

THE WHITE HOUSE

WASHINGTON

September 9, 1993

MEMORANDUM FOR THE VICE PRESIDENT

THE SECRETARY OF THE TREASURY  
THE ATTORNEY GENERAL  
THE SECRETARY OF THE INTERIOR  
THE SECRETARY OF AGRICULTURE  
THE SECRETARY OF COMMERCE  
THE SECRETARY OF LABOR  
THE SECRETARY OF HEALTH AND HUMAN SERVICES  
THE SECRETARY OF HOUSING AND URBAN DEVELOPMENT  
THE SECRETARY OF TRANSPORTATION  
THE SECRETARY OF EDUCATION  
THE ADMINISTRATOR OF THE ENVIRONMENTAL  
PROTECTION AGENCY  
THE DIRECTOR OF NATIONAL DRUG CONTROL POLICY  
THE ADMINISTRATOR OF THE SMALL BUSINESS  
ADMINISTRATION  
THE ASSISTANT TO THE PRESIDENT  
FOR DOMESTIC POLICY  
THE ASSISTANT TO THE PRESIDENT  
FOR ECONOMIC POLICY  
THE CHAIR OF THE COUNCIL OF ECONOMIC ADVISERS  
THE DIRECTOR OF THE OFFICE OF  
MANAGEMENT AND BUDGET

The Vice President and I strongly believe that the best way to serve distressed communities in urban and rural America is through a comprehensive, coordinated, and integrated approach that combines bottom-up initiatives and private sector innovations with responsive Federal-State support. Today, I direct the Federal agencies to work cooperatively to implement this approach in a way that reflects the principles of the Vice President's National Performance Review -- i.e., meeting the needs of local communities through a performance-measured, customer-driven philosophy and a cross-agency approach. I also hereby establish the President's Community Enterprise Board ("Board") to advise and assist me in coordinating across agencies the various Federal programs available (or potentially available) to distressed communities and in developing further policies related to the successful implementation of our community empowerment efforts.

The Vice President has agreed to chair this Board, and the Assistant to the President for Domestic Policy and the Assistant to the President for Economic Policy have agreed to serve as Vice-Chairs of the Board. I request the following Administration officials to serve on this Board: the Secretary of the Treasury, the Attorney General, the Secretary of the Interior, the Secretary of Agriculture, the Secretary of Commerce, the Secretary of Labor, the Secretary of Health and Human Services, the Secretary of Housing and Urban Development, the Secretary of Transportation, the Secretary of Education, the Administrator of the Environmental Protection Agency, the Director of National Drug Control Policy, the Administrator of the Small Business Administration, the Director of the Office of Management and Budget, and the Chair of the Council of Economic Advisers.

The first task of the Board is to assist in the successful implementation of the Administration's empowerment zone legislation, Subchapter C of Title XIII of the Omnibus Budget Reconciliation Act of 1993, Public Law 103-66, "Empowerment Zones, Enterprise Communities, and Rural Development Investment Areas." This Act authorizes the Secretaries of HUD and Agriculture to designate certain localities as empowerment zones and enterprise communities, thus enabling them to receive certain Federal funds and other benefits from the Federal Government.

Other programs, old and new, are similarly beneficial to local communities. These programs, however, form an overly complex, categorical, unworkable, and ineffective response to the needs of distressed communities. I hereby direct the Board to review these programs in order to ascertain how we can make the entire Federal effort more responsive to the needs of distressed communities. In addition, with respect to the empowerment zones and enterprise communities, I direct the Secretary of the Treasury, the Attorney General, the Secretary of the Interior, the Secretary of Agriculture, the Secretary of Commerce, the Secretary of Labor, the Secretary of Health and Human Services, the Secretary of Housing and Urban Development, the Secretary of Transportation, the Secretary of Education, the Administrator of the Environmental Protection Agency, the Director of National Drug Control Policy, and the Administrator of the Small Business Administration to (1) identify, within 15 days of this directive, existing programs that further the goals and objectives set forth in this memorandum and the Act and (2) make available, to the extent permitted by law, funds from those programs for use in implementing the strategic plans of the designated empowerment zones and community enterprises.

In order to advise and assist me regarding issues that relate to community development and empowerment, I request that each Board member --

(a) Provide me with recommendations, consistent with Section 13301 of the Omnibus Budget Reconciliation Act of 1993 ("OBRA" or "the Act"), on the criteria to be used for selection and designation of empowerment zones and enterprise communities, as set forth in Section 13301 of the Act;

(b) Identify additional legislative mandates that further the goals and objectives set forth in this memorandum and the Act and, where appropriate, develop for my consideration recommendations for further action;

(c) Identify legislative mandates that may be impeding State, local, and tribal governments from meeting the goals and objectives set forth in this memorandum and the Act, and, where appropriate, develop for my consideration recommendations for further action; and

(d) Consult with the Board regarding exemptions from regulatory mandates for which the member agency has jurisdiction and inform his or her decisions regarding any such exemptions with the recommendations of the Board.

In addition, I direct each of the agencies to cooperate fully with the Chair, the Vice-Chairs, and the Secretaries of HUD and Agriculture in assisting designated zones and enterprise communities in successfully implementing their strategic plans under Section 13301 of the Act. This interagency effort shall, among other things, coordinate Federal assistance and support within each empowerment zone and enterprise community.

In order to meet the goals and objectives set forth above, I also request the Secretary of HUD and the Secretary of Agriculture to consult with the Board regarding (1) the designation, under Section 13301 of the Act, of empowerment zones and enterprise communities and (2) possible revocation of designations, as set forth in Section 13301 of the Act.

Finally, I direct the Secretaries of HUD, Agriculture, and HHS (in consultation with the Board) to take, by November 1, 1993, the appropriate regulatory measures to ensure that the use of all Title XX grants awarded under the Act meets the criteria of Section 13761 of the Act, including, specifically, that portion of Subsection C that requires, among other things, localities to use Title XX grants (1) in accordance with the strategic plans approved by the Secretaries of HUD and Agriculture,

(2) for activities that directly benefit the residents within the designated empowerment zones and enterprise communities, and (3) to promote economic independence for low-income families and individuals.

With the Board members' commitment to achieving community empowerment and to providing our local communities with a single Federal forum, we will be able to assist distressed communities and American families all across urban and rural America in obtaining economic self-sufficiency.

William A. Clinton

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THE WHITE HOUSE

WASHINGTON

September 20, 1993

MEMORANDUM FOR THE VICE PRESIDENT

FROM: KUMIKI GIBSON  
PAUL WEINSTEIN  
PAUL DIMOND & SHERYLL CASHIN

THROUGH: JACK QUINN  
BRUCE REED  
GENE SPERLING

SUBJECT: UPDATE ON COMMUNITY EMPOWERMENT AGENDA

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This memorandum outlines the status of work by the Community Empowerment Board's sub-Cabinet level working group to implement the community empowerment strategy reflected in the August 10, 1993 and September 9, 1993 memoranda to the participating Cabinet Secretaries. Attached is a briefing book that includes relevant memoranda, Presidential decisions, and legislation documenting previous work by the working group related to community empowerment.

The working group has two areas of general responsibility: (1) implementing the specific empowerment zone legislation and (2) developing the Administration's long-term community empowerment agenda, including incorporating related philosophy and recommendations of the National Performance Review.

I. Empowerment Zones Implementation

The working group (which includes all of the agencies that comprise the Board) has focused on implementing -- and expanding upon -- the empowerment zone/Title XX provisions of the Omnibus Budget Reconciliation Act of 1993 ("OBRA"). We are seeking to build a comprehensive empowerment zone program to offer essential Federal resources and substantial private capital to interested localities. We are confident that we will be able to develop, without additional legislation, a package that will induce States and localities to construct innovative strategic plans with significant State and private sector matches. We plan to present the package, issue the necessary regulations and information, and hold workshops for interested applicants by November 1993.

### A. Major Issues

The group is currently addressing several major issues, including:

- Defining the Primary Goals of Empowerment Zones. The group has been working on defining the primary goals by which we will evaluate the strategic plans and, ultimately, the designated zones/communities. It is unclear whether we should focus on a set of economic goals (such as improving economic independence for low and moderate-income persons, families, and distressed communities) or objectives that encourage the development of broader human, social, and cultural conditions. It is also possible that the objectives can be merged.
- Building the Diverse Array of Agency Commitments into the Application and Designation Process in a Way that Encourages Results and Eliminates Red Tape. The range of commitments, participation, and coordination that each agency will be able to provide is both broad and diverse. Because we cannot make a firm commitment in advance on the full amount of resources that will be available from the agencies, we will have to be creative with respect to how we (1) include the "menu" of commitments in the request for proposals, (2) review the quality of strategic plans, and (3) provide a single point of contact to designated zones and communities. This issue is complicated by the need to make a firm contract with the applicants concerning the use of Title XX funds that will be available in the zones and communities and to stimulate substantial, innovative State, local and private sector matches from each applicant.
- Achieving the Inter-agency Cooperation, Flexibility, and Responsiveness promised in NPR. We will need to consider (1) the extent to which we can encourage applicants to seek waivers of statutory and regulatory mandates and (2) how to secure congressional approval for any responsiveness that requires changes in statutes. In addition, we must create a system conducive to quick responses on waiver and coordination requests. To this end, appropriate (and efficient) roles will have to be established for the Board, the sub-Cabinet level working group, detailees from the relevant agencies working with HUD and Agriculture in designating zones and communities, and the coordinated inter-agency teams on the ground in designated zones and communities.

## B. Progress to Date

The working group has been meeting regularly since the August 10, 1993 community empowerment memorandum transmitted by you, Carol, and Bob. The group is co-chaired by the Vice President's Office, the NEC, and the DPC. Since February, Bruce Reed and Gene Sperling have overseen the direction and work of the community empowerment group, as has Jack Quinn since early July. Paul Dimond, Kumiki Gibson, Paul Weinstein, and Sheryll Cashin ("working group staff") jointly staff and lead the working group. A list of all members of the working group is attached.

The working group believes that it is critical to designate some empowerment zones and enterprise communities by mid-1994 so that we have demonstrable signs of success by 1996. To this end, the working group has been proceeding as rapidly as possible to ensure that we develop a dynamic empowerment zones program and challenge grant process. We must provide the communities and States the incentives, time, single point of contact, and interagency responsiveness and support necessary in order for them to develop innovative strategic plans and to induce State and private sector matches that will permit success.

## C. Issue Groups

We have established interagency issue groups, chaired by key players, to focus on specific tasks and, where appropriate, to develop options for consideration by the working group and, as necessary, the Board. The issue groups, to date, include:

- Empowerment Zone Implementation: HUD (Andrew Cuomo), USDA (Bob Nash), and HHS (Mary Jo Bane) are working cooperatively to (1) develop the time-line and process for application and designation; (2) draft the relevant regulations; (3) maximize State, local, and private sector matches; and (4) craft announcements and workshops for the localities.
- Capital Formation for Business and Economic Development (Sheryll Cashin): SBA has come forward with an ambitious proposal for a series of regional, "one-stop" capital centers for investment in businesses in distressed areas.
- Capital Formation for Housing and Community Development (Bruce Katz/HUD): Fannie Mae, Freddie Mac, FHA, HUD, Agriculture, and HHS are considering a number of bold initiatives to make substantial additional capital available for home ownership, renovation, and community development in zones and communities.

- Legislative Issues and Strategy for Waivers (Kumiki Gibson and Paul Weinstein): One of the primary ways to serve zones and communities is to provide them with Federal coordination, assistance, and flexibility in implementing their strategic plans for economic revitalization. This issue group is examining ways in which the Board can fulfill this goal through a coordinated congressional and administrative approach.
- Public Safety (L.D. Acheson): The Department of Justice is assisting in shaping the selection criteria, federal policy, and federal assistance to assure that applicants make public safety a fundamental building block in each strategic plan.
- Technology Issues (Denise Michelle): Commerce will take the lead in determining how programs from NIST, ARPA, the national labs, and other federal research efforts can be properly marketed so that local applicants will think more creatively in devising their strategic plans. Given the high premium on private sector matches and the close proximity of major research universities and medical centers to distressed areas, many applicants will be in a good position to consider how high technology research and new industries can be included.
- Transportation, Infrastructure, Parks, Environment (Judith Burrell/DOT, Alec Guettel/EPA, Ken Reinfeld/Interior): ISTEA provides the governors with substantial discretion to act creatively so that applicants' strategic plans will be able to provide transportation and access for distressed communities throughout the region. EPA can provide substantial coordination in addressing land use issues and proactively assisting environmental cleanups necessary for economic redevelopment.
- Area Labor Market and Job Networks (Doug Ross, Ray Uhalde): The Department of Labor is determining how to induce applicants to include in their strategic plans innovative and comprehensive State, local, and private sector collaboration to ensure that residents of zones and communities have real access to jobs throughout the local labor market area.
- Indian Communities (Ken Reinfeld): The Department of the Interior is investigating the extent to which Indian communities will participate in the coordinating activities and programs of the working group and the Board itself.

- Agency Participation (Paul Dimond and Chris Edley/OMB):  
Pursuant to the President's September 9, 1993 memorandum, each agency is currently determining what it can contribute to the Empowerment Zone package. It is already apparent that the range, types, and limits of the contributions will vary substantially among the agencies, depending on the nature of each agency's mandates and programs and the extent of its discretion.

The issue group leaders bear responsibility for coordinating all issue group meetings, for drafting all reports, and preparing option or issue papers. The working group staff meets regularly with the issue group leaders and key agency players to provide guidance and leadership, coordinate activity, and resolve problems.

### C. Time-Line

The working group is proceeding on the following (tentative) time-line:

- November 1993: Announce the selection criteria, goals and federal inducements to the country, issue the relevant regulations, and hold workshops in all regions.
- April 1994: Due date for applications.
- June 1994: First round of designations will be made by the Secretaries of HUD and USDA.
- October 1994 - June 1995: Complete remaining designations. (The working group has not yet determined whether this will be accomplished through a second round of applications or through a process of rolling applications and designations.)

We have made sufficient progress to provide a meaningful report to the Board, at a time and manner you, Carol, and Bob deem appropriate.

## II. Development of Community Empowerment Agenda

In addition to implementing the empowerment zone legislation, the working group must also develop a broader community development and economic empowerment agenda.

### A. National Performance Review and Community Empowerment

Through the implementation of the recommendations of the NPR, the Administration has committed itself to making the federal government more responsive to American citizens through a customer-driven, performance-measured approach. You and the President have already made clear that agencies are to provide recommendations for making government programs and assistance both more responsive and performance-measured. In addition, in his September 9, 1993 memorandum, the President directed the Secretaries to identify (1) agency programs and legislative mandates that may assist States and localities in implementing the goals of community empowerment and (2) legislative and regulatory mandates that stand in the way of States and localities in implementing the goals of community empowerment. The Community Enterprise Board can assist you and the President in achieving these objectives.

First, the working group staff will follow-up with the agencies in obtaining their recommendations and ideas for improving the Federal Government.

Second, the Board could serve as the entity through which at least some of the NPR's recommendations will be implemented. For example, as Secretary Cisneros has suggested, the Board could serve as the coordinating council for economic development, as recommended by Commerce in DOC01. In addition, the Board could, among other things, assist in the consolidation of grant programs (FSL01), in addressing the problems of unfunded mandates, generally (FSL02), and in strengthening families (HHS01). Indeed, we envision the Board as a mechanism for providing "a process by which agencies can more widely obtain waivers from regulations," as recommended in SMC08.

With your approval, the working group staff, led by Elaine Kamarck, will work with the agencies to identify mechanisms and programs for interagency cooperation and flexibility and will follow-up on implementing those NPR recommendations appropriate for the Board's jurisdiction.

## B. Community Empowerment Agenda

In the spring, while the working group focused on exploring and presenting options for the President's specific proposals on empowerment zones, community development, banks and reinvestment, Secretary Cisneros presented to the working group a proposed set of principles to guide the Administration's agenda with respect to community empowerment. Comments and suggestions from each of the agencies led to several iterations of these principles, which Secretary Cisneros subsequently presented to White House senior staff and to the Cabinet Secretaries. This work provided the basis for the August 10, 1993 memorandum from you, Carol, and Bob on "Community Empowerment Initiatives," which included both a statement of five "Community Empowerment Principles" and proposed a "Coordinating Structure," namely the Cabinet-level Community Enterprise Board. (On September 9, 1993, the President issued a memorandum to the Cabinet Secretaries establishing this Board.)

As you, Carol, and Bob requested in the August 10, 1993 memorandum, the Cabinet Secretaries have provided comments on the principles of community empowerment. While there is general agreement with much of the thrust of the principles (including particularly a full commitment to interagency cooperation and federal responsiveness in this area), there is substantial concern that the principles may be, as Secretary Reich noted, "somewhat like cotton candy -- sweet and unsubstantive." Some also believe that the principles do not adequately build on the dual themes of opportunity and responsibility that are at the core of the Clinton-Gore Administration's message. Finally, there is concern that the principles are not based on a clear understanding of the nature of the problems confronting distressed communities, particularly the dynamics of people voting with their feet and their capital on where they want to live and to invest.

