advance its efforts toward community empowerment.

The purpose of this memo is to solicit your opinions about this community empowerment strategy. Specifically, we are interested in whether you agree that the "empowerment principles" are the correct ones around which to begin the effort (some may well be controversial and require serious discussion) and whether you believe the coordinating structure suggested here is the most appropriate. Please provide your comments to any one, or to all, of us at your earliest convenience, but at least by close of business on Wednesday, August 18, 1993.

Community Empowerment Principles

A Commitment to Community would mean:

- Fundamentally changing the way the federal government does business by respecting "bottom up" initiatives rather than imposing "top down" requirements
- Encouraging comprehensive solutions to local problems by providing incentives to coordinated action at the local level
- Making programs more flexible and responsive to the needs of people who carry them out and are served by them and reducing the burdens of applying for and implementing programs
- Assuring citizens and local governments a meaningful voice in federal decision-making and supporting efforts to engage the civic values of community

A Commitment to Support Families would mean:

- Eliminating government barriers to family cohesion in laws and regulations and encouraging policies that support nurturing home environments
- Strengthening community supportive services for families by providing adequate physical and mental health facilities
- Promoting active parental involvement in community life, such as education and youth recreation programs

- Making parents responsible for financially supporting their children

A Commitment to Economic Lift would mean:

- Creating a continuum of programs in order to move people up a ladder of opportunity
- Rewarding self-improvement across life-cycles and income levels
- Harnessing the marketplace and, where possible, using its rationale in government programs
- Investing in human capital by integrating education and training in all community support programs

A Commitment to Reciprocity and to Balancing Individual Rights and Responsibilities would mean:

- Expecting a commitment to individual and family self-improvement
- Designing programs that embody a balance between rights and responsibilities
- Intervening early in the lives of children and youths to discourage crime, drug use, gangs, and other destructive behaviors

A Commitment to Reducing the Separations by Race and Income in American Life would mean:

- Cooperating to find incentives to reducing spatial segregation by race and income and eliminating barriers to equality of opportunity
- Confronting the ravages of racism by leadership examples and by opening a dialogue of conflict resolution

These principles can guide us operationally as we review government-wide policies and they can focus the cooperation of multiple departments within specific sites -- for example, in an empowerment zone. Examples of results that might flow from the use of these principles are:

- The consolidation and simplification of existing federal planning requirements to encourage local solutions to cross-cutting problems

- The review of waiver authorities to maximize flexibility and cooperation among federal departments
- The coordination of application and funding cycles for existing federal programs that deal with similar problems or issues
- The use of surplus federal properties (such as GSA-controlled facilities, HUD-foreclosed housing, and military bases slated for closure) for community purposes
- The strategic location of new federal facilities to promote community and economic development
- The linkage of federal transportation, employment training and affordable housing initiatives to ensure that job-ready individuals have access to employment opportunities throughout a metropolitan area
- The charting of new directions for transportation that promote clean air, energy conservation and more cost-effective settlement patterns
- The coordination of federal community credit initiatives with local anti-crime and community policing programs to attract economic development to inner-city neighborhoods
- The coordination and increased enforcement of statutory requirements that federal housing and other construction funds be spent to provide training and employment opportunities to low-income persons
- The linkage of low-income housing, education, and health and family support programs to encourage establishment of health clinics, family investment centers, and tutoring and mentoring programs in communities
- The facilitation of local comprehensive planning for human capital development that embraces early childhood education, quality public schools, work-related technical education, community colleges, comprehensive higher education, literacy education, worker retraining and the life-long learning needs of the work force
- The elimination of disincentives to work in welfare and other social programs and coordination of the programs to promote and reinforce economic independence.

Coordinating Structure

The community empowerment principles embody a determination not only to coordinate -- as Cabinet Departments do through the Domestic Policy and National Economic Councils -- but also to commit the federal government to the performance-measured, customer-driven philosophy at the heart of the National Performance Review being undertaken at the direction of the Vice President. In order to create a forum in which Cabinet Secretaries can meet to explore innovative approaches to community empowerment measures, as well as to cross-agency implementation of those approaches (similar to those being developed in the NPR), the coordinating mechanism described below is recommended. This approach will make it possible to go beyond policy discussions to the next step of working with multiple Cabinet officers to select cooperative projects and manage them in a coordinated fashion at the local level.

We propose that the President establish a Cabinet-level Community Empowerment Working Group, to be jointly staffed by the Office of the Vice President, the NEC and the DPC and supported by the existing sub-cabinet working group that designed the empowerment zones proposal. The Working Group would meet monthly and function in two capacities:

The first would be to constitute the basic membership of the Empowerment Board, which will be written into the Empowerment Zones law. In this capacity, the working group would initially select the 110 empowerment sites and then oversee the direction of departmental resources and demonstrations at those sites.

The second capacity would be to go beyond the duties set forth legislatively in the Empowerment Zones statute and serve as a standing committee on community empowerment to apply the broader principles of community empowerment across departments by focusing on specific projects, such as coordinating waiver authorities, and carrying out other related activities.

In effect, this would link coordinated policy development at the agency level and application of the National Performance Review at the local level. To reflect the breadth of purpose, the working group would be chaired by the Vice President (who will also chair the statutory Empowerment Zones Board), and Carol Rasco and Bob Rubin would serve as Vice-Chairs.

We look forward to your reaction. We will schedule a meeting at the earliest mutually convenient time to discuss our next steps and get this critical project underway.

