

THE WHITE HOUSE

WASHINGTON

July 21, 1994

Joe Chillura, Jr., Chairman  
Hillsborough County -  
Board of County Commissioners  
Office of the County Administrator  
Post Office Box 1110  
Tampa, FL 33601

Dear Mr. Chillura:

Thank you for the letter you sent me concerning Hillsborough County's application for designation as an Enterprise Community (EC).

At this juncture, it would be inappropriate for me to comment on your application. However, I hope the planning process has been a positive exercise for Hillsborough County and I wish you luck in pursuing your strategic vision.

Sincerely,

*Carol H. Rasco*

Carol H. Rasco  
Assistant to the President  
for Domestic Policy

CHR:ram

# HILLSBOROUGH COUNTY

Florida

Office of the County Administrator  
Frederick B. Karl

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Ms. Carol Rasco  
Assistant to the President for Domestic Policy  
The White House  
1600 Pennsylvania Avenue  
Washington, D.C. 20500

AUG 11 REC'D

August 8, 1994

**Subject: Hillsborough County - USF Area Enterprise Community Application**

Dear Ms. Rasco:

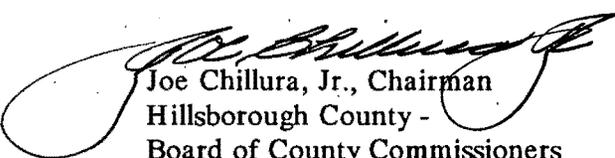
I am writing to request your consideration of the **University of South Florida(USF) Area Enterprise Community Application** that was submitted by Hillsborough County to the Department of Housing and Urban Development on June 30, 1994.

The USF Area of Hillsborough County has been in a state of decline now for a number of years. We strongly feel that it is not too late to halt this decline. Our "grass-roots" movement had been underway prior to the Empowerment Zone/Enterprise Community Program. Our application represents approximately a one year joint effort by Hillsborough County, the University of South Florida Area Community Civic Association(USFACCA) and all of the local residents and merchants of the USF Area. The USFACCA alone has a membership of approximately 4000 persons.

Hillsborough County is committed to providing continued support in any form necessary to turn the USF Area around and make it a community in which residents can once again take great pride. The USF Area is in dire need of revitalization. The USF Area residents are ready and willing to take back their community and to implement their vision of a better community for the future. The award of Enterprise Community designation will empower those residents to make their vision become reality.

Thank you for your favorable consideration of the proposed Hillsborough County USF Area Enterprise Community application.

Sincerely,

  
Joe Chillura, Jr., Chairman  
Hillsborough County -  
Board of County Commissioners

NOV 16 1994



Elliott S. Hall  
Vice President-Washington Staff  
Governmental Relations

Ford Motor Company  
1350 I Street, N.W.  
Washington, D.C. 20005

November 9, 1994

Ms. Carol Rasco  
Assistant to the President  
for Domestic Policy  
2nd Floor, West Wing  
The White House  
Washington, DC 20500

Dear Ms. Rasco:

Subject: Empowerment Zone

The Ford Motor Company wholeheartedly supports an "Empowerment Zone" designation for the City of Detroit. Ford has supported the City of Detroit in many of its activities over the past ninety years. In fact, the entire business community has stepped up to the opportunity of Detroit being named an "Empowerment Zone."

The Detroit business and industrial communities have committed the following support:

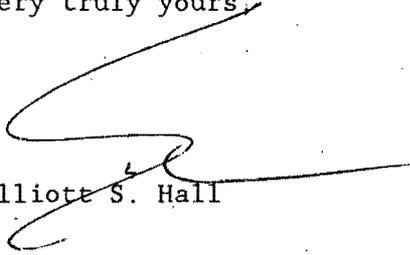
- Detroit Renaissance has committed to creating a \$40 to \$60 million Development Fund.
- Detroit-area financial institutions committed \$1 billion in lending over a ten-year period.
- General Motors' commitment includes development of a multi-million dollar manufacturing venture and a value-added assembly operation, creating more than 500 jobs. GM also committed to the Detroit Public Schools the former Cadillac Building and adjacent emissions laboratory and parking deck for use as a vocational/technical education center -- a total value of \$5.1 million.
- Chrysler's addition of a third shift at their Jefferson North plant represents 700 new jobs. Expansion of this facility represents \$120 million investment over three years. Chrysler's New Mack Assembly plant will increase employment by 80%.