We need to develop a better understanding of the problems facing distressed communities and articulate our guiding principles in a way that will both build on the Administration's philosophy on this issue and provide concrete guidance for agency decisions and choices. We must also develop proposals and options for specific action, including mobilizing the private sector to join with the Administration, States, and local communities.

We are working to define the nature of the problem, to develop and refine principles, and to propose options for an action agenda over the next few months. At the end of this period, we will present our ideas (for review and input) to the working group and, ultimately, the Board.

In order to secure the full support, input, and cooperation of the participating Secretaries, it may be useful to hold an introductory meeting of the Board to discuss this schedule and to seek any additional concerns and comments.

\* \* \*

In sum, the working group is proceeding (1) to implement the empowerment zone legislation and (2) to develop the broader community empowerment agenda.

We look forward to discussing this with you during our meeting on Wednesday, September 22, 1993. If you have any questions prior to that meeting, please call any one of us.

cc: Carol Rasco  
Robert Rubin  
Elaine Kamarck

September 20, 1993

MEMORANDUM FOR THE VICE PRESIDENT

FROM: KUMIKI GIBSON *KG*

RE: COMMUNITY EMPOWERMENT STRATEGY

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This memorandum is to brief you on two meetings this week on the Community Empowerment project -- one on Wednesday and a second on Friday.

On Friday, you will meet with the Vice-Chairs of the Community Enterprise Board (Bob Rubin and Carol Rasco), Jack Quinn, Elaine Kamarck, Gene Sperling, Bruce Reed, Paul Dimond (NEC), Sheryll Cashin (NEC), Paul Weinstein (DPC), Katie McGinty, and me to discuss our community empowerment strategy, particularly the mission, operation, and organization of the Board and the White House working group. This meeting will also provide us with the opportunity to start developing our working relationship in this area -- to team build here in the White House.

To assist you in preparing for your meeting with the Vice-Chairs, on Wednesday, Paul Dimond, Bruce Reed, Paul Weinstein, Gene Sperling, and I will brief you, Jack, and Elaine on the statutory framework in which the Board will operate and the work to date of the working group. This also will be a good chance to hear your thoughts on the projects we should undertake -- many of which Jack has passed on to us, in summary, already. We have prepared a memorandum and compiled the relevant background materials, all which are attached hereto.

For your information, I believe that we have now all agreed on the relationships among the various White House offices, the Board, and the working group. Specifically, as you know, you will serve as Chair of the Cabinet-level Board, and Carol Rasco and Bob Rubin will serve as the Board's Vice-Chairs. The purpose of this Board is to develop, and apply across departments, the Administration's philosophy and principles on community empowerment issues, to expand on the empowerment zones/enterprise communities provision of the recently-enacted legislation, and, most importantly, to coordinate for the localities the various Federal programs supporting the designated zones and communities.

Jack will provide overall coordination for the staff, serving as the link between the Board and an informal Deputies' Committee, which will be comprised of Elaine Kamarck, Gene Sperling, and Bruce Reed. This committee will formulate policy recommendations and narrow issues for the Board and oversee the work of the inter-agency working group, which Paul Dimond (NEC), Paul Weinstein (DPC), and I co-chair.

Our organizational chart is attached. We will not circulate this to anyone, but think it will be important for you to describe the organization on Wednesday and Friday so there are no doubts as to how you want us to work.

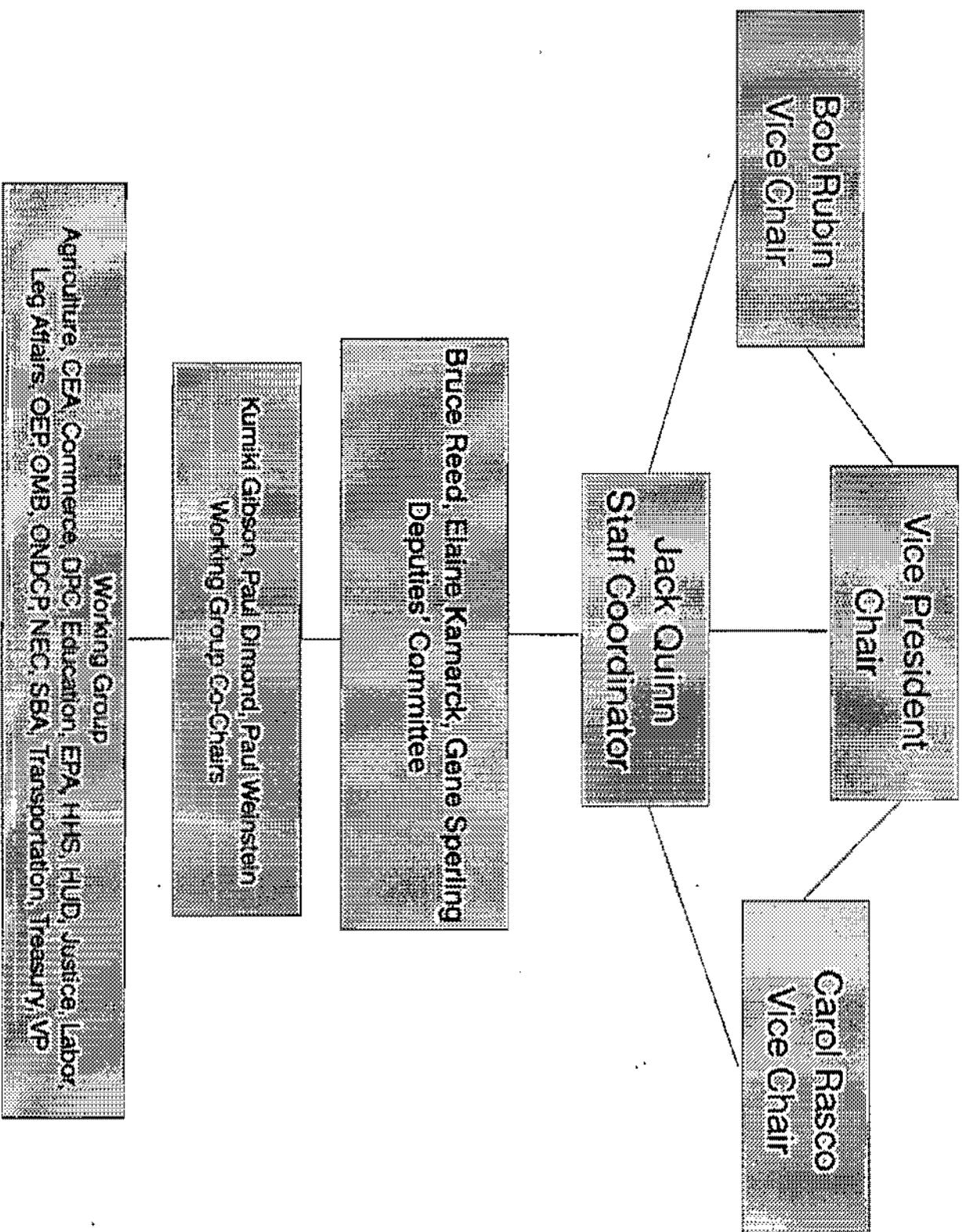
Please call me if you have any questions.

Thank you.

Attachments

# Community Empowerment

## Organizational Chart



THE WHITE HOUSE

WASHINGTON

February 6, 1995

MEMORANDUM FOR THE VICE PRESIDENT  
THE SECRETARY OF THE TREASURY  
THE ATTORNEY GENERAL  
THE SECRETARY OF THE INTERIOR  
THE SECRETARY OF AGRICULTURE  
THE SECRETARY OF COMMERCE  
THE SECRETARY OF LABOR  
THE SECRETARY OF HEALTH AND HUMAN SERVICES  
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THE ADMINISTRATOR OF GENERAL SERVICES  
THE CHIEF EXECUTIVE OFFICER OF THE CORPORATION  
FOR NATIONAL AND COMMUNITY SERVICE  
THE ASSISTANT TO THE PRESIDENT  
FOR DOMESTIC POLICY  
THE ASSISTANT TO THE PRESIDENT  
FOR ECONOMIC POLICY

SUBJECT: President's Community Enterprise Board and  
the Ounce of Prevention Council

In order to advance the efforts of the President's Community Enterprise Board (CEB) and the Ounce of Prevention Council (Council) and to facilitate interagency coordination and cooperation, I hereby order the following:

- (i) The CEB will be renamed the President's Community Empowerment Board;
- (ii) The CEB membership will include the General Services Administration and the Corporation for National and Community Service; and

CE: Memo to  
V.P.

- (iii) Effective immediately, the Vice President, as Chair of the Ounce of Prevention Council, is authorized to select the Vice Chair of the Council from its members, instead of the Assistant to the President for Domestic Policy serving as the Council's permanent Chair.

With this structure, I am confident that we will be able to better provide distressed communities with a single Federal forum dedicated to helping them address their economic and security needs.

William P. Clinton

SUMMARY OF GAO REPORT ON THE STATUS  
OF URBAN EMPOWERMENT ZONES

AUTHORSHIP AND RECIPIENT OF REPORT:

This report was compiled by Housing and Community Development Issues for the GAO and authored by Lawrence J. Dickman, Associate Director, Housing and Community Development Issues. Congressman Christopher Shays (CT), Chairman of the Subcommittee on Human Resources and Intergovernmental Relations and Committee on Government Reform and Oversight ordered this full letter report, the least comprehensive type of report.

PURPOSE OF REPORT:

To describe the status of the EZ/EC program, identify factors which have either helped or hindered the program, and examine the measures for analyzing the effectiveness of the program. The report using 6 urban EZ as case-studies. Interviews, questionnaires and surveys were used to measure the effectiveness of the program and factors that either helped or hindered the program. Strategic plans, benchmarks, status reports, and funding documents were also reviewed.

FACTORS THAT HELPED THE EZ/EZ PROGRAM

- 1)The presence of community representatives on governance boards
- 2)The accessibility of HUD hired Generalists
- 3)The resulting interactions among different members of the community. ei. Neighbors, private sector and government officials
- 4)Strong mayoral support
- 5)High level govt participation which enhanced program credibility

FACTORS THAT HINDERED THE EZ/EZ PROGRAM

- 1)The time-consuming process of forming the governance boards
- 2)State level government bureaucracy
- 3)Personality conflicts among governance board members
- 4)Media's pressure for quick result and resulting unrealistic expectations
- 5)Initial lack of financial and/or human resource capacity of areas designated as EZ areas.
- 6)Pressures for quick results

CONCLUSIONS

The reports states that HUD has failed to create measures for evaluating performance. The HUD had failed to

- 1)describe measurable outcomes for the program's goals and
- 2)related how the baselines and time frames for described activities (which the HUD has enumerated) relate to such outcomes.

## RECOMMENDATIONS

The HUD should establish a process for measuring outcomes and identify benchmarks for achieving these outcomes.

## OBJECTIONS BY HUD:

- 1) Failure by GAO to inquire into performance evaluation process; the HUD does have such information and is available.
- 2) The performance benchmark are linked to the measurable and defined principals of the program.
- 3) HUD objects to the characterization that funds were not available to the EZ. HUD states that 50% of the awards were released to the EZ in Dec. 1994.
- 4) HUD responds to the claim that state bureaucracy delayed the process by showing a letter sent by the Secretary of HH&S to states informing them of their limited role in the EZ program.
- 5) HUD states that it has created strong incentives to integrate public housing and EZ programs and that the draft should be revised to reflect such cooperation.
- 6) HUD assumes no responsibility for the pressure for quick results from official and the public. The EZ program is designed to allow flexibility in time tables.
- 7) HUD is pleased with the reception of the generalists and feels that there role should be defined and described.

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U.S. Department of Housing and Urban Development  
Office of Public Affairs

Washington, D.C. 20410

# News Release

HUD No. 97-24  
(202) 708-0685

**EMBARGOED**  
HOLD FOR RELEASE  
11 a.m. Friday  
March 7, 1997

**HUD ISSUES EMPOWERMENT ZONE/ENTERPRISE COMMUNITY REVIEWS;  
REPORTS SUGGEST LESSONS TO BE LEARNED FOR ROUND TWO OF ZONES**

**PROGRESS CITED IN MOST COMMUNITIES;  
HUD ALSO WARNS FIVE CITIES OF POSSIBLE DECERTIFICATION**

WASHINGTON -- The U.S. Department of Housing and Urban Development today released its reviews on all 72 Empowerment Zones and Enterprise Communities, a ten-year program that provides federal aid and tax incentives to revitalize distressed communities. The agency reported progress in five of the six Empowerment Zones and in 62 of the 66 Enterprise Communities, and warned five communities that they were at risk of decertification, which would terminate their EZ/EC status.

"Our performance reviews show that, at this early stage, the vast majority of Empowerment Zones and Enterprise Communities are already showing real, and in some places, substantial progress," HUD Secretary Andrew Cuomo said. "The reports also highlight communities that are not yet showing progress and will be receiving more intensive HUD oversight and technical assistance."

"Because this program was designed to meet the needs of America's communities, not Washington's bureaucrats, this is not one program but really 72 programs tailored to help revitalize 72 different communities," said Cuomo. "Progress in each zone is measured against the goals communities set for themselves, not against a one-size-fits-all, cookie-cutter federal standard."

"The overall picture we get from these reports is that nationwide the zones are stimulating billions of dollars in private investment, beginning to revive inner city neighborhoods once given up for dead, creating jobs and helping families move from welfare to work," said Cuomo. "We also can see the key lessons we've learned that should be applied to round two."

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The performance reviews are intended to serve as a management tool for the cities to receive feedback on how they are proceeding. HUD is also conducting an official program evaluation, which is a ten-year academic study that will issue an interim report past the five-year mark.

Five communities are being notified that they could be dropped from the program if they don't improve their performance. Of the six EZs this includes the Camden portion of the Philadelphia-Camden zone. Of the 66 ECs, these include: Ouachita Parish, LA; Pittsburgh, PA; Oakland, CA; Kingston-Newburgh, NY.

Key lessons cited in the report will be used by HUD in the near future to consolidate recommendations to President Clinton for the implementation of a second round of zones. They include:

- Leverage Private Sector Investment. Almost all EZs and ECs that showed progress are creating new partnerships with the private sector, stimulating private investment to flow back into many inner city neighborhoods. The reports show that a small amount of federal funding can attract significant private sector investment. Projects that depended solely on federal funds tended to make the slowest economic development progress.

- Make Community Development Comprehensive. Instead of the traditional approach where communities plan development projects piecemeal, local communities are best able, and most likely, to generate overall revitalization of distressed areas if they do comprehensive development in partnership with community residents, the private sector and all levels of government.

- Achieve Community-Wide Buy-In. While there can be tension generated by meaningful and diverse community involvement in the planning and implementation process, this tension is often an effective barometer of the communities commitment to achieving community-wide buy-in and thus generating lasting change.

- Use Performance Benchmarks. Performance measurement is an important part of ensuring that federal tax dollars and tax incentives are used effectively. This is also a critical tool to help communities gauge their efforts and make mid-course corrections to their projects as necessary.

- Coordinate Among Government Agencies. Extensive interagency cooperation at the federal and local level is vital to the success of community revitalization efforts.

HUD formulated its opinions of the EZs and ECs for these reviews based on the experience it has gained working with all of the zones over the last two years. HUD also gave consideration to the following sources of information:

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- Performance reviews submitted by the EZ/EC identifying actions taken in accordance with the community's strategic plan.
- Reviews/assessments by HUD's Office of Community Planning and Development field offices, including on-site monitoring.
- Progress reports by State agencies that administer EZ/EC block grant funds.
- A General Accounting Office report: "Status of Urban Empowerment Zones."
- Third party analysis and on-site reviews conducted by academic institutions, including the Rockefeller Institute of Government in Albany, NY; the University of Illinois in Chicago; and the Center for Neighborhood Technology in Chicago.
- A review of investment activities in Empowerment Zones performed by the firm of Price Waterhouse.
- Consultation with HUD, the Department of Health and Human Services, and the Federal Community Empowerment Board.

"While the Empowerment Zone effort will undoubtedly be judged by the tangible outcomes such as number of jobs created, housing units constructed and businesses relocated or expanded, it very well could be the intangible outcomes, such as a renewed notion that local residents can effect change, that becomes the true measure of... (their)... success," said Michael Bennett, the principal investigator for the National Empowerment Zones Action Research Project, which is based at the University of Illinois at Chicago. He is also a professor at the University.

"The EZ/EC initiative is intended to serve as a catalyst for locally generated strategies toward resurgence of distressed inner city areas," said Professor Richard Nathan, who authored and was the principal investigator of the Rockefeller Institute's report. "Knowing how complex the task is and how other efforts have fared in this environment, we are impressed by the amount of serious effort and activity generated by the EZ/EC initiative." Mr. Nathan, the Director of the Rockefeller Institute of Government, served as an official in the Republican Administration of President Nixon.