SECRETARY OF LABOR
WASHINGTON

BR/GS/SM

Prinland

MEMORANDUM TO: The Vice President
Bob Rubin
Carol Rasco

FROM: Bob Reich *BR*

SUBJECT: Coordination of Community Initiatives

DATE: August 31, 1993

I agree with the thrust of your memo. We can and should do a better job coordinating our efforts, both Administration-wide and at the level of individual communities. And to the extent that an inter-agency committee, headquartered in the White House, will contribute to accomplishing this worthy end, by all means let's proceed.

But how could one object? At this stage, the proposal is somewhat like cotton candy -- sweet and unsubstantive.

Here's one substantive suggestion to get the ball rolling: one representative from each department's office of solicitor or general counsel should be tapped to do an inventory of laws and regulations governing the delivery of services to communities, which give the relevant Secretary discretion to focus resources within communities. The discretion may be available because the enabling legislation is reasonably broad, the regulations permissive, and/or the Secretary retains authority to waive particular provisions under particular circumstances. Once completed, these inventories would inform us of how much we can do on our own, in the near future.

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U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
THE SECRETARY
WASHINGTON, D.C. 20410-0001

MEMORANDUM FOR: The Vice President
Carol Rasco, Assistant to the President for
Domestic Policy
Bob Rubin, Assistant to the President for
Economic Policy

FROM: Henry G. Cisneros *Henry Cisneros*

SUBJECT: Community Empowerment Policy

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This memo confirms my enthusiastic endorsement of the community empowerment principles articulated in your August 10th memorandum. I believe that these five core values are consistent with the president's campaign themes and will resonate well with the American people. Moreover, they enable us to present the Administration's important domestic initiatives in a consistent framework. Empowerment zones, health care reform, CD banks, National Service, welfare reform: The core empowerment principles undergird each of these urgent domestic priorities.

In this memo, I would like to reemphasize the importance of a Cabinet-level entity to manage the empowerment policy process, and lay out four examples involving HUD that illustrate the added value that a well-coordinated, interdependent domestic policy can achieve in the community development area.

The Importance of a Cabinet-level Working Group. The Cabinet-level entity you propose to establish represents an unprecedented commitment to the development and implementation of a coherent, coordinated and, most importantly, responsive national community development policy. If properly structured and managed, this entity would help ensure that individual agencies act in a concerted and unified way to support the Administration's empowerment principles. Such an approach would intrinsically better address cross cutting problems which typically afflict urban and rural America, and would help address the National Performance Review's call for more sensitivity and flexibility in the administration of Federal programs to meet locally defined needs.

Urban policy historians report that no previous Administration, Democratic or Republican, has ever elevated

community development issues to such high levels of management concern. This bold, interdepartmental innovation does not guarantee the policy's success, but history tells us that a major failing of previous national urban policies was the absence of an effective delivery mechanism. As a result, the policy process quickly became dominated by agency competition rather than by thoughtful consideration of community problems, and development of responsive strategies to address them.

I have one suggestion to make regarding the composition of the Community Empowerment Working Group. Earlier this week at the NGA conference in Tulsa, the President acknowledged that the Federal government does not always control the policy levers necessary to bring about desired changes; he underscored the importance of the States in implementing the Administration's health care reform package. The same is true for our nation's cities, particularly on community development initiatives.

We must reach out and earn the cooperation of States and cities if we are to successfully implement each of the Administration's domestic policy initiatives. One tangible way of establishing the importance of States and localities in the formulation and implementation of the Administration's community empowerment policy is to include the director of the U.S. Advisory Commission on Intergovernmental Relations as either a full voting, or ex officio nonvoting, member of the Community Empowerment Working Group.

A.C.T.R. - ?

Experience has taught us that problems that plague inner cities and the poor cannot be resolved by simply expanding or reforming individual programs on an isolated basis. The comprehensive reform of complicated systems like welfare will require the close cooperation of at least six agencies (HHS, USDA, DOL, HUD, DOJ, and Treasury). But the Empowerment initiative is powerful in other ways beyond bringing multiple departments to the table.

Four cases in point:

I. Homelessness & Mental Health Services. As HUD Secretary, I have set out a series of performance goals by which I want my tenure to be measured. The most important of these is to help more homeless persons and families progress to permanent housing through local HUD-assisted comprehensive homeless systems, thereby achieving a measurable reduction in the numbers of unhoused persons on the streets. Our efforts will be enhanced by two initiatives: streamlining our housing-based assistance programs, and integrating our efforts more closely with those of HHS.

Current assistance to the homeless is highly fragmented, as is the homeless service delivery system. Most of HUD's homeless

programs award funds competitively, and have different purposes, requirements and funding cycles. In response to local needs, we are in the process of restructuring these disparate programs to allow greater flexibility.

No amount of restructuring nor increase in program funds will significantly improve the life chances of many homeless persons unless our programs are better linked to HHS health programs, however. A 1991 scientific survey of homeless persons in Los Angeles drives home my point:

Approximately 20% of adults have chronic mental illnesses such as schizophrenia, manic depressive illness, and recurrent major depression. A little more than a third are alcohol dependent; and a quarter are dependent on illicit drugs, predominantly "crack" cocaine. Serious physical health problems are also common, including such chronic diseases as hypertension, hepatitis, and tuberculosis.

Homeless adolescents are similarly troubled. Nearly half have attempted suicide, one in four has experienced major depression, nearly half have abused alcohol, and about 40% have abused illegal drugs. These children also have high rates of emotional and behavioral problems.