- Ford committed to implement a manufacturing sciences program at Kettering High School.
- Detroit Renaissance pledged to create and capitalized the Community Development Bank.
- The Budd Company will invest \$24 million into their Detroit plant, creating 100 new jobs.
- More than 100 jobs were committed to the Zone by Bing Steel.

As indicated, the City of Detroit and its long-term business residents have made a major commitment to making certain that the Empowerment Zone, if awarded, will be a success. As the Washington representative of the Ford Motor Company, I urge your support.

Very truly yours,



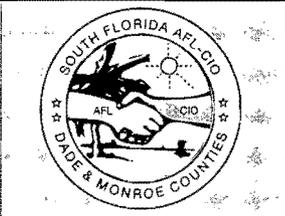
Elliott S. Hall



NOV 16 1994

## SOUTH FLORIDA AFL-CIO

A FEDERATION OF AFL-CIO LABOR UNIONS IN DADE & MONROE COUNTIES



7910 N.W. 25 Street, Suite #201  
Miami, FL 33122  
(305) 593-8886

November 10, 1994

Ms. Carol H. Rasco  
Assistant to the President for Domestic Policy  
Office of Domestic Policy  
The White House  
Washington, D.C. 20500

Dear Ms. Rasco:

I am writing to you today to urge your support for the petition by the Miami Metro Dade Florida Community, for funding of their Empowerment Zone Project.

This community as you know has suffered major economic disaster because of shutdowns in the airline and banking industry, and then of course Hurricane Andrew followed.

Because we have suffered, it has made us stronger and much more sensitive to the needs of the community. We need training, education, and jobs. We need an investment in our community. We are family here, and I would like to personalize this letter to you by telling you what I have experienced in this community.

On December 3, 1991, as President of Local #500, Transport Workers Union, I was in a New York courtroom watching Pan Am go down. I had worked for them for thirty proud years. When I flew back to Miami on the last Pan Am flight, I was obviously very depressed. I came to my office wondering, what could I say to our members, and where do we go from here? In my office were Dade County Commissioners, The Greater Miami Chamber of Commerce, United Way, The Private Industry Council, The Florida Department of Labor, The Airport Director and the South Florida AFL-CIO President. Their question to me was, "How can we help"? I will never forget that moment, and of course I will always respond in kind.

You have the same opportunity to do for this community what this community did for us. We need this project funded, and we are hoping you will ask, "How can we help". Thank you for your consideration.

I am fraternally,

Mike Ozegovich  
Treasurer/Assistant To The President

MO/hb

THE WHITE HOUSE

WASHINGTON

November 17, 1994

Lt. Col. William Speck  
Divisional Commander  
The Salvation Army  
Headquarters for the Eastern  
Michigan Division  
16130 Northland Drive  
Southfield, MI 48075

Dear Colonel Speck:

Thank you for the letter you sent me concerning the city of Detroit's application for designation as an Enterprise Community (EC).

Because I serve as the co-chair of the Enterprise Board, it would be inappropriate for me to comment on the city's application. However, I hope the planning process has been a positive exercise for the city and I wish them luck in pursuing their strategic vision.

Sincerely,

*Carol H. Rasco*

Carol H. Rasco  
Assistant to the President  
for Domestic Policy

CHR:ram

NOV 7 1994

Paul A. Rader  
General



Harold D. Hinson  
Territorial Commander

William J. Speck  
Lt. Colonel  
Divisional Commander

Metropolitan Detroit  
Advisory Board  
Wayne, South Oakland  
and Macomb Counties

# The Salvation Army

(Founded 1865)

William Booth, Founder

## Headquarters for the Eastern Michigan Division

Telephone: (810) 443-5500 FAX: (810) 443-5516  
16130 Northland Drive • Southfield, Michigan 48075

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November 2, 1994

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Ms. Carol Rasco, Vice Chair  
Assistant to the President  
for Domestic Policy  
2nd Floor, West Wing  
The White House  
Washington, D.C. 20500

**RE: Enterprise Zone - Detroit, Michigan**

Because you are a voting member of the President's Community Enterprise Board, I feel obliged to address this correspondence to you. The purpose of this letter is to encourage you to vote affirmatively for the assignment of Detroit as an Enterprise Zone. The submission which has been made by our city will have made clear to you the efficacy of such an affirmative vote.