Explaining how the research for the Rockefeller Institute's study was organized, David Wright, who coordinated the project's administration, which involved experts from 18 universities, said, "Local field associates in each of the 18 communities use interviews, focus groups, individual case studies, and local data sources to collect information on the wide range of... activities being implemented in each community. The field associates... include some of the most renowned experts in the nation."

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Page Four

Mr. Wright, Director of Urban Studies at the Rockefeller Institute, served in the Democratic Administration of New York Governor Mario Cuomo.

The six Empowerment Zones -- Atlanta, Chicago, Baltimore, Detroit, New York City and Philadelphia/Camden -- receive \$250 million in tax incentives, along with \$100 million in flexible social service block grants over 10 years.

##

## Executive Summaries

### Urban Empowerment Zones (6)

#### Atlanta Empowerment Zone

The Atlanta EZ is making progress towards implementing its Strategic Plan. The Zone has taken advantage of the 1996 Olympic Games to improve housing and infrastructure in the Zone. A time-consuming conflict with the State of Georgia, over the release of funds, initially delayed progress, but the Zone has now committed \$47 million in Federal Enterprise Zone funds. The Atlanta EZ is characterized by strong resident participation which occurs through the Community Empowerment Advisory Board (CAB), composed of representatives from each of the thirty Zone neighborhoods and six linkage communities. The Atlanta Zone also has an active Mayor who has ensured good coordination and cooperation with City programs. Atlanta created a quasi-public entity, called the Atlanta Empowerment Zone Corporation (AEZC), as its implementing entity. AEZC is up and running and has developed valuable partnerships with eighteen community development corporations and the private sector to spur economic and housing development in the Zone. Significant activities underway include commercial revitalization, public safety improvements and housing construction and rehabilitation. Progress has been slower on human services activities.

#### Baltimore Empowerment Zone

The Baltimore EZ is a top performer. The Zone has made significant progress in each of its Strategic Plan categories including business expansion, job creation, and affordable housing development. To date, \$30 million has been committed, indicating that the \$100 million EZ grant will be obligated well within the ten year designation period. The Empower Baltimore Management Corporation is an impressive organizational structure which ensures community participation and continued achievement of its benchmarks. Finally, the City of Baltimore has made a strong commitment to the success of the Zone.

#### Chicago Empowerment Zone

Start-up of the Chicago Empowerment Zone (EZ) was delayed by tensions between the role of the community and the role of the City. Active and vocal community participation became the hallmark of the Chicago EZ during the first eighteen months. The EZ has gained momentum during the past six months as the Zone has approved 86 projects, representing approximately \$40 million of the \$100 million EZ grant. This commitment of funds indicated that the Zone will obligate its EZ funds well within the ten year designation period. Empowerment Zone projects represent comprehensive development including business development, affordable housing and linkages to family services. Private investment in the Chicago EZ, to date, is moderate. The City of Chicago has made a strong commitment to the EZ, particularly through the development of industrial corridors and brownfields.

#### Detroit Empowerment Zone

The Detroit EZ is one of the program's top performers in the area of leveraging private investment. The Detroit Zone has been aggressive in utilizing the EZ designation and associated tax benefits to attract businesses, leverage private investments and create jobs through the first 24 months of the initiative. Detroit has also moved aggressively to utilize the benefits of EZ designation to revitalize an existing manufacturing base. The Zone has

committed \$60 million of its \$100 million of Federal EZ funds to support comprehensive development, indicating that expenditure of the funds will take place well within the ten year designation period.

### **New York Empowerment Zone Executive Summary**

Disputes between the City and the State of New York over spending priorities, financial reporting and monitoring mechanisms delayed implementation of the New York Empowerment Zone (EZ). Due to this drawn out struggle, which required Federal intervention to resolve, the New York EZ got off to a much later start than other Empowerment Zones. While the New York EZ is apparently on track at this time, the status of state and city matching funds remains uncertain. Despite the political in-fighting, the Manhattan portion of the Empowerment Zone has had success attracting substantial private investment in the retail sector. In the Bronx portion, a preliminary analysis of business creation and expansion demonstrates evidence of renewed light manufacturing, warehousing, and distribution activities. Although the limited progress of the New York EZ provides encouraging signs, the Zone is unlikely to fully leverage Federal assistance and tax benefits without a renewed commitment by the State and City government.

### **Philadelphia/Camden Bi-State Empowerment Zone**

The Philadelphia portion of the Bi-state Empowerment Zone (EZ) is making progress towards each goal of its Strategic Plan, with some success in attracting new business, expanding home ownership opportunities, and most notably the establishment of a community development lending institution. Through the Philadelphia Community Trust Boards, residents and community-based organizations have gained a genuine voice in the redevelopment plans for their neighborhoods. The City of Philadelphia has been a strong supporter of the EZ initiative. In the first 24 months of the program, the Philadelphia portion of the Zone has committed \$67 million to development and other activities, indicating that the Philadelphia Zone will obligate its \$79 million in EZ funds well within the designation period.

The Camden portion of the EZ is among the lowest performers in the program. The Camden EZ has made no progress in implementing its strategic plan objectives. Implementation has been delayed by the Zone's inability to begin operations despite substantial assistance from the State of New Jersey and the Federal government.

## **Supplemental Empowerment Zones (2)**

### **Cleveland Supplemental Empowerment Zone**

The Cleveland SEZ is one of the program's strong performers in the area economic development, but has lagged behind in efforts to implement its labor force development strategy. The ten-year Cleveland SEZ strategy is both "place-based" (e.g. housing, business expansion and neighborhood economic development projects) and "people-based" (e.g. labor force development). Cleveland is making good progress in achieving its economic development initiatives as evidenced by the fact that a dozen loans have been approved totaling over \$12 million. These projects have leveraged about \$50 million in private resources and will ultimately help to create or retain over 500 jobs in the SEZ. Cleveland has been slower in developing the labor force development facet of its strategy, but is making some progress in light of the fact that it has now opened three job match offices in the SEZ.

### **Los Angeles Supplemental Empowerment Zone**

The Los Angeles Supplemental Empowerment Zone (LASEZ) used its \$125 million in Department of Housing

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**EZ/EC PERFORMANCE REPORT EXECUTIVE SUMMARIES**

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and Urban Development (HUD) Economic Development Initiative grant funds and \$315 million in HUD Section 108 loan funds to successfully create the largest non-commercial lending institution in the nation, the Los Angeles Community Development Bank (LACDB). The LACDB has partnered with several private lenders which have agreed to commit \$210 million in loan funds bringing the total loan pool to \$640 million that will be used to expand existing businesses and promote new businesses in the Zone. The LA SEZ has established a viable governance structure which must work to better address the non-LACDB components of its Strategic Plan.

## **Enhanced Enterprise Communities (4)**

### **Boston Enhanced Enterprise Community**

The Boston Enhanced Enterprise Community (EEC) was successful early on in launching several projects including the establishment of one of the EC's more important initiatives - a One-Stop Capital Shop for new or expanding businesses. In addition, the Boston EEC has established a HUD Economic Development Initiative/Section 108 loan program which will make low-interest loans to businesses in the Community. Progress on Strategic Plan projects, which depend solely on Federal Enterprise Community projects, has been slower to materialize. The Boston EEC, which applied for full EZ status, struggled to revise its Strategic Plan to reflect its Enhanced Enterprise Community status - in part due to delays in establishing a working community governance process. However, the EEC has begun implementation in nearly every part of its Strategic Plan. The Boston EEC shows particular strength in its support for emerging industries (through the Boston Emerging Industry Center), revitalization of low-income housing, and public safety enhancements. Areas of moderate progress include job creation. The Boston Enhanced Enterprise Community's collaborative approach to forming partnerships among human service agencies - Boston Critical Link - is one of the most innovative in the nation. The City of Boston has made extensive investments of staff and program resources to assist the implementation of the Boston Enhanced Enterprise Community Strategic Plan.

### **Houston Enhanced Enterprise Community**

The Houston Enhanced Enterprise Community (EEC) is making some limited progress in implementing its Strategic Plan. The Houston EEC has struggled to utilize Department of Housing and Urban Development (HUD) Economic Development Initiative grants and HUD Section 108 loan program funds for various economic development projects including in its Strategic Plan. While progress has been slow, the community governance structure is now working well and the City of Houston recently received HUD approval to utilize a portion of its EDI/Section 108 funds for economic development programs that will benefit EEC businesses.

### **Kansas City Enhanced Enterprise Community**

The Kansas City Enhanced Enterprise Community (KC EEC) is making progress in implementing its Strategic Plan. The KC EEC is comprised of neighborhoods in both Kansas City, Missouri and Kansas City, Kansas. In terms of its bi-state cooperation and coordination, the KC EEC has been a top performer among bi-state zones. The KC EEC has a well functioning governance structure which has realized considerable success on key portions of its Strategic Plan. The KC EEC has focused its energies on the Economic Self-Sufficiency, Support Systems of Families and Individuals and Metropolitan Context of the Core components of its strategic plan. Successes to date include the establishment of one of the first SBA One-Stop Capital Shop's in the country. The KC EEC is also using its Federal Enterprise Community grant funds for workforce development initiatives.

# BACKGROUND ON THE CLINTON-GORE ADMINISTRATION'S COMMUNITY DEVELOPMENT AGENDA

May 11, 1999

## TODAY'S ANNOUNCEMENT BUILDS ON PRESIDENT CLINTON'S AND VICE PRESIDENT GORE'S SIX-YEAR RECORD OF PROMOTING GROWTH AND OPPORTUNITY IN AMERICA'S COMMUNITIES

Since 1993, President Clinton and Vice President Gore have been committed to tapping the potential of America's urban and rural communities. They have a demonstrated record of creating new initiatives and expanding existing initiatives to promote community and economic development. The Clinton-Gore Administration has worked with the private sector, states, and localities to help revitalize America's communities by bringing capital, jobs, and opportunity to distressed areas and cleaning up the urban environment. President Clinton and Vice President Gore have created or expanded the following initiatives over the last six years:

**Helping to Bring Private Enterprise and Capital to Distressed Areas.** The Clinton-Gore Administration has renewed the commitment of the Federal government to help bring private enterprise into underserved communities and improve access to capital for low-income households, minorities, and traditionally underserved borrowers.

- **125 Empowerment Zones and Enterprise Communities.** The Clinton Administration has announced 105 EZs and ECs across the country. This effort was proposed by President Clinton and passed by Congress in 1993. The EZ/EC effort has generated more than \$2 billion of new private sector investment in community development activities. The President has also signed into law a second round of EZs -- 15 new urban and 5 new rural zones -- which will include tax incentives, small business expensing, and private activity bonds. In FY 1999, President Clinton and Congress provided first-year funding of \$55 million for the new EZs, and \$5 million in first-year funding for 20 new rural Enterprise Communities announced in January.
- **Strengthened and Simplified the Community Reinvestment Act (CRA).** In April 1995, the Clinton Administration reformed the CRA regulations to emphasize performance. According to the National Community Reinvestment Coalition (NCRC), the private sector has pledged more than \$1 trillion going forward in loans to distressed communities -- and more than 95 percent of these financial commitments have been made since 1992. Banks made \$18.6 billion in community development loans in 1997 alone. Lending to minority and low-income borrowers is also on the rise.
- **Created the Community Development Financial Institutions Fund (CDFI).** Proposed and signed into law by the President in 1994, the CDFI Fund, through grants, loans, and equity investments, is helping to create a network of community development financial institutions in distressed areas across the United States. The CDFI fund was established in 1994. In FY99, funding was increased 19 percent to \$95 million from \$80 million.
- **The Economic Development Initiative and Section 108 Loan Guarantee.** EDI grants are used to infuse capital into community development projects, enhancing the debt financing provided by the Section 108 loan guarantee program. Together, the programs support critical economic development in distressed communities. Estimated jobs supported by EDI and the Section 108 loan guarantee have

grown by 300,000 from 1994 to 1998. During this time period EDI and the Section 108 loan guarantee program have funded \$3.5 billion for more than 650 separate project commitments.

**Helping to Bring Jobs and Opportunity to Distressed Areas.** A cornerstone of the Administration's community empowerment agenda is helping to bring jobs and opportunity back to distressed areas:

- **\$3 Billion Welfare-to-Work Jobs Initiative.** The Clinton Administration fought for a \$3 billion welfare-to-work jobs initiative, as part of the Balanced Budget Agreement. The Administration is implementing these welfare-to-work grants directly to both cities and states for allocating additional resources to help long-term, hard-to-serve welfare recipients find and keep jobs.
- **Welfare-to-Work Tax Credit and Work Opportunity Tax Credit.** The Welfare-to-Work Tax Credit, enacted in the 1997 Balanced Budget Agreement, provides a credit equal to 35 percent of the first \$10,000 in wages in the first year of employment, and 50 percent of the first \$10,000 in wages in the second year, to encourage the hiring and retention of long-term welfare recipients. This credit complements the Work Opportunity Tax Credit (WOTC), which expands eligible businesses to include those who hire young adults living in Empowerment Zones and Enterprise Communities. In FY 1999, the President requested and Congress accepted extending the credit through June 30, 1999.
- **Community Development Block Grant (CDBG) Expansion.** President Clinton's FY 2000 budget included an expansion of CDBG. The final budget increases funding for CDBG from \$4.750 billion in FY 1999 to \$4.775 billion in FY 2000, a \$25 million expansion this year.

**Cleaning Up the Urban Environment.** The Clinton Administration has launched a landmark effort, including the Brownfields Tax Incentive, to clean up and redevelop Brownfields sites. In total, the Brownfields action agenda has marshaled funds to clean up and redevelop up to 5,000 properties, leveraging between \$5 billion and \$28 billion in private investment and creating and supporting 196,000 jobs.

### **PRESIDENT CLINTON AND VICE PRESIDENT GORE ARE BUILDING ON THEIR PAST ACHIEVEMENTS THROUGH A NUMBER OF NEW INITIATIVES THIS YEAR.**

While Americans are enjoying the fruits of our strong economy, we still need to do more to improve conditions in underserved urban and rural communities. To address this need, President Clinton and Vice President Gore are working on several fronts:

**The New Markets Initiative.** President Clinton's FY 2000 balanced budget provides a new initiative designed to create the conditions for economic success by prompting approximately \$15 billion in new investment in urban and rural areas through:

- **The New Markets Tax Credit.** To help spur \$6 billion in new equity capital, this tax credit is worth up to 25 percent for investments in a wide range of vehicles serving these communities, including community development banks, venture funds, and the new investment company programs created by this initiative (see below). A wide-range of businesses could be financed by these investment funds, including small technology firms, inner-city shopping centers, manufacturers with hundreds of employees, and retail stores.
- **America's Private Investment Companies (APICs).** Just as America's support for the Overseas Private Investment Corporation helps promote growth in emerging markets abroad, APICs will encourage private investment in this country's untapped markets, by leveraging up to \$1.5 billion in

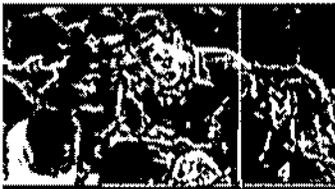
investment in new development projects and larger businesses that are expanding or relocating in inner city and rural areas.

- *SBIC's Targeted to New Markets.* For over 40 years, SBA's Small Business Investment Company (SBIC) program has provided roughly \$20 billion in equity and debt financing to more than 85,000 different companies, helping them to grow from small businesses to household names, like AOL and Staples. However, too little of the capital invested has benefited our cities and rural distressed communities. SBA now will be offering more flexibility and new financing terms for Small Business Investment Companies (SBICs) that invest in underserved areas.
- *New Markets Venture Capital (NMVC) Firms.* NMVC firms will make both capital and expert guidance available to small business entrepreneurs in inner-city and rural areas. Ten to twenty NMVC firms are planned. SBA will match the equity and technical assistance of private investors.
- *New Markets Lending Companies (NMLC).* For the first time in many years, SBA will approve approximately 10 new non-bank lenders --- firms authorized to originate loans under SBA's largest loan program -- the 7(a) General Business Loan Guaranty program. Under the 7(a) program, SBA guarantees up to 80% of a loan made by a lender to a creditworthy small businesses that cannot otherwise secure financing on reasonable terms. Firms must have a strategy to target lending to underserved areas.
- *Microenterprise Lending and Technical Assistance.* Microenterprise initiatives in the FY 2000 budget include the proposed PRIME Act, under which the CDFI Fund will provide microenterprise technical assistance through competitive grants to microenterprise development organizations that focus on low-income entrepreneurs. President Clinton's and Vice President Gore's proposal also includes a doubling of support for technical assistance in SBA's Microloan Program and a doubling of support for SBA lending to leverage over \$75 million in new microlending. The microenterprise strategy will also involve new funding for Individual Development Accounts (IDAs) and for SBA's One-Stop Capital Shops.
- *Regional Connections.* Regional Connections will provide competitive funding to States and partnerships of local governments to develop and implement new, locally driven "smarter growth" strategies that create more livable communities by addressing economic and community development needs across jurisdictional lines. Regional Connections, as part of the Administrations' Livability Agenda, will complement existing federal programs that respond to growth and investment patterns. The budget proposes funding at \$50 million in FY 2000.
- *The Economic Development Initiative and Section 108 Loan Guarantee Program.* This program supports critical economic development in distressed communities in conjunction with the Section 108 loan guarantee program to help bring economic development to residents. In FY 2000 many projects will be eligible to participate in the Community Empowerment Fund Trust, a pilot program, which will enable the pooling of loans and the creation of a private sector secondary market for economic development loans. The CEF specifically targets Welfare-to-Work and City-Suburb Business Connections, building upon the success of HUD's EDI and Section 108 loan guarantee program.
- *Empowerment Zones and Enterprise Communities.* The 2000 Budget proposes mandatory funding for ten years: \$150 million a year for urban EZs and Strategic Planning Communities; \$10 million a year for rural EZs; and \$5 million a year for rural ECs.