Local homeless programs attempt to address these problems to varying degrees. As a result, HUD cannot do an effective job without paying close attention to the character of local programs with which we work, and coordinating carefully with HHS's mental health and substance abuse programs.

II. Economic Growth, Housing and Homeownership. Economic stimulus has been a fundamental feature of this Administration's efforts since January. Housing construction traditionally has played a central role in economic stimulus and recovery packages, because it produces high paying jobs in the short term, and directly leads to additional consumer expenditures on durables that further stimulate the economy. On this issue, HUD can and will play a significant role in an Administration-wide area of emphasis.

HUD has several policy levers through which to support economic growth, most of which center around reversing the decade-long decline in the homeownership rate and accelerating the rate of housing construction. Through the programs of the Federal Housing Administration, HUD is able to encourage homeownership among a wide spectrum of Americans. We intend to focus new FHA activity among moderate-income families who in past decades could easily afford a home, but in today's economy face three serious obstacles: inadequate down payments, large monthly

mortgage payments, and/or heavy non-mortgage debt responsibilities. In addition, my staff is carefully examining homeownership opportunities and obstacles for lower-income Americans, and policy options we should consider to help them become homeowners.

While many of these efforts might include financial incentives and/or subsidies, we also plan to add real teeth to our fair housing enforcement responsibilities. Mortgage and insurance discrimination are subtle but powerful obstacles to homeownership for many minority Americans and women.

III. Housing, Jobs and Security. While in an earlier example I argued that HUD cannot possibly do its job without close cooperation with HHS to fund health-related needs of the homeless, we in turn can provide substantial resources to help our sister agencies and the Administration to achieve urgent priorities. Two of these which most naturally overlap with HUD's portfolio are to link housing-related jobs to those who need them (potentially as part of the welfare reform initiative), and to help reduce crime in public and assisted housing, areas generally hardest hit by recent and devastating increases in crime rates.

We plan to exploit the job-creation potential of our multibillion dollar public housing modernization, production and community development programs. By unblocking construction and lead abatement pipelines, even without large increases in appropriations, we will be able to create thousands of jobs and training opportunities for tenants and low-income community residents. Many of these citizens are the same AFDC mothers or absent fathers who will be called upon to transition out of welfare and find work under the welfare reform initiative. However, HUD is not in the business of job training. We cannot realize the significant economic development potential of our programs without working shoulder to shoulder with DOL job training resources.

Similarly, we have included anti-crime legislation in our recently introduced package (the Community Partnerships Against Crime program) that would build on our earlier efforts to eliminate drug activity in public and assisted housing. We are working closely with the Department of Justice to ensure that these efforts complement its overall anti-crime efforts.

IV. Consolidated Planning. Finally, the Federal government requires localities to submit a wide and frequently overlapping range of program plans to support funding requests. For example, HUD requires a Comprehensive Housing Affordability Strategy of each locality receiving HUD assistance. Yet we should not consider, and localities do not consider, targeted housing assistance apart from transportation or infrastructure or health

care planning: Each is intertwined with the other. Consistent with this Administration's emphasis on consolidation and streamlining, we have already committed to consolidating HUD's planning requirements over the near term. Such a move will reduce unnecessary red tape, focus local attention on creating change rather than paperwork, and refocus federal attention on local priorities and program linkages.

HUD and DOT staff have begun to discuss the logic of consolidating housing and community development planning requirements with those required under the Surface Transportation Act. Through such an effort, linkages among housing, community development, commuting patterns, and transportation siting would emerge naturally, rather than be masked beneath artificial divisions based on reporting requirements. Most importantly, localities could convey their overall priorities and needs more clearly to the Federal government, which in turn could ensure that funding strategies became more responsive. We might consider whether such a consolidation would be appropriate across other departmental divisions.

In summary, I look forward to working closely with my colleagues and with state and local representatives to more clearly identify pressing local community development needs, and develop integrated, customer-driven strategies to respond to them.



DEPARTMENT OF AGRICULTURE
OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20250

August 18, 1993

MEMORANDUM FOR: The Vice President
Carol Rasco, Assistant to the President for Domestic Policy
Bob Rubin, Assistant to the President for Economic Policy

FROM: Mike Espy, Secretary of Agriculture

SUBJECT: Community Empowerment Initiatives

I am an enthusiastic supporter of the President's Community Empowerment Initiatives and commend your offices for the legislation that was passed in the reconciliation bill and for the principles developed through the working group. While members of my staff have participated with the working group in developing many of these principles, I welcome this additional opportunity to reflect on the direction the initiatives are taking and to provide you with my comments on the principles and on the coordinating structure.

I consider the legislation and the proposed principles as positive steps that expand on the many years of effort of those wishing to modify the focus of federal assistance programs to empower individuals and promote self-reliance. I have a few comments on sharpening certain of the principles but, overall, I believe that this is precisely the approach that the President's Community Empowerment Initiative should take.

With respect to the community empowerment principle on "Commitment to Community", I suggest that we note the importance of capacity building for community members. Increasing local participation in creating federal policies should include bringing in groups that have traditionally lacked access to the decision making process. Typically, the larger, more assertive groups at the community level have influenced federal policy decisions and have received the majority of federal aid and attention. To reach out to smaller, less sophisticated groups, the federal government should engage in an aggressive outreach and technical training program. Without such capacity building, some of the most needy may find themselves without an advocate and without the skills to attract federal resources. Consequently, larger pockets of poverty and depression will remain.