Under the leadership of Mayor Dennis Archer this city stands poised and ready to re-establish itself as one of America's greatest cities. Her people are working together as never before, there is good bi-partisan commitment to the revitalization of Detroit and there is strong determination by the many layers of leadership in this community to look to the future with positive determination for growth and civility. There is little doubt in my mind that in identifying Detroit as an Enterprise Zone there will be the catalyst to assure a strong future for this much maligned ... albeit inappropriately so ... metropolis.

As the leader of one of this city's largest, and busiest, religious and social service organizations I join with my colleagues in leadership within this town in encouraging your affirmative vote for Detroit. Our organization spends nearly \$35 million a year in the Metropolitan Detroit area ... the bulk of it in the City of Detroit. We are doing our dead level best to cope with the multitudinous problems which people face arising from the circumstances in which Detroit finds itself.

**Life Members**  
Francis E. Cogsdill  
Harry Y. Duplessis  
Fred S. Neumann  
Fred H. Rollins, Jr.

**Emeritus**  
Mrs. Mary Lee Balmer  
Ralph Caponigro  
Charles W. Finger, III  
Ernest L. Grove, Jr.  
Mrs. Mary Leech  
Robert T. Marquart  
Judge Edward M. Thomas



Ms. Carol Rasco, Vice Chair  
November 2, 1994

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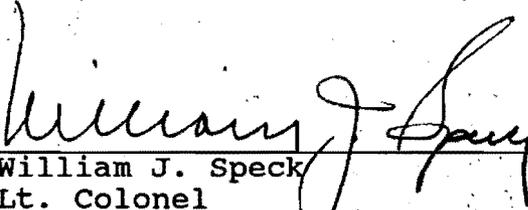
Every year we continue to address the problems of the disadvantaged and disenfranchised citizens of our community. We raise that money by doing the job well and working very hard ... ceaselessly in fact. My people live sacrificially and they work sacrificially to minister to the social/spiritual needs of our community. You will recognize my people. They are the ones with their sleeves rolled up and the dirty fingernails from dealing with the basic and unmitigated desperation of thousands of our citizens.

The assignment of Detroit as an Enterprise Zone will enable us and the leadership of this community to further address and deal with some of the basic underlying problems which cause such grievous concern for our citizens.

Please vote in the affirmative for the assignment of Detroit as an Enterprise Zone.

If I can be helpful to you in any way as you make your determination, please call upon me.

May God's blessing be yours.



---

William J. Speck  
Lt. Colonel  
DIVISIONAL COMMANDER

c: Mayor Dennis Archer

THE WHITE HOUSE

WASHINGTON

April 14, 1995

MEMORANDUM FOR THE PRESIDENT  
THE VICE PRESIDENT

FROM: JACK QUINN  
CAROL RASCO  
LAURA TYSON

SUBJECT: Round Two of Empowerment Zones Initiative *file*

Attached is the options memorandum you requested on a possible second round of the Empowerment Zone initiative. This memorandum, drafted by OMB and HUD in cooperation with our offices, includes for your review three options for pursuing a second round. Drafts of the memorandum have been shared with those NEC-DPC principals integrally involved in the Empowerment Zone initiative and the final version includes the views of OMB, HUD, USDA, Treasury, HHS, Commerce, CEA, the NEC, the DPC, and the Office of the Vice President.

THE WHITE HOUSE

WASHINGTON

April 14, 1995

MEMORANDUM FOR THE PRESIDENT  
THE VICE PRESIDENT

FROM: NEC-DPC PRINCIPALS

SUBJECT: Round Two of Empowerment Zones Initiative

Pursuant to your request, this memorandum explores the possibility of pursuing a second round of the Empowerment Zone (EZ) initiative.

**I. Background on Current Empowerment Zone Program**

More than 500 communities applied for urban and rural EZ and Enterprise Community (EC) designations in 1994. Taken together, these applications represent an extraordinary level of bottom-up neighborhood planning, significant innovation in the coordination and delivery of government services, and thoughtful changes in the relationship between the Federal government and local communities. In December, 1994, New York, Chicago, Detroit, Atlanta, Baltimore, and Philadelphia-Camden were designated as urban EZs and the Kentucky Highlands, Mid-Delta, Mississippi, and Rio Grande Valley, Texas were designated as rural EZs.