- Community Development Financial Institutions (CDFI) Fund. The budget proposes to expand funding for the CDFI Fund to \$125 million--a \$30 million increase from 1999. The Fund increases the availability of credit, investment capital, financial services, and other development services in distressed communities.
- BusinessLINC. The President's FY 2000 budget includes seed money to expand Business LINC --- an innovative public-private partnership launched by Vice President Gore --- for new markets in economically distressed communities. BusinessLINC (Learning, Information, Networking and Collaboration) is designed to encourage large businesses to work with small business owners and entrepreneurs.
- Low-Income Housing Tax Credit. Since its creation in 1986, the Low-Income Housing Tax Credit (LIHTC) has given states tax credits of \$1.25 per capita to allocate to developers of affordable housing. While building costs have increased 40 percent in the last decade, the amount of the credit has not been adjusted for inflation. Therefore, President Clinton and Vice President Gore propose to increase the cap on the LIHTC from \$1.25 per capita to \$1.75 per capita -- restoring the value of the credit to its 1986 level and helping to create additional 150,000-180,000 new low-income rental housing units over the next five years.
- Play-by-the-Rules. This program will allow renters with solid payment track records to own a home. The 2000 Budget proposes a second round of \$15 million for this initiative.
- Helping America's Communities Redevelop Abandoned Buildings. Redevelopment of Abandoned Buildings, as part of the Administrations' "Livability Agenda," would attack one of the primary causes of blight in urban neighborhoods: abandoned apartment buildings, single-family homes, warehouses, office buildings, and commercial centers. Under the proposal, HUD will provide \$50 million in competitive grant funds in FY2000 to local governments to support the demolition or deconstruction of blighted, abandoned buildings.

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## Vice President's Livability Initiatives

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# Al Gore



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## Livable Communities

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Al Gore has worked to promote more livable communities across America -- places with good schools, safe streets, and healthy environments. Places where we not only protect historic old neighborhoods, but where farms, green spaces, and forests can add life and beauty to the newest of suburbs. Places where we can work competitively, and still spend less time in traffic and more time with our children, spouses, and neighbors.

To help communities build and grow according to their own best values, Al Gore has led the administration's Livable Communities Initiative.

This initiative is based on one fundamental principal - communities know best. Every community is different, and decisions about how they grow are best made by the communities themselves. The initiative is about enhancing the quality of our lives, keeping our prosperity, and building a stronger sense of community - and doing so in ways that respect local preferences and personal freedoms. It aims to help communities:

**Preserve green spaces that promote**

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clean air and clean water, sustain wildlife, and provide families with places to walk, play, and relax.

**Ease traffic congestion** by improving road planning, strengthening existing transportation systems, and expanding choices for alternative transportation. Restore a sense of community by fostering citizen and private sector involvement in local planning, including the placement of schools and other public facilities.

**Promote collaboration** among neighboring communities - cities, suburbs, or rural areas - to develop regional growth strategies and address common issues like crime.

**Enhance economic competitiveness** by nurturing a high quality of life that attracts well-trained workers and cutting edge industries.

The full Livable Communities Initiative is available at [www.livablecommunities.gov](http://www.livablecommunities.gov)

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## ACCOMPLISHMENTS OF THE URBAN EMPOWERMENT ZONES AND ENTERPRISE COMMUNITIES

Since its inception in 1994, the Clinton/Gore Administration's Empowerment Zone and Enterprise Community (EZ/EC) Initiative has produced outstanding results by empowering people to create business opportunities and jobs, to leverage billions of dollars from public and private partnerships, to provide innovative job training, affordable housing, health care, child care, transportation and other critical services to hundreds of thousands of EZ/EC residents, and to make communities safer and more attractive places to live and raise a family. Distressed neighborhoods -- with some of the deepest pockets of poverty in the nation -- are now on the road to recovery. After decades of decline, there are now real opportunities and brighter futures for residents and families living in urban and rural EZ/EC neighborhoods.

Hundreds of individual EZ/EC achievements are featured in our best practice publications: "What Works! - Volume 1, Volume 2, Volume 3 and Volume 4." The following list of accomplishments provides a national snapshot of the cumulative successes of the Urban EZ/EC Initiative as reported by the EZ/ECs through the period ending June 30, 2000. The EZ/ECs reported this information using HUD's cutting-edge Internet-based EZ/EC Performance Measurement System (PERMS).

- ✓ **Projects and Programs:** The EZ/ECs report that 2,607 neighborhood-based projects and programs have been developed and are underway as a result of each EZ/ECs' locally-derived Strategic Plan. One billion in federal EZ/EC seed money has leveraged over \$12.76 billion in additional public and private sector investments related to the implementation of local EZ/EC Strategic Plans.
- ✓ **Workforce Development:** The Empowerment Zones and Enterprise Communities report that they are engaged in 1031 job training programs with 80,435 Zone residents having received job training. 38,583 Zone residents have been placed in jobs as a result of these job training programs. Zone residents have attended 333 job fairs resulting in 8,788 job placements.
- ✓ **Access to Capital:** As a result of the EZ/EC Initiative, access to cheap sources of capital -- the lifeblood of commerce -- has greatly improved. Loan pools totaling over \$1.82 billion dollars have been created with 6,511 loans processed and 9,426 jobs created from those loans. In total, the EZ/EC's report that 19,816 businesses have received financial assistance and 16,492 have received technical assistance to improve operations. 41,370 jobs have been created or retained as a result of this assistance.
- ✓ **Housing:** The Empowerment Zones and Enterprise Communities report that they have completed 6,445 new housing units and have rehabilitated another 19,817. 41,340 homeless people have been served under the various homeless housing and social service programs. The Empowerment Zones and Enterprise Communities have served 22,717 residents through 353 homeownership programs.

- ✓ **Environment:** The EZ/ECs report that they are engaged in many Brownfields projects – transforming abandoned and contaminated commercial and industrial sites into clean, reusable parcels of land for development. EZ/EC's have remediated 1,120 brownfield sites to date. The EZ/EC's are also involved in 184 beautification programs.
- ✓ **Public Safety:** The EZ/ECs report that 854,132 people have been served by 405 public safety programs operating in the Empowerment Zones and Enterprise Communities. There are also 429 crime prevention programs which have served 861,027 residents.
- ✓ **Health Care:** There are over 871 health-related programs in the EZ/ECs serving 420,445 residents. 37 new health-care facilities have opened in the EZ/EC neighborhoods and 9 have been remodeled, providing expanded service to greater numbers of families.
- ✓ **Human Services:** Within the Empowerment Zones and Enterprise Communities, there are:
  - 274 child care programs serving 21,231 Zone families;
  - 134 elderly programs serving 31,942 Zone residents
  - 632 youth programs serving 203,562 Zone youth; and
  - 566 recreation/arts programs serving 554,696 Zone residents
- ✓ **Education:** Education is vital to the well-being and economic development of the EZ/EC's. The following are educational successes:
  - 229 head-start/pre-school programs serving 23,436 children;
  - 978 K-12 education programs serving 103,715 EZ/EC residents;
  - 40 post-secondary assistance programs serving 5,403 residents; and
  - 143 vocational education and GED programs serving 4,599 residents
- ✓ **Private Sector Involvement:** Private sector involvement has played a vital role in the EZ/EC Initiative. Countless corporations have hired Zone residents and actively participated in EZ/EC governance, as well as providing funds and in-kind technical assistance to the Zones. Well-known companies involved in the Zones include General Motors, Ford, Chrysler, Home Depot, The Walt Disney Company, GAP, Ameritech, Rite Aid, Microsoft, Starbucks, MCI/Worldcom, IBM, and hundreds of others.

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## Vice President's Communities Initiatives

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As chairman of the President's Community Empowerment Board (CEB), Vice President Al Gore guides the Administration's Community Empowerment Agenda - a broad range of initiatives designed to provide greater opportunity in distressed areas. These initiatives include: increasing and improving access to credit and capital, promoting small business creation and development, moving people from welfare to work, providing opportunities for out-of-school youth and support for children and families, increasing access to affordable housing and homeownership opportunities, enhancing crime prevention strategies, and cleaning up the environment by revitalizing abandoned, contaminated areas known as "Brown fields." They are designed to complement one another, empower communities and provide a more coordinated sustainable response to address local problems.

As part of that agenda, the CEB oversees the Administration's Empowerment Zones and Enterprise Communities (EZ/EC) Initiative by coordinating the work of over 20 agencies that contribute to this effort with resources and technical assistance. This Initiative helps 134 designated communities (competitively selected) implement their strategic plans, which serve as a roadmap for transforming troubled neighborhoods into viable, sustainable places to live, work and raise a family. Under the EZ/EC Initiative, the federal government offers tools and resources including: flexible block

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grants, targeted tax incentives, and priority consideration for a variety of Federal funding programs. The EZ/EC Initiative and the Administration's other empowerment programs are helping to lead the way in creating jobs and bringing hope to our nation's poorest areas.

The progress of the EZ/ EC Initiative over the last seven years has clearly demonstrated that the combination of local leadership and grassroots driven community determined priorities, coupled with a strong public-private partnership makes a real difference in people's lives. In this way it has served as the model for the Administration's New Markets Initiative. This has resulted in the recent agreement with the Speaker of the House and the President to create a bipartisan legislative initiative -- one that includes more investment in Empowerment Zones, coupled with a call to designate a third round of zones which would bring the total EZs to 40; the New Markets proposals; and the creation of 40 Renewal Communities. Empowering people to help themselves really does work!

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**A History of the Vice President’s National Partnership for Reinventing Government  
During the Administration of President William Jefferson Clinton  
1993-2001**

Introduction

The National Partnership for Reinventing Government (NPR), originally the National Performance Review, was the Clinton-Gore Administration’s interagency task force to reform and streamline the way the federal government works. President Clinton created the NPR on March 3, 1993, “to make the entire federal government less expensive and more efficient, and to change the culture of our national bureaucracy away from complacency and entitlement toward initiative and empowerment.”

Its mission was to create a government that “works better, costs less, and gets results Americans care about.” It was the longest-running and most successful reform effort in U.S. history to date. The President asked the Vice President to report on the findings of this national performance review within six months.

Preparing the Original Report

The original task force included about 250 career civil servants, and a few state and local government employees and consultants. This group was organized into two sets of teams. One set of teams reviewed individual agencies. The other set of teams focused on governmentwide systems – procurement, budget, personnel, etc. These teams were expected to produce recommendations for tangible improvements on the government’s services to the public.

The President also directed agencies to create their own internal reinvention teams to work with NPR to develop other recommendations for improvements. In addition to these teams, Vice President Gore asked agency heads to create “reinvention laboratories” – units within agencies that would pilot innovations in



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service delivery. Reinvention laboratories are also granted waivers from internal agency rules to allow them the flexibility to be creative. This combination of centralized teamwork and frontline reinvention labs had not been attempted before in government.

Vice President Gore participated extensively in this first phase. In addition to the other ongoing efforts, he personally led a series of “town hall” meetings in several dozen agencies to learn first-hand the problems facing employees.

In June 1993, the Vice President also hosted a “Reinventing Government Summit” of corporate executives, government leaders, and consultants who were leaders in organizational change. This summit provided a business perspective on reforming the government and business approaches to managing change.

NPR started its work with an inspiring set of principles and a clear vision of what it wanted to accomplish. Strategically, the Vice President chose to focus efforts on *how* the government works, not on *what* it should be doing. In addition, he chose to target overhead costs, not the traditional approach of reorganizing existing agencies. The main objective was to create a government that works better and costs less by empowering employees to put customers first, cutting the red tape that holds back employees, and cutting back to basics.

Before the “Phase I” report was published, the Vice President met with each agency head to ensure support for proposed recommendations. The Vice President understood that the success of reinvention could not be realized if the most senior-level officials weren’t supportive, regardless of NPR’s innovative ideas.

The Vice President presented the finished report to President Clinton on September 7, 1993. The Phase I report, *Creating a Government That Works Better and Costs Less* (Appendix 1) made 384 recommendations. The report was based on 38 “accompanying” reports that detailed 1,250 specific actions intended to save \$108 billion (over a five year period) by reducing the number of overhead positions



(management, procurement, financial management, etc.). The Vice President said these efforts would begin the shift from an Industrial Age, hierarchical bureaucracy to an Information Age organization of fluid networks.

Shortly after releasing the Phase I report, most of the task force staff returned to their home agencies. About 50 staff remained to start implementing over-arching initiatives including customer service, reinvention laboratories, streamlining headquarters functions, and staffing cross-agency councils. Initially, it was thought that this would take three to six months. However, the Vice President was determined that this report would not "wind up on some dusty bookshelf." He concluded that making real and lasting change in government would require at least ten years of concentrated effort.

#### Implementing the Original Set of Recommendations

Immediately after the original report was released, the President and Vice President toured the country to spread the word about their reinvention efforts in the government. Within days after the report was released, the President issued a series of directives to implement a number of the recommendations including: reducing the work force by 252,000 positions; cutting internal regulations in half; and requiring agencies to set customer service standards.

Also in 1993, the President signed the Government Performance and Results Act (GPRA, Appendix 2). The intent of this law is to transform government agencies into performance-based and results-oriented organizations. This law requires agencies to develop strategic plans describing their overall goals and objectives, and matches these plans with quantifiable measures of performance. GPRA provides a mechanism for agencies and legislators to gauge the progress of government operations per agency, and assess how each agency could improve its operations and service to the public to produce better results.



GPRA also requires that government agencies publicly report progress annually. The first reports from agencies were submitted to Congress in March 2000.

The Vice President asked that, where possible, recommendations be administrative changes, not proposals requiring statutory changes – and that recommendations for “further studies” were not acceptable. NPR chose to target overhead costs, not the organizational structure, of agencies. Working against a six-month deadline ensured the work was focussed and not over-analyzed. Upon completion, the task force designated a champion for each of the 1,250 action items to be responsible for implementation of that item, with a status report on progress submitted to NPR every six months.

NPR approached the implementation of these actions at three levels: government-wide, agency-specific, and employee-focused. Among the most notable government-wide accomplishments in 1994 were:

1. Working with Congress to pass laws that improved how the government did business. This included reforms such as providing agencies with the authority to reduce the size of the workforce (by offering bonuses for employees leaving voluntarily), and simplifying the government’s procurement system.
2. Helping agencies create their first sets of customer service standards.
3. Developing the “Hammer Award” so the Vice President could publicly recognize innovative teams of federal employees who had reinvented their part of the government.

Individual agencies were responsible for implementing two-thirds of the recommendations because they were specifically targeted to them. Recommendations affecting all agencies (i.e. budget or civil service reforms) became the responsibility of interagency groups, the Office of Management and Budget (OMB), or



NPR.

To assist in communicating the reinvention message to the federal work force, NPR developed a variety of materials including: a training video, an interactive CD-ROM disk of the original reports, an electronic forum on reinvention issues involving hundreds of people across the country, and created a newsletter for federal employees. The task force also sponsored "Net Results" – an electronic interchange of information and ideas among federal employees and the general public. This now has been adapted into the NPR main web site ([www.npr.gov](http://www.npr.gov)) with links to a series of other related sites.

### Phase II of the Performance Review

Recognizing the election of a new Congress in Fall 1994 as an opportunity to promote change, President Clinton asked Vice President Gore to launch "Phase II" of reinvention. By this point, agencies reported that they had implemented one-third of the original recommendations and saved \$58 billion of the originally anticipated \$108 billion in total savings. The emphasis of Phase II was on *what* government should be doing, but also included additional reforms to make the government work better. By September 1995, NPR had made approximately 200 new recommendations with an estimated savings impact of nearly \$70 billion over a five-year period.

#### Specific Phase II initiatives included:

1. Undertaking a major reform of the regulatory system. Agencies identified \$28 billion that could be saved each year by reducing regulatory burdens and eliminating 16,000 pages of unnecessary regulations. They also proposed to change the way they enforced regulations by increasing the use of partnership



arrangements, and shifting the historical emphasis on identifying procedural violations.