With respect to the community empowerment principle on "Commitment to Support Families", I believe that we should be careful to recognize the expanding definition of what constitutes a family. While there is nothing expressly stated in the principle, the discussion might be understood as leaving an impression that the objectives relate only to the "traditional" family structure. As you know, many families are now headed by females.

With respect to the community empowerment principle on "Commitment to Economic Lift", I strongly believe that true economic lift to the unemployed and working poor require the development and accumulation of assets. Present welfare entitlement policies are based on the transfer of income to the poor. These policies penalize asset accumulation and trap the poor in a cycle of poverty and dependency. To break this cycle, and genuinely empower workers and other residents of distressed communities, our policies must focus on expanding opportunities for the poor to save, invest and accumulate assets -- including housing and income producing assets such as equity in their companies and owning small businesses. The federal government should ensure that the unemployed and working poor themselves are the primary beneficiaries of assistance, not bureaucracies or outside owners and investors.

With respect to the community empowerment principle on "Commitment to Reducing the Separations by Race and Income", I suggest that the commitment include the objective of reducing "separations" that exist between genders. Women, particularly women of color, have continued to face pervasive barriers that restrict economic and social opportunities.

As for the examples provided as "results that might flow from the use of [the] principles", I would like to encourage the consideration of examples that effect rural America as well as examples discussing economic empowerment. Below are three suggestions of general concepts that I would encourage you to consider.

- The coordination of federal agencies responsible for providing safe, potable water to jointly fund and support a comprehensive program to make water available to needy communities.
- The coordination of initiatives on business development, health care, education, transportation and job training programs to improve and revitalize the rural areas of the nation and to address the debilitating outmigration from these rural communities.
- The provision of flexible investment capital, loans and technical assistance to low-income groups and individuals to support the establishment of worker-owned businesses, thorough such vehicles as employee stock ownership plans, and micro-business enterprises to provide the opportunity for economic empowerment.

With respect to the "Coordinating Structure", I would like clarification on the role of the working group as it relates to the selection of Empowerment Zones. My understanding is that the Secretaries of Agriculture and of Health and Urban Development will designate the rural and urban Empowerment Zones. The proposed coordinating structure indicates that the selection of the Empowerment Zones will be made by the proposed working group.



AUG 27 1993

TO: ✓ Paul Dimond, Special Assistant to the President for
Economic Policy
Bruce Reed, Deputy Assistant to the President for
Domestic Policy

FROM: Assistant Secretary for Planning and Evaluation

SUBJECT: Community Empowerment Initiatives

We have reviewed the proposed "Community Empowerment Principles" and the "Coordinating Structure" for the Community Empowerment Initiatives, as outlined in the August 10 memorandum on this subject. In general, these are on target. We do have one general comment and several specific comments and suggestions.

Our general comment is that the statement of principles should include a clear commitment to a well-defined evaluation component to guide and assess the impact of the service strategies and tax incentives.

Our specific suggestions are outlined below. The shaded words should be added. Those with strike-out marks should be deleted.

Community Empowerment Principles

A Commitment to Community

We suggest that there should be some acknowledgement of state governments' role in providing comprehensive services. Much of our funding flows through the states, and it would be useful if state funding could be targeted to selected areas and zones, as well as federal funds. Indeed, the major funding vehicle included in the Reconciliation bill is the Title XX block grant to states. We therefore recommend that the second bullet be amended as follows:

-- Encouraging comprehensive solutions to local problems by providing incentives to coordinated action at the local level and by focusing and coordinating state supported community assistance services.

A Commitment to Support Families

Amend the second bullet to include family-oriented and social support services and activities. This would better reflect the

policy of helping families to remain intact. We recommend that it should read:

-- Strengthening community supportive services for families by providing adequate physical and mental health facilities and family-focused activities and social support services such as: developmental screening of children to assess their needs and to assist families in securing adequate services; structured activities to strengthen the parent-child relationship; and in-home visits, parent support groups, and other programs for improving parenting skills.

Examples

We recommend that the tenth example read:

The linkage of low-income housing, education, and health and family support programs to encourage establishment of health clinics, improve access to more comprehensive approaches such as family investment centers and tutoring and mentoring programs in communities school-linked services programs.

We believe this better reflects the outcome of linked services.

Coordinating Structure

The third and fourth paragraphs should be amended as follows given that the enacted legislation does not contain provisions relating to an empowerment board:

The first would be to constitute the basic membership of the Empowerment Board. ~~which will be written into the Empowerment Zone law.~~ In this capacity, the working group would initially select the ~~110~~ 104 empowerment sites and then oversee the direction of departmental resources and demonstrations at those sites.

The second capacity would be to go beyond the duties set forth legislatively in the Empowerment Zones statute and serve as a standing committee on community empowerment to apply the broader principles of community empowerment across departments by focusing on specific projects, such as coordinating waiver authorities assistance provided by other programs, and carrying out other related activities.

Thank you for the opportunity to comment.


David T. Ellwood



BR/GS/SM
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UNITED STATES DEPARTMENT OF EDUCATION

THE SECRETARY

August 18, 1993

MEMORANDUM FOR

THE VICE PRESIDENT
CAROL RASCO, ASSISTANT TO THE PRESIDENT
FOR DOMESTIC POLICY
BOB RUBIN, ASSISTANT TO THE PRESIDENT
FOR ECONOMIC POLICY

FROM:

Richard W. Riley

Richard W. Riley

SUBJECT:

Community Empowerment Initiatives

The Department of Education is deeply interested in working with other domestic agencies on a unified community empowerment agenda. We have already begun to focus on the importance of linking education and economic development to revitalize the nation's poorest communities and establish the base for long-term growth. Our new emphasis on targeting funds to high-poverty schools, on preventing violence and drug use and on integrating services are all elements of this new direction. Your proposal to coordinate the initiatives of various agencies both on the federal and community levels is a key step in all our efforts to revitalize high poverty areas.