As you know, we were unable to designate anywhere near all of the cities that submitted outstanding applications as Empowerment Zones. The large number of outstanding applications motivated Secretary Cisneros to secure \$300 million in Economic Development Initiative (EDI) funding for additional awards. This EDI funding was used to create two Supplemental Zones (Los Angeles and Cleveland) and four Enhanced ECs (Boston, Houston, Kansas City MO-Kansas City KS, and Oakland). Despite our efforts to expand the Empowerment Zones initiative with EDI funds, many worthy cities were not designated EZs and no additional rural areas were designated. Your FY 1996 budget did, however, include a proposal to give the EZ tax incentives to two additional urban communities -- a commitment intended for the two Supplemental Zones.

As Chair of the Community Empowerment Board (CEB), the Vice President has committed to helping all round-one applicants, particularly the 105 EZ/ECs, successfully implement their strategic plans. As part of the National Performance Review, we intend to work with Congress on broad waiver authority that would enable the CEB to grant waiver requests of all EZ/EC applicants -- many such requests we are now forced to decline because of statutory constraints. Last year, we pursued such legislation, which passed in the Senate. Senator Hatfield has introduced broader waiver legislation this year. We will also consider additional reinvention strategies -- such as further consolidation, deregulation, and performance partnerships -- that could have a significant impact for all EZ/EC applicants while requiring no or modest additional budgetary resources.

## II. Discussion of EZ Round Two

On March 20, we convened a meeting with the heads of the departments and agencies most involved in the EZ program to discuss a second round of the EZ initiative. In that meeting, almost everyone agreed that there are sound reasons for pursuing a second round. The group also agreed, however, that financing such an effort would be difficult, if not impossible.

### A. Advantages of Pursuing Round Two

As you know, there are cogent arguments for pursuing a second round of Empowerment Zones:

- Expanding the program would allow you to help several additional needy communities that worked hard to pull disparate partners together and that were disappointed and disheartened by not being designated an EZ in the first round.
- The unprecedented level of community organizing and strategic planning completed by first round applicants creates great possibilities for more success. The strong positive reports about the EZ application process suggest that the program is working and will have a significant impact in communities that move forward to implement their strategic plans.
- The ability of top applicants to leverage significant private resources (for-profit and non-profit) makes the EZ initiative the most cost-effective community development program now available to you.
- Even if a proposed second round fails to gain passage, seeking it would demonstrate your continuing commitment to empowering poor urban and rural communities. If it passed, it would demonstrate your Administration's ability to work with the Republican Congress to develop innovative ways to address this nation's socio-economic problems.
- It would be wise to have a well-developed proposal for a second round ready in case a significant opportunity for negotiation with Congress arises this year.

### B. Disadvantages of Pursuing Round Two

There are, however, downsides to proposing a second round of EZs:

- Chances for passage appear slim, particularly because we are having difficulties resisting efforts to rescind funding for existing (budgeted) community development efforts.
- A second round would be expensive, difficult to pay for, and would benefit only a few places. Because of budget constraints, Congress may pay for a Round II by cutting further other priority investments within the HUD/VA appropriations allocation, such as Community Development Banks and National Service. Through the reinvention strategies discussed above, there may be ways to benefit many more EZ/EC applicants at lower costs.

- Any attempt to amend your current budget proposal would subject it to heightened political scrutiny and criticism.
- The FY 1996 budget does not mention a second round but does mention the proposed expansion intended for the Supplemental Zones. If we now broaden our request to reach additional communities, this could be perceived with disfavor by the Supplemental Zones. And, the four Enhanced ECs have made it clear that they view themselves as first in line for any additional tax incentives.
- Proposing a second round before we have accurate evidence of the results of the first round may not be prudent. In addition, implementing the program for the original Zones and Communities involves a tremendous amount of effort at the Federal level, and a second round could make that process even more difficult.
- Failure to pass such legislation could dishearten the top applicants, who may end up feeling like two-time losers.
- A proposed second round could subject the first round to more scrutiny and invite attempts to repeal the original program.

Perhaps the most difficult issue is the problem of identifying offsets. The options presented below are expected to cost at least \$695 million over five years in budget offsets. Offsets will be hard to find. On the discretionary side, they could come from reducing spending for other HUD programs, or from other departments, which unfortunately are already being hit hard in the rescission process. On the mandatory side, offsets could come from a possible restructuring of the \$3 billion per year Low Income Housing Tax Credit (for potential savings of \$600 million) and/or limiting or eliminating either of the following: the \$900 million/year income exclusion for interest on Industrial Development Bond (IDB) debt; or the \$400 million/year exclusion for pollution and sewerage IDB debt. Each of these proposed offsets is debatable on the merits.