2. Having agencies review their current programs to identify areas that could be eliminated. This led to the elimination of 250 programs, such as the Tea Tasting Board.
3. Revising customer service standard programs. The October 1995 Customer Service Standards report shows 214 agencies with over 3,000 standards of service to the public.
4. Using benchmarking studies to encourage broad action across agencies on specific issues, such as "tele-servicing."
5. Expanding work with state-local governments on the use of performance agreements in place of restrictive grant programs. (Appendix 3 – September 1994 Status Report)

Governing in a Balanced Budget World – A New Challenge

By early 1996, the Administration's commitment to produce a balanced federal budget came to the forefront as the government faced declining fiscal resources. This meant that agencies would be called upon to again reduce resources – not in the name of reinvention but due to fiscal constraints. Vice President Gore recognized that agencies needed help responding to these impending resource cuts. Therefore, he proposed new strategies for how the Administration could responsibly govern in a balanced budget world. These strategies included:



1. Moving more decisions to managers on the front line;
2. Creating "Performance-Based Organizations," in which offices that deliver measurable services would get greater autonomy, in exchange for greater accountability for results;
3. Dramatically improving customer service; and
4. Increasing the use of regulatory partnerships.

During this time, NPR also assessed the overall status of reinvention in government. Although many improvements had come about, it was apparent that many federal employees still didn't really know or understand the core principles underlying reinvention. NPR realized that there was a disconnect between the senior and middle managers on one hand and frontline employees on the other. Frontline employees who worked for managers that were not supportive of reinvention had no idea about the improved flexibility and changes that had been made by Congress, the White House or their own agencies. This realization spurred a shift in the focus of reinvention and changed the scope of NPR's efforts.

Reinvention in the Second Term

At the beginning of President Clinton's second term, NPR began to look for ways it could be more effective in effecting change in government and spreading reinvention. The task force had originally focused on encouraging hundreds of frontline teams to reinvent their departments or a certain part of the government. However, NPR decided it was necessary to shift the focus to transforming entire agencies instead of only



select portions -- especially in those agencies with direct impact on the public. This new focus was designed to permanently imbed reinvention in the day-to-day operations of the government.

To signal this new approach, the President and Vice President spoke to the new Cabinet in their first meeting of the new term (1997) about the "rules of the road for reinvention" during the second Administration. These were summarized in *The Blair House Papers* (Appendix 4), a series of short essays on different aspects of reinvention. *The Blair House Papers* included the most successful change tools developed during the first term for agencies to use to further reinvention.

To hone NPR's revised strategy of focusing on entire agencies, 32 "High Impact Agencies" were selected for concentrated efforts to transform their performance, even in the face of reduced budgets. These agencies were chosen based on their high degree of interaction with the public, business, or their operational impact on other federal agencies.

As this writing, these 32 High Impact Agencies employed 1.4 million of the 1.8 million civil servants in the federal system. Among these agencies were: the Internal Revenue Service (IRS), the Social Security Administration (SSA), the Weather Service, the Customs Service, the Park Service, the Patent and Trademark Office, the Occupational Safety and Health Administration (OSHA), and the Food and Drug Administration (FDA). (For complete list, see Appendix 5)

The leaders of the High Impact Agencies committed to more than 250 specific improvements in services to the public, which were to be completed by the end of fiscal year 2000. Their specific reinvention commitments were included in the President's 1999 Budget (Appendix 6).

An example of NPR's work with one of these agencies is the joint task force NPR sponsored with IRS employees and managers to revamp that agency's operations to improve customer service. NPR's recommendations to this group contributed to significant legislative changes that were still driving major innovations at that organization at the end of 2000. In fact, the most notable change is that the IRS



restructured its entire operation to focus on its customer segments (individuals, the self-employed, and small and large businesses), and make sure it delivers quality customer service to each type.

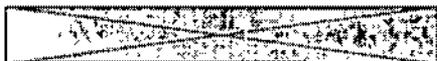
The First Five Years: Accomplishments as of 1998

As of March 1998, the fifth anniversary of the creation of NPR, "reinventors" could point to a number of important achievements. For instance, the size of the federal civilian workforce had been cut by 351,000 personnel -- resulting in the smallest civilian workforce since President Kennedy held office.

NPR recommended action on about 1,500 issues between 1993 and 1995. By 1998, approximately 58 percent of agency-specific actions had been completed. For issues requiring Presidential or congressional action, President Clinton signed 46 directives, and Congress passed and the President signed over 85 laws aimed at streamlining government operations. Moreover, agencies have been able to eliminate approximately 640,000 pages of internal rules and about 16,000 pages of unnecessary federal regulations. Agencies also rewrote another 31,000 pages into understandable, plain language.

During its first five years, NPR recommended around \$177 billion in savings. Agencies have locked into place about \$136 billion. However, these savings were not been realized solely by NPR's recommendations. NPR has relied on agencies to empower their employees and encourage employee teams to find ways to reinvent the government. The Vice President's "Hammer Award," for example, had been awarded to over 1000 federal teams by 1998. (It's now over 1200.) As of March 1998, Hammer Award winners estimated savings or cost avoidance of about \$31 billion specifically because of their actions.

Other NPR successes during the first five years include:



1. 350 Reinvention Labs were created to pilot innovations.
2. 850 labor-management partnerships were sponsored by agencies, covering 66 percent of bargaining unit employees.
3. A 1998 employee survey showed that employees who felt their organizations actively promoted reinvention were twice as satisfied with their jobs than those employees who did not believe reinvention was a priority in their organizations.
4. 570 federal organizations have committed to more than 4,000 customer service standards.

Overall, accomplishments like these have been important steps in restoring trust and faith in the government by improving the delivery of service to the public. After a 30-year decline, public trust in the federal government is finally increasing. When last measured by the University of Michigan in 1998, the public's trust in government had nearly doubled within a four-year period to 40 percent. While this cannot be totally attributed to the results of reinvention, NPR believes reinvention has made an important contribution in raising the public's trust in the government and creating a better workplace for federal employees.

Changing Government Forever

In 1999, NPR began pursuing four strategies that depend upon concerted efforts between communities, federal agencies, state and local governments, and NPR. These relationships at all levels make up the "partnership" in National Partnership for Reinventing Government. These strategies included:



1. Achieving outcomes no one agency can achieve alone.
2. Getting agencies to use a balanced set of measures.
3. Creating an electronic government.
4. Transforming those agencies with the greatest impact on Americans.

Discussions of each of these strategies follows.

**Achieving Outcomes No One Agency Can Achieve Alone.** *People and organizations will collaborate enthusiastically across organizational boundaries to produce amazing results and transfer power to communities and citizens by providing them real-time information.*

Some of the things that matter most to Americans are results that extend beyond the power of any single government agency. Significant reductions in crime, improvements in the well being of our children, and preparing workers for new opportunities depend upon broader efforts. Such efforts are often rooted in communities and supported by a variety of local, state and federal agencies as well as the private sector. NPR worked with a range of organizations to create “seamless service delivery” based on shared accountability for outcomes. Key initiatives to achieve this goal included:

1. *Significantly reducing crime.* Using new technologies and working collaboratively, the Justice Department began working with state and local police to put in place new techniques that will dramatically



improve crime fighting.

2. *Improving child well being.* The Clinton-Gore Administration created a set of statistical indicators for measuring the well being of children (the report was entitled, *America's Children: Key National Indicators of Well-Being and Health, United States*), and worked with ten communities to substantially improve child well-being based on locally-set goals. In addition, about 70 other charter communities participated by sharing their strategies and goals with each other.

3. *Creating an integrated national training, education, and employment system.* With the passage of the Workforce Investment Act in 1998, NPR began working with a range of federal agencies to partner with states and localities to expand the network of One-Stop Job Centers from 800 to 2,000. NPR worked to ensure the centers integrated service delivery and had a customer satisfaction rating of at least 80 percent.

4. *Expanding the designation of "Hassle Free Communities."* In 1998, three communities were designated as "hassle free" pilot projects. NPR partnered with these and other communities that wanted "hassle free" service delivery. Together, these communities developed new ways to deliver public services customers want – when, where, and how they want them – based on federal, state, and local partnerships. The planned expansion for this initiative was expected to benefit more than 120 million Americans.

**Getting Agencies to Use a Balanced Set of Measures.** *Agency management – from the head to the front line supervisors – will use a balanced set of measures to drive operations.*

In 1999, NPR sponsored a "best practices" report (Appendix 7) that highlighted how high-performing organizations use a set of related, balanced measures to assess their performance. These organizations

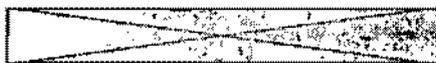


sought to balance measures of: customer satisfaction, employee satisfaction, and business results. Federal agencies pioneering the use of these "balanced measures" included the Veterans Benefits Administration, the IRS, the National Security Agency, and the Postal Service.

To create an active dialogue on using balanced measures, NPR co-sponsored two groundbreaking efforts. The first focuses on *measures of customer satisfaction*. With the support of the President's Management Council, NPR helped create a Federal Advisory Committee on Excellent Customer Service. This committee co-sponsored a survey of customer satisfaction with selected services in 30 government agencies that have a large number of interactions with the public.

Using the 100-point American Customer Satisfaction Index (developed by the University of Michigan and used by private-sector businesses over the past decade), NPR found the government was virtually the same as the private sector as far as customer satisfaction was concerned. The government index of 68.6 was close to the private service sector index rating of 71.9. Additionally, 60 percent of government services' customers said they noticed improvements over the past two years in government's customer service. The survey provided agency leaders a context for where they stand relative to others in providing excellent customer service. *(Insert: 2000 results)*

The second effort NPR participated in focused on *measures of employee satisfaction*. In partnership with the Office of Personnel Management (OPM), NPR sponsored a government-wide survey in both 1998 and 1999 of federal employees to better understand the extent of changes resulting from reinvention initiatives over the previous six years. The results showed that of those employees who believed that reinvention had been made a priority in their agency, 84 percent are satisfied with their jobs. They also showed that employees thought that cooperation between management and the unions had improved -- indicated by a 9 % increase between the 1998 and 1999 results. However, employees still said insufficient attention was paid to dealing with poor performers and to labor-management relations overall. In response,



Vice President Gore challenged agency leaders to take action on the results of this survey and to continue to improve the federal workplace. He's also called for Civil Service reforms based on pay for performance and the President's Management Council has committed itself to working with agencies to more clearly communicate performance expectations. This survey was repeated in late 2000 to assess progress. The results were \_\_\_\_\_(insert).

The final aspect of balanced measures – *measures of business results* – became available in March 2000 as agencies submitted their first Annual Performance Reports to Congress as required by the Government Performance and Results Act (GPRA).

At this point, all three sets of measures now exist at the agency level. The next challenge is to replicate these at the front line level to drive day-to-day dialogues about measurable performance in the workplace.

**Creating an Electronic Government.** *Government will be transformed by electronic means for doing business and provide the public with better access to the government, similar to how "amazon.com" transformed bookselling.*

Various initiatives started in early 1997 will enable anyone who wants to transact business with the government electronically to do so easily and quickly. By the end of FY 2000, nearly 40 million Americans were doing business with the government electronically. Emerging forms of information technology became vital tools in changing Americans' experience with their government. On a regular basis, people will be able to access information to solve problems themselves through the Internet, via telephones, and through neighborhood kiosks. It's all about putting citizens "online" rather than "in line."

On December 17, 1999, President Clinton issued a Memorandum for the Heads of Executive



Departments and Agencies on the subject of electronic government ("e-gov", Appendix 8). It said, in part, "While government agencies have created 'one-stop shopping' access to information on their agency websites, these efforts have not uniformly been as helpful as they could be to the average citizen...there has not been sufficient effort to provide government information by category of information and service -- rather than by agency -- in a way that meets people's needs."

The memorandum directed all agency heads to make available online, by December 2000, the forms needed for the top 500 government services used by the public. By October 2003, all transactions with the federal government should be available online for online processing of services.

NPR is working with agencies to implement the President's directive to give all Americans greater access to their government by expanding the use of e-gov. There were three components to these efforts:

1. *Infrastructure: tagging standards and authentication.* While government information is being created, use of these 'tagging standards' allows the Internet service providers to detect and assemble it for delivery to the public according to topic or category, using automated (robotic) systems. Each new information item will contain 'invisible' machine level identifiers that allow this to occur, even when the individual does not know where the information actually exists.

2. *User-friendly interfaces (WEB.GOV, governmentguide.com).* These are "topic" centered, or "category" focused (i.e. students.gov, or seniors.gov) sites that assemble information for presentation in ways that groups of users expect to find it.

3. *"Killer" applications.* This refers to programs that become widely accepted by the public across the



entire Internet. NPR is currently working to expand applications for government purchasing and online forms.

4. *Using of Geographic Information Systems (GIS) - safe places* - Accelerate the development of the national spatial data infrastructure so it supports the public safety needs of the nation's states and communities. For public safety, the use of GIS will build consistent data sets covering geographic areas, and leverage local, state and federal data sources. This integrated spatial data will support multiple public safety applications for the nation's states and communities.

**Transforming Agencies with the Greatest Impact on Americans.** *High Impact Agencies will complete the reinvention of their operations and their relationships with their customers.*

During 1999, NPR continued to work with those agencies that have the most interactions with individuals and businesses. One effort, for example, is a new initiative to use "Plain Language" in government communications. Following a June 1998 Presidential directive, agencies are now required to communicate in clear, understandable language with their customers. As an incentive, Vice President Gore presents an award monthly to an employee or group of employees that have done a terrific job in rewriting specific communication or regulation documents.

In 1999, NPR worked closely with the Environmental Protection Agency to redesign its Sustainable Industry Program which is helping participating industries get better environmental results, often at lower cost and with less regulatory hassle.

Reinvention 2000



In late 1999, NPR reassessed the best approaches to continuing reinvention well into the twenty-first century. In 2000, NPR continued its work to make agencies that have the most contact with the public more performance-based, results-oriented, and customer-driven. In doing this, NPR partnered with agencies to achieve these outcomes:

1. Customer satisfaction with Federal services equal to or better than the business service sector, as measured by the American Customer Satisfaction Index (ACSI).
2. An architectural design to enable Americans to have access to all government information and be able to conduct all major transactions on-line by 2003.

NPR will also work with local and State governments and the private sector to:

3. Achieve dramatic reductions in gun violence;
4. Help States achieve their goals of universal health insurance for children; and
5. Provide all Americans a seamless learning and employment system to get the job skills they need to be successful in the 21<sup>st</sup> Century.

*We need to insert a wrap-up...*

Appendixes Attached:



. . . . .

*From Red Tape to Results: Creating a Government That Works Better and Costs Less.* (September 1993)

*Creating a Government That Works Better and Costs Less: Status Report.* (September 1994)

*Common Sense Government: Works Better and Costs Less.* (September 1995)

*Reinvention's Next Steps: Governing in a Balanced Budget World.* (March 1996)

*The Best Kept Secrets in Government.* (September 1996)

*The Blair House Papers.* (January 1997)

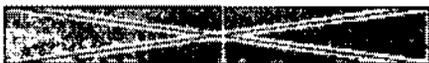
*Access America.* (February 1997)

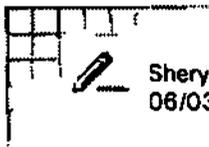
*Businesslike Government.* (November 1997)

*Balancing Measures: Best Practices in Performance Management* (August 1999)

*GPRA Legislation*

*List of HIAs*





Sheryll Cashin  
06/03/96 03:43 PM

To: Kumiki S. Gibson/OVP, Jonathan Weiss/OVP, Margaret V. Pugh/OVP  
cc: Ron Klain/OVP  
Subject: Transition Memo

Below is my summary of the status and future work needed for key projects being overseen by the CEB Office. I have also summarized issues related to the office (budget, staffing, etc.) that require attention and, perhaps, rethinking. Please feel free to call me if you need further information (work: 662-9000; home: 723-9596).

For each item I have listed a staff contact who will have the file on the subject and be most responsible for next steps.