The Community Empowerment Principles you have proposed are both bold and correct. Many of the principles you mention -- including encouraging comprehensive solutions, increasing flexibility, promoting parental involvement, expanding education and training opportunities, and reducing drug use and violence in the lives of youth -- are central to this Department's mission. We welcome the opportunity to work with you to reach these goals.

I also support your proposal for a Cabinet-level Community Empowerment Working Group and would be honored to be a member of that body.



ASSISTANT SECRETARY

DEPARTMENT OF THE TREASURY
WASHINGTON

AUG 18 1993

BR/GS/SM
P. Diamond

MEMORANDUM FOR VICE PRESIDENT AL GORE
THE WHITE HOUSE

CAROL RASCO
ASSISTANT TO THE PRESIDENT FOR DOMESTIC POLICY

BOB RUBIN
ASSISTANT TO THE PRESIDENT FOR ECONOMIC POLICY

FROM: Alicia H. Munnell *AHM*
Assistant Secretary for Economic Policy

SUBJECT: Request for Comments on Community Empowerment
Principles

The draft set of community empowerment principles are well-crafted and can provide useful guidance in policy formulation and program development for a variety of substantive areas. Implicit in these principles is that communities can shape their futures in partnership with the Federal and state governments. While appropriately focusing on federal responsibilities, the principles virtually ignore the role of states in these partnerships, especially in maintaining a modicum of fiscal equity among local communities.

Through the assignment of service responsibilities and revenue-raising authority and the provision of grants-in-aid, state governments shape the fiscal circumstances of localities. Unfortunately, many states have so structured their intergovernmental fiscal arrangements that thousands of local communities are unable to finance minimally adequate levels of essential services--schools, public health and public safety. A necessary element of any empowerment strategy should be increased efforts by states to level the fiscal playing field for their local communities. Therefore, I recommend that the statement of principles be revised to recognize the responsibilities of state government, particularly in assuring that all communities are able to finance an adequate array of basic services.



THE DIRECTOR

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

September 1, 1993

BR/GS/SM
P Dimand

MEMORANDUM FOR: The Vice President
Carol Rasco, Assistant to the President for
Domestic Policy
Bob Rubin, Assistant to the President for
Economic Policy

FROM: Leon Panetta

SUBJECT: Community Empowerment Initiatives

This responds to your request for comments on a draft statement of community empowerment principles and a proposed Cabinet-level coordinating structure to handle Empowerment Zones and other cross-cutting issues related to community empowerment.

Principles

The five generally stated "commitments" are fine principles and should have broad applicability. Existing coordinating groups including the NEC, DPC, and OMB can use them as a point of reference. To be consistent with the language now being used for welfare reform discussions and to avoid the implication of encouraging dependency, the second commitment might be better phrased as "strengthen families."

I am less certain about the utility of the more specific principles under the five subheads, or of the advisability of listing specific examples of hypothetical results that could flow from these principles. A discussion of the proper roles of various levels of government and of non-governmental organizations such as community groups should be, and I believe is, part of the report of the National Performance Review. Without such a context, however, it is sometimes hard to see how the bullets listed under each commitment and the illustrative policies that follow derive from these five principles. Rather than incorporating this level of specificity into the initial statement of the principles and purposes of the Working Group, it may be better to charge the Working Group itself to derive the policy implications of the principles.

As with any list of policy objectives, there will be instances where a policy decision will require emphasizing one principle over another: for instance, between "making programs more flexible and responsive" and "intervening . . . to discourage crime" or "confronting . . . racism." For instance, the Administration doesn't want to empower communities to limit opportunities or exclude people. The draft doesn't reflect this tension between relaxing program rules and pushing particular

national policy goals. "Bottom up" initiatives must be balanced with other national policy objectives in order to promote socially and economically vital, inclusive, secure communities. Reinvention should balance local initiative with national accountability. Greater discretion would be complemented by explicit performance standards tied to national policy goals and the use of rewards/sanctions to improve performance. Pushed too far or too exclusively, Federal deregulation produces mere revenue-sharing, which is something we can scarcely afford.

I recommend that any Presidential directive to charter formally a Community Empowerment Working Group present only a very abbreviated and general statement of principles. Alternatively, the announcement of such a list should be preceded by a further interagency process to refine the list of principles presented in the draft.

Coordinating Structure

The draft suggests that the proposed Cabinet-level coordinating body would have two roles: (1) to act as the Empowerment Board to select the empowerment zones and then "oversee the direction of departmental resources and demonstrations at those sites;" and (2) "to apply the broader principles of community empowerment across departments by focusing on specific projects, such as coordinating waiver authorities, and carrying out other related activities."

In my view, a new coordinating group is not needed for the latter purpose. Temporary working groups at the Cabinet or sub-cabinet level can be created at any time to coordinate agencies around individual cross-cutting issues at the initiative of NEC or DPC staff or of an individual member of the Cabinet. It seems to me that Cabinet-level coordinating efforts are already too numerous in this Administration, to the point that it is difficult to get Cabinet members to attend.



225 cc: Paul Ammond
Paul Weinstein

OFFICE OF NATIONAL DRUG CONTROL POLICY
EXECUTIVE OFFICE OF THE PRESIDENT
Washington, D.C. 20500

AUG 30 1993

MEMORANDUM FOR: THE VICE PRESIDENT
CAROL RASCO, ASSISTANT TO THE PRESIDENT
FOR DOMESTIC POLICY
BOB RUBIN, ASSISTANT TO THE PRESIDENT
FOR ECONOMIC POLICY

FROM: LEE P. BROWN 

SUBJECT: Community Empowerment Initiatives

I read with considerable interest your memorandum of August 10 (subject as above). The overall initiative, the guiding principles as defined in your memorandum, and the coordinating structure are, in my view, exactly what is needed to address the myriad problems the Nation and its cities, towns, and communities are now struggling to overcome. I heartily applaud the efforts of your working group and offer both my full support for the initiative and the complete cooperation and assistance of my Office and my staff in ensuring its success.

The level and effectiveness of community involvement are keys to the success of this initiative. The "bottom up" aspect to which you refer, that is, the principle of involving local communities in solving their own problems, is especially important. The value of this involvement, both in defining the problems that must be addressed and the priority each should be given, and in developing sensible and real world solutions have been clearly illustrated by the many successful community partnership programs now in place in our communities. Developed principally using Federal funds, these coalitions have generally been built around efforts to reduce the impact of drug use, drug crime, and the related violence that plagues many of our communities. A strong base of both experience and expertise in community empowerment are certainly to be found there.

Further, from my many years as a law enforcement official, I know the value and utility of involving the police and other components of the local criminal justice system in any effort at community empowerment. Only in that area do I see any fundamental weakness in the principles you have developed. The criminal justice system, and especially the police, working as resources for and in close coordination with all components of the community -- with families, businessmen, social service institutions, and community groups -- can play an important and, in many ways, pivotal role in any program to fully and successfully empower our communities.

For years, the infrastructure of our cities and communities has suffered a slow erosion. Now we must take the necessary steps to reverse that erosion. Progress may be slow in coming, but through realistic and coordinated efforts such as those that will surely grow from this initiative, we will have an immediate and positive effect on the lives of our citizens. Further, we will give them the power, the tools, and the resolve to ensure that these efforts are continued until the job is done.

I support your proposal to establish a Cabinet-level Community Empowerment Working Group and stand ready to provide whatever support you may require to ensure the success of this critical and challenging initiative.



U.S. SMALL BUSINESS ADMINISTRATION
WASHINGTON, D.C. 20415

(BB/GS/SM)
Diamond

OFFICE OF THE ADMINISTRATOR

MEMORANDUM

TO: Bob Rubin
Assistant to the President

FROM: Erskine Bowles
Administrator 

DATE: August 16, 1993

SUBJECT: Community Empowerment Initiatives
Your Memo of August 10, 1993

Some of the language is a little vague for me but the ideas are very sound. I hope somewhere in point #3 concerning economic uplift the words jobs, access to capital, and business advice are implied.

BR/GS/SM
P. Diamond

THE WHITE HOUSE
WASHINGTON

August 24, 1993

MEMORANDUM FOR THE VICE PRESIDENT
CAROL RASCO
BOB RUBIN

FROM: KATIE MCGINTY

SUBJECT: COMMUNITY EMPOWERMENT INITIATIVES

I recently received a copy of the draft Community Empowerment Initiatives dated August 10. I wanted to let you know of my interest in the activities of the interagency working group.

As mentioned in the draft principles, environmental protection plays a large role in promoting healthy and livable communities. I would encourage the continued inclusion of environmental principles as part of any community initiatives developed. There is tremendous opportunity to promote cleaner, safer communities, as well to guide economic redevelopment and job training in environmental cleanups.

My office has been involved in several such initiatives to date that may be of interest to the working group. For example, recent studies have indicated that minority communities bear a disproportionate share of pollution. My office has been developing an executive order that would direct agencies to address this environmental injustice. As the Empowerment Principles state, a commitment to communities is essential, and our executive order has as its linchpin the interaction between the federal government and communities of color in the development and enforcement of programs with environmental impacts.

Additionally, we have been working on an education initiative that would expand the realms of environmental science and technology to schools around the country. Minority and low income students, often excluded from many science and high tech opportunities because of poorly funded school districts, would be able to interactively participate in the collection and dissemination of environmental change data. Students would be directly involved in taking environmental measurements, and would work with federal and state agencies to use the data in a meaningful way. We hope to encourage more students of color to pursue environmental and science fields in college by exposing them to the world of science early and in this creative fashion.

If you would like more information on either of these initiatives, I would be happy to provide it. I look forward to participating in future dialogues on the community empowerment principles.



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

AUG 19 1993

(Handwritten signature)
THE ADMINISTRATOR

MEMORANDUM

SUBJECT: Comments on Draft Core Principles of Community Empowerment Initiatives

TO: The Vice President
Carol Rasco, Assistant to the President for Domestic Policy
Bob Rubin, Assistant to the President for Economic Policy

Thank you for providing me with the draft Community Empowerment Principles prepared by the inter-agency empowerment working group. I am excited by the breadth and depth of the principles outlined in your memo and I look forward to working with you to translate these far-reaching ideas into action. EPA would like to participate in future staff and policy level activities associated with this effort.