### I. SPECIAL PROJECTS

**Follow-up on Jackson Meeting.** I have sent a separate memorandum about this issue, which outlines suggested next steps and staffing issues. The CEB office is not expected to have direct involvement with the Reclaim Campaign, however, we might want to look for linkages to EZ/ECs. *Staff contact: Kumiki and Karen Skelton.*

**September EZ Conference (and future Conferences).** I sent the VP and e-mail informing him that (1) a conference in Detroit with POTUS and VPOTUS participation would be characterized as a re-elect event that would have to be paid for by Re-elect; and (2) our foundation sponsors are not able to help underwrite a conference that occurs so close before the election. He did not respond and we will have to follow-up with him to get his thinking. I recommend convening the next conference after the November election, perhaps next January or February. *Staff contact: Kumiki. (Margaret, Judi Gold and Julian Potter should be consulted extensively when/if another conference is scheduled. Margaret has files on prior conferences.)*

**Evaluation of Urban EZ/ECs.** HUD-CPD (Asst. Sec. Cuomo) has contracted with Richard Nathan of the Rockefeller Institute to perform a short-term evaluation (annual progress reports, with the first report available in Sept. 1996) of the urban EZ/EC program. This evaluation will document the EZ/ECs progress in meeting the benchmarks and goals they have set for themselves and documenting the impact of the community-based planning and governance efforts. HUD-Policy Development and Research (Asst. Sec. Michael Stegman) has issued an RFP for a long-term evaluation of the EZ/EC program that will focus primarily upon evaluating whether the EZ/EC program improved certain base indicators (e.g. poverty, unemployment) in the targeted neighborhoods (Report to be issued in 2001). PD&R has selected a proposed evaluator and is ready to enter into a contract. Kumiki needs to confer with Bruce Katz on whether these evaluations are duplicative and how they can be coordinated in a manner that best serves the long-term goals of the EZ/EC program and the individual communities. (NB: In 1994, USDA contracted with Dr. John Gaventa of the University of Tennessee for a short-term evaluation of the rural EZ/EC program. He is producing annual progress reports and is using a community-goals approach similar to the model being employed by Richard Nathan.) *Staff Contact: Kumiki.*

**Ed Tech Initiative.** Jonathan Weiss has been monitoring the initiative for the Office, however, it is difficult to discern precisely how the initiative is going in terms of meeting the VPOTUS public commitment of wiring all EZ schools by year end. I recommend that Kumiki or the Staff Director convene a regular monthly status meeting with all appropriate players (Simon, Kohlenberger, Tech-Corps rep, etc.) to be sure we are on course and to make mid-course corrections where

needed. *Staff Contact:: Jonathan*

## II. POLICY WORK AND INITIATIVES

**Round II /Brownfields -- Appropriations and Legislative Strategy.** *This should be one of the top priorities for the office for the next six months.* The President's FY 1997 budget included a request for a second round of EZ/ECs and a brownfields tax incentive that would automatically apply to all census tracts of at least 20% poverty. An NEC-OVP led working group has begun meeting regularly to plan legislative and outreach strategy for introducing this combined legislative package in Congress and championing its passage. The promotion of this package should be done in a way that helps VPOTUS receive credit for our credible community empowerment programs and connects him with urban constituencies. I have asked Jonathan Weiss to take the lead on vigorously pursuing this strategy for OVP. Specific options for consideration:

- (1) VPOTUS participation in introducing the legislative package;
- (2) Briefings in Room 450 with relevant constituent groups (Jonathan, talk to Paul Dimond about how we have done this in the past. Public liaison sets up the briefings and extends invitations for us and we produce the speakers.) *Staff Contact: Jonathan.*

(NB: When/if Round II is passed, a working group should be formed to assess the lessons learned to date from the existing program (including feedback from the evaluators) and to design the Round II applications process.)

**Empowerment Contracting EO.** The EO was signed on May 21, 1996; it directed Commerce to issue implementing regs within 90 days. The Commerce Department is preparing a work plan for implementation and will convene the first interagency meeting next week. Jonathan should call Larry Parks next week to check on status and get on the distribution list for all meetings. I have submitted a separate memo, requested by Ron Klain, about options for raising public awareness about the new program. *Staff Contact: Kumiki and Jonathan.*

**Local Flexibility Act.** Senator Hatfield is championing passage of the Local Empowerment and Flexibility Act, which, among other things, would codify the Community Empowerment Board and invest member agencies with broadened authority to respond to locally developed flexibility plans. The main importance of the bill is that it is a vehicle for institutionalizing the CEB (with appropriate funding) and freeing EZ/ECs and other local communities to attempt innovative strategies with existing government funding streams. OMB has been negotiating and collaborating with Congress on versions of the bill for the past year. The CEB has participated throughout in these deliberations and we will need to continue to watch this issue carefully. Margaret Pugh has participated in many meetings and reviewed draft legislative proposals. I recommend that Jonathan take the lead for the office in the future, as this legislation fits with other community empowerment initiatives we are pursuing. *Staff Contact: Jonathan and Margaret.*

**Crime Prevention Council.** The CEB participates in CPC working group meetings and works closely with the CPC in overseeing the CPC prevention grants. Margaret Pugh has participated in virtually all meetings and is conversant with all relevant issues. *Staff Contact: Margaret*

**Partnerships for Stronger Families.** The CEB participates in the meeting of this DPC-led working group, which is addressing long-term systematic reforms of great significance for our EZ/EC communities -- most importantly how to make the fragmented system of federal grants more accessible and flexible for communities that want to undertake comprehensive, integrated strategies. Our main goal should be to ensure that the recommendations of this group benefit EZ/ECs and build on our experience to date. Margaret has attended most meetings and is conversant with the issues. *Staff Contact: Margaret.*

**NPR/CEB Performance Partnerships.** In speeches to the National Conference of Mayors, the Vice President has announced the Administration's interest in entering into performance partnerships with state and local governments to enable communities to receive flexibility and focused assistance in exchange for better performance outcomes. NPR (Bev Godwin) and the CEB (me) worked together in negotiating the terms of a partnership agreement with the state of Connecticut. In particular, Bev Godwin has sought the CEB's help in getting CEB agencies on board with certain partnership efforts and I expect such requests will continue in the future. *Staff Contact: Margaret.*

### **III. INTERAGENCY COORDINATION/ CEB WORKING GROUP**

**Presidential Memorandum Expanding Membership of CEB.** This week Margaret will submit to Kumiki a revised draft decision memo requesting that POTUS expand the CEB to formally include the Defense and Energy departments and CEO. *Staff Contact: Margaret.*

**Program Commitments and Coordination.** Each year CEB agencies are asked to identify programs for which EZ/ECs will receive preferences or special consideration. The effort was encumbered considerably this year by the vagaries of the FY 1996 budget process. Most agencies committed to continuing preferences that were established for FY 1995, subject to availability of funding. We did not print a formal catalog for FY 1996. Margaret has an informal record of each agencies commitments. The EZ/EC Task Force has also begun to track electronically the NOFAs (Notices of Funding Availability) being printed in the federal register and to provide user friendly summaries to the EZ/ECs on the EZ/EC Web Page. HUD, USDA and the CEB office are forming a special committee to review the system of program targeting and improve the existing system. ("hereinafter, "Special Committee") Margaret Pugh will be setting up the first committee meeting. *Staff Contact: Margaret.*

**Waivers and Flexibility.** The EZ/EC Task Force and the CEB have worked together to process over 800 requests for flexibility that were included in the original applications of the designated EZ/ECs. Each of the 105 EZ/ECs has received a letter outlining the responses to these requests and, for each request, identifying a person at the relevant agency who is responsible for calling the community to follow-up on the request. All responses have been placed in binders that can be accessed from Margaret or the EZ/EC task force. Judi Gold has taken the lead for the CEB office on the effort to clear the back-log on flex requests; she will be returning to her home agency shortly and should be contacted for relevant files. The Special Committee will also assess next steps on flexibility. I recommend (1) a thorough analysis and user friendly summary of all flexibility requests be prepared so that we get credit for what we have done and all communities can learn what flexibility is available; (2) we provide that summary to the non-designated Champion communities IN LIEU of processing the individual waiver requests of those communities (which are two years old at this date). *Staff Contact: Margaret and Judi Gold.*

**EZ/EC Task Force Staffing.** Judi Gold and I worked extensively with HUD and USDA on improving the staffing commitments from CEB agencies to the task force and helping to clarify the assignments and core mission of the task force. USDA and HUD have begun to work more closely together; however further integration and cooperation is required so that CEB agency detailees are better shared and utilized. Julian Potter and Judi Gold have worked out the latest iteration of staff assignments and I concur in their recommendations. However, I strongly urge that Julian and Victor Vasquez (USDA) meet directly to come to agreement on these issues. The outstanding staffing issue is recruiting a "Information Technology Manager" who can advance HUD and USDA's use of the internet/Web Page and information technology for the benefit of the program. Judi Gold has made some initial investigations agencies that may be able to assign a person who can meet this need. I have left the task force management file with Margaret. *Staff Contact: Margaret and Judi Gold.*

**Cabinet and Subcabinet Visits to EZ/ECs.** Jonathan Weiss will be working with HUD and USDA to devise a better system for scheduling and tracking visits by principals to EZs and ECs in a manner that promotes the emerging successes of the program. *Staff Contact: Jonathan.*

**CEB Working Group and CEB Cabinet Level Meetings.** For much of the past year I have convened a regular bi-weekly meeting of the CEB Working Group (every other Friday at 1 pm in VP Ceremonial). The meeting has served primarily as an information sharing forum and a vehicle for "riding herd" on the agencies so that they follow-through with program, flexibility, and other commitments. The forum is useful for keeping everyone on target but it is not conducive to working through problem areas or long-term strategic objectives. Smaller subcommittees (such as the DPC-led partnership working groups or the special task force being undertaken with HUD and USDA) are required for those purposes. The VP has announced an intention to convene the CEB at the cabinet level on a quarterly basis and more thought is needed about how to develop and use those meetings in ways that suit the individual CEB members and our long-term objectives. *Staff Contact: Kumiki and Margaret.*

*(NB - The CEB Working Group should be convened shortly to announce my successor. If this announcement is NOT forthcoming, I suggest that Julian Potter, Victor Vasquez and Margaret jointly run these sessions, focusing on issues identified by the Special Committee).*

**Executive Committee.** For the past year I have convened a relatively regular bi-weekly executive committee meeting (comprised of the leads from HHS, HUD and USDA) to address issues of strategic importance to the EZ/EC program, e.g. improving Title XX drawdowns, standards for performance agreements with EZ/ECs, etc. We created this regular meeting primarily because these three agencies each have integral roles for the program and they do not naturally consult with each other in their day-to-day activities and the EZ/EC communities sometimes feel these discrepancies. The Special Committee, mentioned above, could subsume the executive committee for the time being, IF HHS is included. Dave Garrison should be consulted about participating or sending an appropriate representative to the Special Committee. HUD (Howard Glaser), USDA (Victor Vasquez) and HHS (Dave Garrison) should be consulted by my successor about whether they feel the need to continue the executive committee sessions. *Staff contact: Margaret.*

#### **IV. STRENGTHENING EXISTING AGENCY EFFORTS**

The CEB agencies committed about \$800 million in additional program funds to the EZ/EC program in FY 1995. Each agency has also been asked to develop a signature initiative that is targeted to the program. Along with the ongoing efforts to monitor and sustain these commitments, I address below some strategic opportunities for improved outcomes for the program.

**HUD AND USDA.** Both agencies have committed the most in additional resources for the EZ/EC program and have core missions that fit best with the community-based, comprehensive philosophy of the program. CPD at HUD and Rural Development at USDA have committed the most resources at their respective agencies, are managing the day-to-day operations of the EZ/EC program, and are advancing the philosophy of the program in the administration of other department programs (e.g., the HUD consolidated plan, the HUD performance funds). However, in terms of program commitments and responses to flexibility requests, we have not had as much success with other divisions of HUD and USDA. The Special Committee should consider what additional strategic opportunities there are from these other divisions and what steps should be taken to make them happen. *Staff Contact: Margaret.*

**Defense Department.** We approached DoD, requesting a single point of contact for participation in the CEB and assistance with (1) flex requests, particularly those involving the Corps of Engineers;

(2) requests for excess DoD property; and (3) coordination and targeting of DoD's community-based efforts to EZ/ECs. DoD (Asst. Sec'y for Force Management Policy, Fred Pang, (703) 697-2121 (ph); (703) 695-4048(fax)) has consented to be a formal member of the CEB and is particularly enthusiastic about matching the interests of EZ/ECs with the Department's current community-based efforts. There are considerable opportunities here, but the relationship will have to be nurtured and the concrete objectives clarified. The Special Committee should evaluate who is the best person to work directly with Pang to make this happen. NB--Pang will also be participating for DoD in the President's Crime Prevention Council. *Staff Contact: Margaret.*

**Internal Revenue Service -- Promotion/TA on new EZ Bond Regulations.** According to Treasury (Linda Skakel) the new EZ Bond regs were published in the Federal Register on Friday, May 31. I have forwarded the faxed copy I have to the Executive Committee and asked HUD to take the lead on working with the IRS on promotion of the new regs and the existing EZ/EC tax incentives. The EZ/EC Task Force should do a user-friendly broadcast fax to the 105 EZ/ECs about the new regs as this is something they have been clamoring for AND it is critical to the ECs issuance of bonds this year. *This should be a top priority of the Special Committee. Staff Contact: Jonathan.*

**Energy Department.** Christine Irvin the Assistant Sec'y for Sustainable Development has been asked by DoE's chief of staff to assign someone to participate in the CEB Working Group. (Our prior contact, Bill Backer, was moved to the Denver office and we have not had regular participation from DoE headquarters since.) However, DoE is devoting considerable resources to the Atlanta EZ on its Solar City initiative and has begun planning a series of sustainable development workshops in EZ cities for the summer. My successor should meet with the new contact as soon as he or she is assigned. *Staff Contact: Margaret.*

**Interior Department.** DOI has developed an impressive action plan to contribute to urban EZs and ECs and has been working directly with HUD on this issue. Ken Smith from DOI has begun participating in the CEB Working Group. My successor should meet with Ken to continue to nurture this effort and foster closer ties with the CEB. *Staff Contact: Margaret.*

**FEMA.** FEMA originally approached the CEB on its own about participating but its efforts have floundered for lack of a clear focus. After the Cabinet-level CEB meeting, FEMA's chief of staff approached Margaret about setting up a meeting to discuss how FEMA could get back on track. Another suggested meeting for my successor. *Staff Contact: Margaret.*

**Justice Department.** Among other efforts, DoJ is devoting considerable resources to a Youth Community Policing initiative in the "big 15" EZs and Enhanced ECs. Reggie Robinson, Deputy Asst AG for Community-Based Initiatives (307-5933) has named his executive assistant, Fred Garcia (514-1563) to participate regularly in the CEB Working Group, in addition to Mark Sakaley, who represents DOJ's Office of Policy Development. The Asst AG for Congressional and Intergov'tal Affairs, Andy Foice, has also expressed an interest in helping the CEB as needed. My successor should meet with Fred Garcia and the Special Committee should assess whether we need any additional support from DoJ. *Staff Contact: Margaret Pugh.*

#### **IV. OUTREACH TO PRIVATE SECTOR AND NON-GOVERNMENT PARTNERS**

**Foundations Outreach.** My successor should meet with Janet Levy of the Annie Casey Foundation (410-223-2938) as soon as she comes on board. Janet has been our point of contact with the foundations and one of our primary sources of funding for our White House Community Empowerment Conferences. A group of 20+ national and community foundations has been deliberating on whether/how to undertake a collaborative commitment to the EZ/EC program. Janet is staffing this effort; their next meeting is in July and Janet is confident that a final decision/announcement is likely to be ready in September. (They are highly sensitive to avoiding

partisanship in this political season.) *Staff Contact: Margaret Pugh.*

**Other Outreach.** Jonathan Weiss has taken the lead for the CEB office in making contacts with non-governmental entities, e.g. businesses and trade associations, nonprofits, banks, etc. Contact with these groups has raised interest in the EZ/EC program, which should help in rallying support in Congress for a second round. It can also lead to tangible commitments to the Zones; for instance, after our making contact, the International Council of Shopping Centers and GE Capital are now contemplating how to focus -- and announce -- targeted efforts in Zones. Outreach has also raised the VP's profile on this issue, so that outside groups more closely associate him with it. Andrew Cuomo has hired Lorrain Osley-Elis (sp?) to work full time on outreach and Jonathan will continue to work with Lorrain on these efforts, with HUD doing more of the staff work. It is imperative that the efforts to garner tangible commitments for EZ/ECs NOT be limited to urban communities. Jonathan should request that USDA assign someone to work with he and Lorrain on these efforts. *Staff Contact: Jonathan.*

## V. COMMUNICATIONS and PROMOTION OF EZ/EC AND COMMUNITY EMPOWERMENT AGENDA

**Communications Strategy.** We have developed talking points and accomplishments material about the EZ/EC program and the Administration's overall Community Empowerment Agenda. Our communications strategy has included op-eds, events and speeches by the VPOTUS that highlight the successes of the EZ/EC program and the overall CE Agenda. Jonathan attends scheduling meetings to advocate for such potential message opportunities. He will be working more closely with Karen Skelton, OVP Political Director, to identify and promote these opportunities. The CEB Office also works directly with the NEC and WH Communications on such message opportunities for POTUS. The President's upcoming speech to the U.S. Conference of Mayors presents an opportunity for promoting the second round and community empowerment accomplishments. Jonathan will continue to work with the NEC-led community empowerment message/planning group on this effort. Kumiki and Jonathan may need to meet directly with Vicki Radd in the future about our message ideas. *Staff Contact: Jonathan.*

**Tracking, Planning and Staffing Events.** Whenever the VP participates in a community empowerment event, the CEB staffs him and prepares his briefing materials. The office provides materials and guidance to other principals, e.g. Cabinet Secretaries, who are visiting EZ/ECs. Finally, the Staff Director and others are frequently asked to speak at events generated by the EZs and ECs or to find federal representatives who can attend such events. *Staff Contact: Jonathan and Margaret.*