As you know, there are a number of significant parallel developments taking place in the environmental arena that would be useful for the working group to consider. In recent years, the most forward-looking leaders of environmental policy have begun to focus on community involvement, urban environments and environmental justice as themes that are every bit as essential to comprehensive environmental policy as traditional conservation and pollution control. The new directions for environmental protection that we are undertaking at EPA reflect these changes. I believe they complement the vision you articulate in your memo.

At EPA, I have made community involvement in environmental decision-making a top priority in all the Agency's work. Environmental issues are already emerging as a leading catalyst that brings communities together. EPA is encouraging this trend by expanding opportunities for public participation in all of our activities, from local permitting decisions to national policy. Our watershed protection program, for example, involves state and local governments and the public in a bottom-up process to set priorities and implement innovative solutions to environmental problems. In the Great Lakes, Chesapeake Bay and Puget Sound, to name a few such initiatives, EPA works closely with community leaders to assure that EPA policy reflects community priorities. We are seeking ways to expand community involvement in watershed protection programs and other aspects of the Agency's work.

We also are working hard to incorporate the concepts of economic lift and racial justice into EPA's work. In an effort to explore how these themes can translate into action at the federal level, I have met with community leaders around the country and have encouraged other EPA managers to hold similar meetings. These meetings are beginning to shift EPA programs in a promising direction.

Our recent work to reshape the Superfund program is a provocative example of the potential of environmental programs to provide real benefits to communities in terms of economic payoffs and equity. As part of our reauthorization effort, we have established inter-agency and public working groups to solicit new ideas. Out of this process, we are beginning to hone down an economic renewal initiative within Superfund through which EPA's Superfund program will target polluted inner city areas and, together with HUD, Commerce, SBA, HHS and other agencies, use the environmental renewal associated with Superfund as a catalyst for broader community economic renewal. This Superfund economic renewal initiative is one of my highest priorities for the program.

I offer these examples to illustrate the enormous potential of environmental policy to serve as a basis for community empowerment. I hope you will consider incorporating these environmental themes into your core principles, and I look forward to participating in the Enterprise Board you are establishing. Please let me know if there are other ways I or my staff can be of help in this Initiative.

Sincerely,



Carol M. Browner



BR/CS/SM
P. Diamond

OFFICE OF NATIONAL DRUG CONTROL POLICY
EXECUTIVE OFFICE OF THE PRESIDENT
Washington, D.C. 20500

AUG 30 1993

MEMORANDUM FOR: THE VICE PRESIDENT
CAROL RASCO, ASSISTANT TO THE PRESIDENT
FOR DOMESTIC POLICY
BOB RUBIN, ASSISTANT TO THE PRESIDENT
FOR ECONOMIC POLICY

FROM: LEE P. BROWN 

SUBJECT: Community Empowerment Initiatives

I read with considerable interest your memorandum of August 10 (subject as above). The overall initiative, the guiding principles as defined in your memorandum, and the coordinating structure are, in my view, exactly what is needed to address the myriad problems the Nation and its cities, towns, and communities are now struggling to overcome. I heartily applaud the efforts of your working group and offer both my full support for the initiative and the complete cooperation and assistance of my Office and my staff in ensuring its success.

The level and effectiveness of community involvement are keys to the success of this initiative. The "bottom up" aspect to which you refer, that is, the principle of involving local communities in solving their own problems, is especially important. The value of this involvement, both in defining the problems that must be addressed and the priority each should be given, and in developing sensible and real world solutions have been clearly illustrated by the many successful community partnership programs now in place in our communities. Developed principally using Federal funds, these coalitions have generally been built around efforts to reduce the impact of drug use, drug crime, and the related violence that plagues many of our communities. A strong base of both experience and expertise in community empowerment are certainly to be found there.

Further, from my many years as a law enforcement official, I know the value and utility of involving the police and other components of the local criminal justice system in any effort at community empowerment. Only in that area do I see any fundamental weakness in the principles you have developed. The criminal justice system, and especially the police, working as resources for and in close coordination with all components of the community -- with families, businessmen, social service institutions, and community groups -- can play an important and, in many ways, pivotal role in any program to fully and successfully empower our communities.

For years, the infrastructure of our cities and communities has suffered a slow erosion. Now we must take the necessary steps to reverse that erosion. Progress may be slow in coming, but through realistic and coordinated efforts such as those that will surely grow from this initiative, we will have an immediate and positive effect on the lives of our citizens. Further, we will give them the power, the tools, and the resolve to ensure that these efforts are continued until the job is done.

I support your proposal to establish a Cabinet-level Community Empowerment Working Group and stand ready to provide whatever support you may require to ensure the success of this critical and challenging initiative.



DEPARTMENT OF THE TREASURY
WASHINGTON

BRGS/SM
P. Diamond

August 18, 1993

MEMORANDUM TO: CAROL RASCO
ASSISTANT TO THE PRESIDENT FOR
DOMESTIC POLICY

BOB RUBIN
ASSISTANT TO THE PRESIDENT FOR
ECONOMIC POLICY

FROM: Joshua L. Steiner *JS*
Chief of Staff

SUBJECT: Cabinet-Level Community Empowerment
Working Group

The Treasury Department looks forward to participating on the Community Empowerment Working Group described in your memorandum of August 10. We strongly agree with the general principles identified in that memorandum. On some of the specific principles, however, further clarification of the policy implications would be helpful.

With respect to the Coordinating Structure, I would like to give Secretary Bentsen some additional information. For example, could someone on your staff provide me with additional information on 1) the specific duties and responsibilities that each of the participating agencies will be expected to fulfill; 2) the relative roles of the Cabinet-level and sub-cabinet working groups; and 3) the anticipated frequency of meetings involving both of these groups?

Frank Newman, Alicia Munnell and Maurice Foley will continue working with other members of the sub-cabinet group to generate options and recommendations for the consideration of the Cabinet-level members. They will be responsible for keeping the Secretary advised of the Working Group's efforts.

Paul Dimond - fg.i
LM

THE WHITE HOUSE
WASHINGTON

September 9, 1993

The Honorable Henry G. Cisneros
Secretary of Housing and Urban Development
Department of Housing and Urban Development
Washington, D.C.

Dear Henry:

Thank you for sending me a copy of James Bank's article on Community Building in the Distressed Inner City. Paul Dimond reviewed the article for me, and agrees that there are some interesting thoughts in the piece.

Over the next few months, I am certain that we will hone the principles we have articulated for the empowerment group. I thought many of the suggestions on our memo that we received from the Cabinet members involved were helpful. I am looking forward to working with you on the community empowerment efforts. I believe this is an area where we can really accomplish something.

As an aside, with respect to your original memo, I thought the principles were sensible and a good beginning, except for the scatter site housing proposal. I think that such a policy would significantly undermine the already difficult task of keeping the middle class, the affluent and business in cities.

I look forward to working with you on all this.

Sincerely,



Robert E. Rubin
Assistant to the President
for Economic Policy

THE WHITE HOUSE
WASHINGTON

August 14, 1993

MEMORANDUM FOR ROBERT RUBIN

FROM: PAUL DIMOND

SUBJECT: GIST OF BANKS' LECTURE ON BUILDING COMMUNITY FOR
AFRICAN-AMERICAN FAMILIES IN DISTRESSED INNER CITY
AREAS

BANKS' VIEW OF THE PROBLEM: In his presentation, James G. Banks argues that urban, minority poor have been forced to live without a sense of belonging to any community, increasingly in a state of alienation and with a feeling of hopeless anger. He attributes this result to "we, the public, [who] have unwittingly arranged for large numbers of impoverished black families to live in configurations which discourage the formation of strong and resilient communities, thus foreordaining the disintegration of poor families and the communities in which they live." In Banks' view, the public then compounded this basic problem by "inundating" the families living in these "islands of dependency" with a plethora of confusing and conflicting "help" programs.

BANKS' VIEW OF THE SOLUTION: Banks proposes to attack this urban disintegration by invoking the "creativity and leadership potential" available from the residents of such neighborhoods, "where they have been clustered," to build new communities of activity, hope, care, and responsibility.

BANKS' ILLUSTRATION: Banks supports this analysis by describing the successive transformations of Anacostia over the past several decades. The increase in mobility of middle income minority families combined with increased construction of low-income, public and subsidized housing occupied by single-parent families to concentrate the most dependent in Anacostia, totally isolated from the basics of community -- two-parent families, safe schools and centers of recreation, small service businesses, churches, caring and trust. Public housing, in particular, went from a relatively small number of homes for two-parent families in transition to self-sufficiency to large concentrations of permanent shelter for dependent single-parent families. Thereafter, the plethora of public and private "service providers" engaged in a "war on poverty" from the outside, but served only to further frustrate and to alienate the most dependent; frustration led to crime; police could not meet the public and private safety needs, which led, in turn, only to further movement of those who could afford to leave out of Anacostia and increasing frustration, alienation, and violence for the concentrated poor left in Anacostia.

Over the last three years, however, Banks describes how Anacostia has been "reclaimed" by "community building," specifically by establishing a series of participatory partnerships in which neighbors volunteer to join together to form community centers -- first to provide safe and nurturing havens for children, then for recreation, then for gardening for adults, and so on. The key resource has been "VOLUNTEERS...by the hundreds" working in partnership with service providers, churches, and the larger community.

BANKS' CONCLUSION: Banks concludes with several suggestions for building viable communities out of distressed inner-city neighborhoods:

- nurture "middle class" dreams for all residents -- a stable job, a good home for the kids, food, shelter, a sense of belonging to a community
- provide services on a non-categorical, holistic basis
- build on the potential for growth and development of all persons (including young males)
- encourage community-based initiatives and enterprises that move the community along the path toward greater self-sufficiency
- "deconcentrate" or "decluster" poor persons by reducing the density of public housing, providing opportunities for poor persons to move out, and encouraging a broader income mix in the new housing

My own view is that Banks' analysis of the issue is at least half-right. In particular, the nature and depth of the dynamics of neighborhood succession in inner cities and centrifugal expansion of metropolitan regions are understated, especially the dual nature of the housing and capital markets reflected by the lack of demand from whites to move into or invest in areas perceived as "different," "hostile," or "deteriorating," i.e., minority. In addition, I would place more emphasis on the concomitant decline in economic activity in many, distressed inner city areas. Finally, consideration needs to be given to the impact and dynamics of the in-migration of new waves of immigrants to many inner cities on the coasts and borders (and into Chicago).

I also believe that Banks' proposals will do some good and little harm; and they do not cost public dollars, but rely primarily on voluntary action and coordinating or redirecting existing public resources. The proposals are worthy of nurturing, as one of many "bottom-up" strategies for community rebuilding and self-sufficiency that should be welcomed and supported. We should, however, consider several other approaches that provide additional leverage for economic and community self-sufficiency. If you have any questions about Banks' analysis, or would like to discuss alternative views and policy options, let me know.