**Newsletter.** HUD publishes a bimonthly newsletter about the EZ/EC program that features a front-page column by VPOTUS, as well as success stories about the program. The CEB Office drafts the VPOTUS column and works with HUD to ensure balanced coverage (articles about rural communities and about other CEB agencies' efforts.) *Staff Contact: Margaret.*

**VP Correspondence.** The CEB Office drafts responses to all letters to the VPOTUS (or to the Staff Director) concerning the EZ/EC program or community empowerment issues. To date, Margaret has drafted most of the responses, which I review. The workload on these letters should probably be distributed more equitably (see staffing, in Part. VI below.) *Staff Contact: Margaret.*

**Tracking News Clips and Success Stories.** The Annie Casey Foundation has contracted with a news clipping service that compiles news stories (national and regional papers and television broadcasts) about the EZ/EC program. HUD also tracks these stories electronically and shares them with the CEB office each week. Jonathan reviews all press clips that we receive and keeps abreast of accomplishments for purposes of our ongoing communications strategy. *Staff Contact: Jonathan.*

## VI. STAFFING, BUDGET AND ADMINISTRATION

**Status of Office within OVP and the White House.** Increasingly, I have felt that the CEB Office (and its mission) suffers from its informal and perhaps ill-defined relationship with the Office of the Vice President. We have depended heavily on Kumiki's advocacy and my personal relations with other OVP staff (developed as a result of two years prior experience in the White House). My successor will not have these advantages and, Kumiki, in my view, is too busy with her own job responsibilities to be expected to exercise a significant supervisory/advocacy role concerning the office. I therefore recommend that the Staff Director (actual or acting) be elevated to a senior staff position in OVP (as are the heads of other offices in OVP). In this way, the CEB office will better serve the Vice President and the entire OVP operation. *Staff Contact: Kumiki.*

**Budget.** The CEB Office budget (approximately \$20,000 per fiscal year) covers the cost of rental for OEOB Room 564 (approximately \$15,000 annually), telephones, computer and office supplies and mailings. The Office is staffed by agency representatives, whose travel costs are covered by their home agencies. We depend on OVP and GSA for free, excess computer and fax equipment. Our office budget for FY 1996 was paid for by HHS (approved by Kevin Thurm, HHS Chief of Staff.) I have asked Dave Garrison to inquire whether HHS can pick up the CEB Office Budget for FY 1997. I have not yet heard from him. *Staff Contact: Kumiki.*

**Staffing.** For the past year the office has operated with a Staff Director, three policy staff (Margaret Pugh, HHS, Jonathan Weiss, EPA, and Judi Gold DOT) and interns, who provide clerical support. (Judi Gold, who was jointly assigned to the CEB and NPR is returning to her home agency shortly.) I have found that, with this level of staffing, I ended up doing most of the primary work on policy initiatives (e.g., Round II, the Empowerment EO, Local Flex Act) and certain special projects (e.g. the WH Conference, Jackson project, etc.) and did not have adequate time to effectively manage the overall operation and pay sufficient attention to the interagency activities described in Section III and IV (the core mission of the CEB).

We have also found that Margaret Pugh, as the more junior person on the CEB staff ends up having to handle a great deal of work that normally would be handled by a secretary/staff assistant if we had one (e.g. wave-ins; letters/correspondences and other items that college interns cannot handle on their own.) This is unfair to Margaret and detracts, again, from the interagency activities described in Section III and IV, which Margaret concentrates on.

In light of all the activities outlined above, ideally the office should have: (1) a Staff Director; (2) a senior policy person who works full-time on important policy initiatives; (3) two policy staffers who work on interagency activities; (4) a communications person who works on speeches, events and communications strategy; and (5) a full time staff assistant. *Staff Contact: Kumiki*

**Interns.** Mary Margaret has done a good job of finding interns for the CEB office throughout the year (fall, spring and summer interns). We have a standing request with her to identify and intern for us each session. My successor should meet with Mary Margaret and underscore this ongoing need. (Our current intern, Josh, will only be with us for a few more weeks and we will need an intern for the second session.) *Staff Contact: Kumiki.*

**Space.** Obviously, we could not expand the CEB staff as suggested above in our current space (OEOB 564), which can only accommodate 4 people comfortably. In the past we have put our interns on the 4th Floor in the DPC intern room (See Rosalyn Miller on DPC to request such an arrangement) but this lessens the efficiency of the office as interns are the only source of staff support. If the CEB is to fulfill its mission adequately, I recommend consideration of moving the entire CEB Office to Jackson Place. (There are pros and cons to keeping the Staff Director in

OEOB, while moving the rest of the CEB staff elsewhere.) A budget should be developed for such a move and discussed directly with HHS. (John Koskinen and Ed Deseve may also have good suggestions for sources of funding for the Budget. I strongly recommend that they be consulted as they have developed a commitment of sorts to the CEB as a result of their work on the Local Flex Act.) *Staff Contact: Kumiki*

September 9

## Introduction

The President's Community Empowerment Board (CEB) was established by a Presidential Memorandum issued in late 1993. The original CEB consisted of the Principals from fourteen Federal Agencies plus other Senior Advisors to the President representing the Domestic Policy Council, the National Economic Council, the Council on Environmental Quality, the Council of Economic Advisors. The CEB is chaired by the Vice President. Over time the President added other Federal Agencies to the Board. Today the CEB consists of Principals from twenty-six Agencies and Executive offices.

The CEB has functioned over the past seven years as an adjunct function of the Office of the Vice President. It has utilized an Interagency Working Group which represents the Principals from each of the participating entities. Its funding has been provided on an annual basis by one of the point agencies – first by HHS and most recently by HUD. At the direction of the Vice President the CEB has expanded its relative oversight of the EZ/ EC initiative to include other policy areas that have a direct impact on urban and rural underserved and disadvantaged communities. This has also included the President's New Markets Initiative and the Vice President's Livability Agenda.

It is clear that the CEB is a viable entity that provides an effective vehicle to communicate and promote an Administration's policies and initiatives intended to address the needs and requirements to help distressed and underserved communities help themselves through a concerted interagency mechanism.

This document is intended to provide an analysis of the structure and function of the CEB and pinpoint strengths and weaknesses, so that it can perform its duties even better in the next Administration.

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## THE PRESIDENT'S COMMUNITY EMPOWERMENT BOARD RECOMMENDATIONS FOR THE INCOMING ADMINISTRATION

### General Comments:

Whatever proposals and recommendations that are developed should incorporate input from key individuals who have had significant involvement, over time - with the inception of the CEB, the EZ/EC Initiative, and the Community Empowerment Agenda. This would necessarily include such persons as – Secretary Andrew Cuomo, Secretary Dan Glickman, Assistant Secretary Jill Long Thompson, Bob Nash, Kuniki Gibson, Sheryl Cashin, Alvin Brown, Julian Potter, Howard Glaser, Dave Garrison, Barbara Hunt, Maria Matthews, and Michael Barr.

### Formalizing the CEB

Background: The President's Community Empowerment Board (CEB) was established by a Presidential Memorandum issued in late 1993. The original CEB consisted of the Principals from fourteen Federal Agencies plus other Senior Advisors to the President representing the Domestic Policy Council, the National Economic Council, the Council on Environmental Quality, the Council of Economic Advisors. The CEB is chaired by the Vice President. Over time the President added other Federal Agencies to the Board. Today the CEB consists of Principals from twenty-six Agencies and Executive offices.

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It is clear that the CEB is a viable entity that provides an effective vehicle to communicate and promote an Administration's policies and initiatives intended to address the

needs and requirements to help distressed and underserved communities help themselves through a concerted interagency mechanism.

Recommendations: Formalize the President's Community Empowerment Board as a permanent White House/ Executive Branch entity. Use the CEQ as the model, including the ability for interagency funding and staffing of the CEB. In any case, the President should be the Chair of the CEB. Confirm that formalization of the CEB can be executed by Executive Order. In the event, that Congressional authorization is required, then prepare the necessary legislation to accomplish either of the following recommendations:

- ◆ Establish the CEB as the responsible body to advise the President on issues that relate to the Community Empowerment Agenda; promotion of Public/ Private Partnerships with government-wide and comprehensive assistance; develop policies, programs, and initiatives that meet the objectives of assisting underserved and economically distressed communities.
- ◆ Provide for the ways and means to adequately fund the CEB to carry out it's duties.

Alternative Recommendation:

- ◆ Incorporate the CEB within the purview and direction of the National Economic Council or the Domestic Policy Council.
- ◆ Provide for the ways and means to adequately fund this function to carry out it's duties.

Changing Regulations and Statutory Inconsistencies between EZ's, EC's, EEC's, etc:

- ◆ Work closely with the BiPartisan Leadership of the 107<sup>th</sup> Congress to make consistent and clear all the various designations for current and future EZ/ EC designations; including full funding for the designations over the implementation of communities 10 year Strategic Plans.
- ◆ Incorporate America's Renewal Communities and New Markets' Initiative into a comprehensive Community Empowerment Agenda.
- ◆ Set as an objective and goal a single application process (Interagency Clearing House) for available Federal Programs, Assistance, and Resources which places the burden on Federal Agencies to evaluate and identify what communities can compete and apply for.

## Round III

A third round of Empowerment Zones has been authorized by Congress, consisting of 9 new zones that would enjoy the tax benefits of the designation but none of the \$100 million in grant funding that was given to zones in Rounds I and II. This form of Round III is very different from the one for which the Vice President had publicly called. The Vice President at least twice in speeches asserted that a much larger Round III made sense, one that included between 50 and 100 communities. He envisioned a tiered approach: small communities would compete against small communities, medium against medium, and large against large. In addition, the amount of grant funding would increase with each tier. Thus large cities would receive more funding than small cities.

Unfortunately, this is not the system that was put forth in the Administration's budget and was not adopted by Congress. Nevertheless, we believe the Round III authorized by Congress is flawed because it does not provide any grant funding to the designees, and it does not include enough communities. The hallmark of the Empowerment Zone program is that communities are given funding and the flexibility to use it to benefit their local community, within certain federal guidelines. The congressionally authorized Round III, which does not include this funding, is nearly indistinguishable from Renewal Communities which also provide tax benefits to designated communities but no grant funding.

Second, the Vice President's vision of extending the Empowerment Zone program to many more communities of differing sizes has been ignored. Many of the smaller communities became discouraged by the application process in the first two rounds. They felt that they were at a disadvantage in competing against the large cities. First the large cities had more resources to bring to bear on the application writing, and more importantly, the comparative need for a large city generally outstrips that of a smaller community. Consequently, they felt that they could not win a designation when competing against large cities.

### Recommendation:

In light of this, it makes sense to revisit the Round III authorization and attempt to restructure it to conform more closely to the Vice President's initial vision. Ultimately, an ideal Round III would include grant funding that is proportionate to the size of the community, and would include designations for many more communities than currently allowed under the present authorization.

## EZ/EC Program Suggestions

- Round III must contain a combination of flexible Federal grant funds and Federal tax incentives. The foundation of the Administration's EZ/EC effort is that communities need both flexible grant funds and tax incentives to revitalize distressed communities. The Clinton Administration has abandoned this principle in current negotiations with the Congress by providing funding for tax incentives **only** as the Federal contribution to the Round III EZs and Renewal Communities. It is not possible to comprehensively revitalize distressed communities with tax incentives alone (see Round III proposal the end of this document).
- Congress must appropriate funding to operate the EZ/EC Initiative. Currently, Congress delegates all authority and responsibility for the program to HUD and USDA, but provides no funding to actually implement the program. Thus, personnel, computer systems support, and administrative support must be borrowed from other programs. This unfunded mandate from Congress limits each agency's ability to properly implement the Initiative.
- Congress must appropriate technical assistance funds to help build local EZ/EC capacity to implement their strategic plans. The lack of local capacity to implement an EZ/EC strategic plan is one of the biggest problems facing EZ/ECs. The EZ/ECs need technical assistance funds to build local capacity. For example, the single biggest impediment to maximizing the use of tax incentives is that small and medium sized businesses are unaware that they are eligible to utilize the incentives. While Congress has provided billions of dollars in tax incentives, they have provided no funds to assist in marketing the incentives to ensure maximum business community utilization. In this case, technical assistance funds could be used to make the business community more aware of the availability of the incentives.
- There is currently much confusion in the business community and the community at large about the benefits that available to EZs and ECs, and this will be further complicated if Congress creates Renewal Communities. It would be much simpler for the business community and others if all EZ/EC/RC were consolidated into one designation such as "Empowerment Communities." In addition, it would be much easier for the business community to understand if each "Empowerment Community" received the same tax incentives. We receive constant complaints about the "confusing" matrix of designations and benefits applicable to EZ/EC and soon RCs.
- Shorten the designation period to five years. Experience has taught us that in the vast majority of cases local leadership does not remain constant over a ten-year period. The reality is that Local and State governments responsible for crafting the original local strategic plan change, and so does their commitment, as well as the commitment of business and community leaders involved in creating the original plan. By

shorting the designation period to five years, there would be more leadership continuity which would ensure greater local commitment to achieving the local strategic plan. This is consistent with our philosophy that the Federal government's contribution is seed money to jump-start local revitalization efforts. If you keep the 10 year designation period, this same effect could be realized if Congress provided HUD and USDA with the authority to require the local communities to update their strategic plans at the 5-year mark. If a community refused to update their plan, and they were not making adequate progress, they could lose their designation.

- Provide a consistent annual appropriation. Nothing hurts implementation efforts more than a community not knowing when or if they are going to receive a Federal appropriation to help them implement their strategic plan. The business community and others made commitments in part on the belief that the Federal government would provide seed money for revitalization efforts. Without a consistent source of Federal seed funding, local commitments begin to disappear.
- Federal government agencies must provide EZ/ECs with bonus points in competitive funding situations. The CEB is hampered in its efforts to achieve a truly meaningful Federal partnership with local communities because various agencies do not make the EZ/EC Initiative a priority in funding decisions. Without mandatory requirements, most Agencies have refused to provide EZ/ECs with funding advantages in competitions. Thus, Federal commitments to most local communities have been minimal and the Federal governments promise to coordinate the delivery of assistance to local communities through the CEB has been unrealized to a great extent.
- In order to cut Federal regulatory red tape, Agencies must be given the legal authority to be flexible in granting waivers for EZ/ECs. We have witnessed that without explicit mandatory legal authority to waive or modify regulations for EZ/ECs, agencies do not grant waivers and government reinvention efforts are not realized.
- The States must contribute hard dollars to local EZ/EC revitalization efforts. Most States did not provide grant funding and/or tax incentives to local EZ/EC revitalization efforts, nor did they grant regulatory relief to EZ/EC communities. States must step forward and provide real benefits to revitalization efforts or an EZ/EC should lose its designation. To a lesser extent, the same could be said of local governments.

## **Recommendations for Empowerment Zones - Round 3**

### **I. Funding Levels/Number of EZs/Cost/Tax Incentives**

- **There should be 3 Levels of EZ designation based on City size**

All small city Round II losers complained that they did not have the resources to compete with the big cities. To remedy this situation, there should be three levels of competition for EZ designation - one for small cities, one for medium cities and one for larger cities. Based on size of city, paperwork burden of putting the application together could be adjusted (i.e. small cities have less application requirements than medium. Medium cities would have less paperwork than large.).

1. Small City - City population under 100,000 - Grant of \$20 million
2. Medium City - City population between 100,000 - 250,000 - Grant of \$50 million
3. Large City - City population over 250,000 - Grant of \$100 million

- **Total Grant Cost for 100 urban designations = \$3.0 billion**

1. Small City - 75 Designation at \$20 million = \$ 1.5 billion
2. Medium City - 20 designation at \$50 million = \$ 1 billion
3. Large City - 5 designation at \$100 million = \$500 million

- **Tax Incentives (no cost estimate)**

1. EZ Wage Credit - A business located anywhere gets \$5,000 to an hire EZ resident
2. EZ First Time Homebuyer Credit - New EZ homeowners get a one time \$5,000 tax credit for purchasing a home in the EZ.
3. EZ Summer Youth Credit - A business located anywhere gets up to \$1,000 credit for hiring youth for summer employment
4. EZ Tax exempt bonds - Depending on EZ size designation - tax exempt bonds, outside the state private activity cap, no limit per business borrower.
  - Small City - \$100 million cap over life of 10 year designation
  - Medium City - \$150 million cap
  - Large City - \$200 million cap
5. EZ Tax Free College Savings Account - EZ Residents can establish tax free savings account if funds spent on higher education.
6. Extra Brownfields tax incentive for properties in the EZ.

## **II. Eligibility Issues**

- **Distress/Need Counts**

Many communities and members of Congress complained that areas with more distress (i.e. higher poverty, unemployment, etc.) did not get extra points in scoring applications during Round II. Extra points could be given for greater distress. This makes sense since some areas have higher poverty, higher unemployment, etc., etc. Communities should get additional consideration based on the level of their need.

- **State and Local Commitment Level Counts for Points**

One of the biggest disappointments from Round I and Round II is the level of State and Local financial commitment to making the EZ work. In Round III, State and Local commitments should be graded, and the applicant awarded points based on the level of commitment. The higher the state and local financial commitment, the more points the applicant receives and vice versa.

- **Like Round II, there are 3 Developable Sites Outside EZ boundary considered part of EZ and eligible for all incentives**

## **III. Accountability**

- **Each new designation must have an independent annual financial audit**
- **Each EZ can use up to 15% of its EZ grant for administration/planning**

## **IV. Misc.**

- **In order to coordinate/promote other Administration initiative, bonus Points could be provided. For example, there could be bonus points for:**
  1. Native American co-applicants
  2. Regional applications
  3. Outstanding private sector commitment
  4. Including public housing as part of strategy
  5. Including homeless continuum of care
  6. Including local transportation authority
  7. Including local welfare-to-work efforts
  8. Including closed military base.

**Draft**  
**Incorporation of the CEB within the context of a comprehensive Urban Policy strategy**

Urban Policy in the Clinton / Gore administration sprung out of a comprehensive policy development involving Empowerment Zones and Enterprise Communities. Current expansion of the U.S. economy critically dictates within policy contexts the need to reach deeper into urban areas for vital and critical economic development and rehabilitation. Within this preview, Empowerment Zones and Enterprise Communities as a policy initiative represents an urban policy strategy that enhances domestic policy in an expanding economy.

**The U.S. Department of Labor and the CEB**

**Youth Opportunity Grants  
Skills Development/Job Training**

To this end the U. S. Labor Department and the CEB work as an interactive entity to strength the role and purpose of Empowerment Zones/Enterprise Communities as an urban policy strategy by the implementation and designation of Youth Opportunity Grants in Empowerment Zones. Youth Opportunity Grants "YO!" as a part of an overall comprehensive strategy by the Secretary of Labor was to find a way to decrease the number of out of school youth who are not part of the current workforce.

The Employment and Training Administration (ETA) of the Department of Labor recently issued a report, "Expanding Opportunity and Prosperity for the 21<sup>st</sup> Century." In this comprehensive report ETA said the following with reference to a growing workforce and the future under the subject heading, "Starting a Movement."

**The Challenge**

While more young Americans are enrolled in higher education than in any other country, 11 million young people between the ages of 16 and 24 are not enrolled in school and have a high school diploma or less. Despite our strong economy, majorities of out of school youth in high-poverty areas don't have a job. And every year's class dropouts cost America an estimated 88 billion in lost earnings. Moreover, the number of jobs requiring at least two years of college is growing at

twice the rate of overall job growth in the U.S. economy. That is why Labor Secretary Herman and ETA have put a special focus on out-of-school youth.

We cannot assume that these young people will make their way into the workforce. They live where jobs have dried up, and support networks have broken down. They face a new -world economy without the skills to get ahead. They face a world where discrimination, too often, hold them back. To make a real difference in young lives, most of who live in Empowerment Zones and Enterprise Communities, we need innovative community partnerships, creative solutions, and good ideas. As good urban policy coordination, targeting of Youth Opportunity Grants in EZ's and EC's helps attack the stigma of youth left behind in this vast economic expansion.

The Youth Opportunity Movement is an effort to leverage the largest ever-Federal investment in at-risk and out-of-school youth-\$1.375 billion over a five years in Youth Opportunity Grants. The goal is to raise public awareness and build broad partnerships with business, foundations, community groups, and others. The grants complement the Job Corps, School-to-Work, and existing programs for low-income youth, and offer a chance to attack concentrated poverty and unemployment.

### **Faith Based Communities and CEB**

For the first time under a comprehensive urban policy Empowerment Zones and Enterprise Communities within the framework of community partnerships include a role for faith based community. Churches within EZ's and EC's who have Community Development Corporations CDC's are engaged in partnerships with EZ's and EC's in a verity of community based programs and projects. These programs and projects ranges from childcare, health care related programs, and economic development. EZ's and EC's offer the church located in the zone the same opportunity to compete and engage in economic and community development. The local church as a partnership participant is included in technical assistant workshops for grants and other EZ/EC opportunities.

### **The CEB Alternative Workshop**

The CEB alternative workshop for non EZ's and EC's serves as a vehicle to strength the ability of cities and counties who were applicants to the EZ/EC process produce and enhance their ability to compete for none EZ/EC resources.

However, the alternative session has increased the response of non-EZ/EC designees to understand the selection and application of strategic plans that represent the hallmark of designated EZ and EC's. CEB agency representatives handle information generated by the alternative sessions, most who have policy coordination responsibility with the CEB and their agency. Coordination of alternative sessions is also inclusive of regional agency representatives who have working knowledge of CEB and policy initiatives within respective agencies.

In January, 1995, the Environmental Protection Agency unveiled the Brownfields Action Agenda, a comprehensive approach empowering States, communities, and other stakeholders interested in environmental cleanup and economic redevelopment to work together in a timely manner to prevent, assess, safely cleanup and sustainably reuse brownfields.

Today, communities are making strong comebacks. In city after city, communities are revitalizing their neighborhoods through EPA brownfields assessment and cleanup grants, which have brought decaying areas of our cities back to vibrant economic life, leveraged over \$2 billion in new investments, created thousands of jobs, and expanded the tax base for local communities. A summary of EPA's program to date shows:

**Brownfields Assessment Demonstration Pilots:**

- Awarded 362 grants of up to \$200,000 to communities over two years to assist localities in assessing contamination at Brownfields sites. These grants include supplemental, greenspace and showcase assessment-related activities. Total Funding through FY 2000: over \$90 million.

**Brownfields Cleanup Revolving Loan Fund (BCRLF) Pilots**

- 104 grants of up to \$500,000 per eligible state, Indian tribal or local government entity to cleanup Brownfields sites. Total Funding through FY 2000: \$64 million.

**Brownfields Job Training and Development Pilots**

- Awarded 37 pilot grants of up to \$200,000 each over two years to train personnel to assess and cleanup Brownfields sites. Total Funding through FY 2000: \$6.9 million.

**Targeted Brownfields Assessments**

- Assessments at over 515 properties. Total Funding through FY 2000: \$33 million.

**State Voluntary Cleanup Support:**

- Technical Assistance provided by EPA to 48 states, tribes, and territories to enhance voluntary cleanup programs. Total Funding through FY 2000: more than \$40 million.

**Leveraging Brownfields Investments**

- For every dollar the federal, state and local governments put into revitalizing brownfields, almost \$2.50 in private investment was attracted.

**New Jobs**

- Brownfields pilots have leveraged a total of over 7,000 cleanup, construction and redevelopment jobs.

What started five years ago as merely an interesting idea has blossomed into a major national brownfields program has literally changed the way that contaminated properties are viewed and managed in the United States. In fact, the National Governors Association in their new publication, "Where Do We Grow From Here?", states,

*There is a historic transition from seeing brownfields projects merely as environmental cleanups to seeing them as an important part of state growth management initiatives.*

Neither brownfields problems nor solutions are created in a vacuum. Only through effective cooperation and collaboration can Federal, State, tribal, and local governments, community groups, and their private-sector partners address the significant challenges of brownfields.

A hallmark of this cooperation and collaboration is the Brownfields National Partnership, led by EPA with twenty-two agencies which has effectively leveraged vital funds and assistance to benefit local community efforts. As communities like this one are experiencing first hand, local brownfields successes are forged through community, regional, and national partnerships. We are seeing incredible successes because of the partnerships communities have developed with agencies like Housing and Urban Development (HUD), Army Corps of Engineers, Economic Development Administration (EDA), along with bankers, developers, community organizations, and many, many others.

The demonstrated successes of our Brownfields pilots have created a national groundswell toward more community-based, market-driven, sustainable cleanup and redevelopment.

EPA has awarded 362 Brownfields Assessment Demonstration Pilot grants to communities across the country with 26 of the 31 empowerment zones included. In addition, 43 of the 362 pilot communities have received an additional \$50,000 to assess the contamination of a brownfields site(s) that is or will be used for greenspace purposes---parks, playgrounds, trails, gardens, habitat restoration, open space, and/or greenspace preservation.

More and more, we are seeing the successful redevelopment of brownfields properties

into residential reuse. In Dallas, Texas, the 169-acre Jefferson North End site, once used as an illegal dump, now contains 540 housing units.

In Emeryville, California, EPA has been working with the city to rejuvenate the city and the surrounding area. The Pilot established strong working relationships among the city's regulatory agencies, which facilitated a plan between the city and Catellus Development Corporation to redevelop an abandoned former rail yard site. Catellus constructed over 200 units of mixed-income housing on the site. These new apartments also include a 1,800 square foot community room and 7,500 square feet of retail space.

In Somerville, Massachusetts, the Visiting Nurses Association approached the city with an interest in purchasing and redeveloping a 1,500 square-foot industrial building occupied by the Hostess Bakery Company until the 1970s and more recently by a series of mattress manufacturers. Upon its assessment and cleanup, the site is now home to a 100-unit, assisted living facility and neighborhood health center.

EPA is also providing assistance to 142 communities for cleanup through its Brownfields Cleanup Revolving Loan Fund (BCRLF) Pilot grants. The Agency's goal for these pilots is to develop revolving loan fund models in communities that can be used to promote coordinated public and private partnerships for the cleanup and reuse of brownfields. We are beginning to see successes in this pilot program as well.

In Stamford, CT, a BCRLF loan of \$160,000 will be used to clean up a former printing and engraving shop property that will be used by Blues Brothers, LLC for a new Harley Davidson showroom. The BCRLF loan is expected to generate 5-6 full-time, permanent retail/repair jobs.

Las Vegas, Nevada made its first loan on November 17, 1999, and is working on a second loan. The cleanup has been completed. The City is using the BCRLF to promote redevelopment of the city for a community and small business incubation center.

Another loan made on June 14, 2000, by the City of Shreveport, Louisiana. The loan is in the amount of \$400,000. This property in the Cross Bayou area of the City is adjacent to both the Downtown commercial area of the City and the Red River. The property will be used for a new 300,000 square foot Convention Center. The new center is expected to create and sustain

over 1,100 jobs for the community.

The Brownfields Job Training and Development Demonstration Pilot program, with 37 current pilots, is providing environmental training and employment opportunities for residents living in brownfields communities. Over 500 participants of the pilots have completed training and close to 400 have obtained employment at an average hourly wage of over \$13 per hour. Young Community Developers, located in San Francisco's Bayview Hunters Point neighborhood, has a 100 percent placement rate for all its graduates.

The EPA Brownfields Showcase Communities project is an outgrowth of earlier efforts by EPA to support brownfields work through coordination and collaboration with a variety of stakeholders. With 16 Showcase Communities across the county, the Federal Partnership is planning to designate an additional 10 new Showcase Communities in fiscal year 2001.

#### **RECOMMENDATIONS:**

- Outreach to the HUD and USDA personnel on the programs in the Brownfields National Partnership initiative that could be used by the EZ/ECs.
- Outreach by EPA and other government agencies to the EZ/ECs on the specific benefits and availability of their grants and assessment programs.
- Commitment by EPA that a percentage of their awards will go to EZ/ECs as was done in the Showcase Community selection.

**COMMUNITY EMPOWERMENT BOARD FY '99 PLANNING SESSION**

November 23, 1998

**CEB Goals & Objectives framing the discussion -**

What does the CEB want to accomplish?

What do the areas of responsibility (staff) want to accomplish? Priorities?  
What/ Who/ When.

Milestones/ Benchmarks

How do the areas of responsibility interact? How do they communicate with each other?

**CEB Mission Statement**

**The CEB's mission is to move forward the President's and the Vice President's Community Empowerment Agenda; in particular to coordinate the Federal resources delivery to the Empowerment Zones (EZs) and the Enterprise Communities (Ecs).**

**General Objectives**

Ensure that CEB Agencies do their part (Agency Head to local level)// make it easier to access Federal resources- strengthen local responsiveness to deliver successes.

Communicate successes to the public stakeholders (i.e. - Congress, constituencies, etc.).

Create new partnerships; Private Sector and Federal.

Strengthen the capacity of the CEB (high level agency POCs).

Get legislation passed to provide funding for Round II Designations. (1 year)

**Goals**

**Ensure that CEB Agencies do their part (Agency Head to local level)// make it easier to access Federal resources- strengthen local responsiveness to deliver successes.**

**What the CEB does now**

- Holds the WH Community Empowerment Conference each year
- Produces publications
- Preference points/ Waivers
- Convenes meetings; Board, Working Group, Sub-Committees
- Support reachout events with other groups/ agencies
- Coordinate special projects with other agencies (Mills, Business LINGS, Bridges to Friendship, Net Day/ Next Day, etc.)
- Participate or conduct conference calls (Steering committee, HUD regional, legislation, etc.)

**What the CEB needs to do**

- Hold smaller regional conferences (e.g.- technical assistance workshops), do through agencies, use satellite broadcasts.
- Identify local and regional Federal POCs; & high level (direct access to Agency head - i.e. Asst. Sect'y, Special Assistant).
- Make better use of working group sub-committees
- Regular conference calls with the CEB Steering Committee (HUD, USDA, & HHS), and the EZ/EC communities (governing bodies).
- Update publications
- Provide training, briefings, and guidance to agencies' personnel
- Get Federal Agencies to identify what they have done (success stories).

**Goals (continued)**

**Communicate successes to the public stakeholders (i.e.- Congress, constituencies, etc.).**

**What the CEB does now**

- Website
- Various publications
- Events ( President, VP, and Cabinet members).
- White House Community Empowerment Conference

**What the CEB needs to do**

- Non-partisan one pagers for Congressional audience about the overall initiative and for each individual zone/ community.
- Identify local validators (business people and residents).
- Better integrate Congressional members/ offices into outreach strategies.
- Develop a general media packet.
- Leverage partnerships to communicate successes
- Update video
- Identify statistic measures of successes; quantify successes (within a February/ March timeframe).
- Evaluate all communications
- Newsletter - February/ March, Round II announcements.
- Flash fax for cities (evaluation for audience)
- Identify outside evaluations that have been done; prepare one pagers for dissemination (e.g. - GAO report, Rockefeller, Price Waterhouse, University of Chicago).

**Goals (continued)**

**Create new partnerships; Private Sector and Federal.****What the CEB does now**

- Business Outreach
  - White House Business Roundtables
  - Business LINC
  - Mills
  - Business CEB Marketing
  - Glory Foods
  - Net Day/ Next Day
  - Livable Communities/ Anti-sprawl
- Federal Outreach
  - Bridges to Friendship
  - Internal outreach within the White House (e.g. - Public Liaison, Cabinet Affairs, Intergovernmental, etc.).
- Public Interest Groups/ Trade Groups
  - US Conference of Mayors
  - US Conference of Black Mayors
  - President's Council for Sustainable Development

**What the CEB needs to do**

- Get input from ...
- Public Interest/ trade groups/ NCBM
- More Federal Agency involvement
- New Federal Agency partners (e.g. Social Security, Fannie Mae, Post Office, FCC, etc.)
- Financial institutions, Educational, and non-profits
- Faith-based religious organizations
- Internal players - White House (e.g. DPC, NEC)
- States, counties, and cities with Washington offices.

Goals (continued)

**Strengthen the capacity of the CEB (high level agency POCs).****What the CEB does now**

- Increased the staff
- Increased the office space and budget (for administrative costs)
- got an intern
- Improved communications between the CEB and Office of Cabinet Affairs.

**What the CEB need to do**

- Strengthen the Agency POCs in D.C.
- Review Legislation to codify the CEB as an entity; explore legislative options.
- Explore administrative options.
- Get VP concurrence on the plan.
- Use the next CEB principals meeting.
- Pursue the livable communities' agenda.

Goals (continued)

**Get legislation passed to provide funding for Round II Designations. (1 year).**

**What the CEB has done**

- Gotten Administration support (State of the Union).
- White House Community Empowerment Conference.
- Created a coalition with the Mayors (USCM).
- Meetings with Congressional members and staff.

**What the CEB needs to do**

- Prepare information packets for Congressional members and staff.

- Expand Congressional and Interest Group Coalition

- Expand to
  - Rural
  - Federal Agencies
  - Mayors
  - Governors, etc.

- Focus on rural (HUD, USDA, HHS)

- Ensure communication of successes through the WH conference, publications, events.

- Provide budget input.

- Develop legislative strategy.

- Elevate to top White House priority based on an ongoing assessment.

- Get the VP more actively involved in the legislative strategy.

**Goals (continued)**

**How the CEB parts interact and communicate with each other.**

**Weekly Huddles**

Verbal report outs of individual meetings (weekly)

Tie and relate staff activities back to the objectives & goals (monthly)

**Share products & information**

**Translate and convey the CEB objectives and goals to the CEB  
Working Group members**

**COMMUNITY EMPOWERMENT BOARD FY '99 PLANNING SESSION**

November 23, 1998

**Next Steps**

Codify the CEB mission, goals, and objectives.

Broaden the steering group to validate the "what", then identify the "who", and "when"  
(second week in December - Aram to set up).

Meeting Attendees: DPC, Paul Weinstein

NEC,

HHS, Dave Garrison

USDA, Victor Vasquez

HUD,

facilitator: Ann Aden