More importantly, we foresee a difficult political problem with identifying any offset to pay for EZ round two. Any offset we identify is likely to be seized upon by Republican Members of Congress to pay for their budget priorities. For example, to pay for deficit reduction, the Administration recently proposed to deny the EITC to persons who receive more than \$2,500 in interest and dividends. The tax committees have used this proposal to help pay for an extension and increase of the health care deduction for the self employed. This experience makes Treasury especially wary of offering up other potential revenue raising items in this legislative environment.

### III. Options to Consider

Outlined below are three options for a round two -- if you decide to pursue such an effort. (The advantages and disadvantages discussed below are in addition to those generally discussed in Section II.)

### Option A: Use existing authority to offer direct grants

HUD and USDA propose creating six new Empowerment Zones (4 urban and 2 rural) and twenty-five new Enterprise Communities (distribution between urban and rural would have to be determined). No new EZ competition would be held: selections would be made from among the most highly-ranked applicants who did not receive first-round EZ designations. (Each applicant could be asked for a quick update of the information in their application, but not for a new plan.)

Each urban EZ recipient would receive \$25 million in FY 1996 for flexible grants and \$20 million each year for five years to provide the cash equivalent of a Federal tax credit program. For example, localities could use the monies to fund local versions of the employee-based tax credit and other tax credit ideas such as a capital gains rollover or a portable tax credit.

Each rural EZ would receive a total of \$10 million in FY 1996 in flexible grants and \$10 million each year for five years to provide the cash equivalent of federal tax credits.

As in round one, each EC would receive \$3 million in flexible grant assistance.

The total cost over five years would be \$695 million. All funding would be directed to an existing HUD and USDA program, such as the Economic Development Initiative (EDI) program at HUD and an existing, but unfunded, rural development demonstration program included in the 1990 farm bill. We would not request new authorizing legislation.

#### Advantages:

- No new authorizing legislation required (though appropriations would be required).
- Builds on the EDI supplemental program we developed in the first round, which was garnered with some Republican support.

#### Disadvantages:

- Current authorized activities under EDI are too narrow to include all desired EZ activities, such as social services.
- Adds complexity; creates a new category of communities with richer benefits than those awarded to the enhanced ECs, who believe they are first in line for additional benefits.
- It is unclear whether the "local-cash-equivalent-of-tax-incentives" would have the impact of federal tax incentives.

### Option B: Seek new authorizing legislation for tax incentives and flexible grants.

Select, from the top applicants of the first round, six new Empowerment Zones (4 urban, 2 rural) and twenty-five new Enterprise Communities (distribution between urban and rural to be determined) for the same packages of tax incentives and flexible social service funding offered under the first round, but on a smaller scale. In the alternative, we could propose new federal investment tax credits or capital gains exclusions limited to certain cities, partly as a test of the effectiveness of federal capital tax incentives in revitalizing distressed areas. We could fashion this package of incentives so that the cost is limited to approximately \$700 million over five years, the approximate cost of Option A.

Advantages:

-- Capital gains reductions could make this version more attractive to Hill Republicans.

Disadvantages:

- Designing smaller tax benefits for some EZs adds unnecessary complexity to the Tax Code.
- Adds complexity; creates a new category of communities with richer benefits than those awarded the enhanced ECs, who believe they are first in line for additional tax incentives.
- It will be very difficult to fashion tax incentives that are powerful enough to influence behavior while keeping the cost at \$700 million. The cost of 4 new urban and 2 new rural zones that have the same package of benefits as the first round would be about \$1.3 billion over five years.
- Although some Republicans might be interested in a second round that includes tax reductions for capital gains, we did not propose such an incentive in the original EZ legislation because of the inordinate cost, the risk of sheltering activity, and because we preferred the wage credit, which can be tied directly to job creation.

Option C: Wait to include proposal in the FY 1997 Budget

Some agencies, particularly HHS, recommend that you wait until the next budget cycle to offer any proposed second round.

Advantages:

- Avoids problems with finding an appropriate legislative vehicle after the FY 1996 budget has been submitted.
- Builds a stronger case because we will have a year of evidence to justify our request for second round.
- Avoids the problem of proposing a new budget item (EZ Round II) while simultaneously fighting to maintain FY 1995 funding (e.g. for CD Banks, National Service, etc.)
- Provides an election year issue if Congress does not enact the proposal.

Disadvantages:

- Passage of new legislation is highly unlikely in a Presidential election year and measure may be viewed as largely symbolic.

**IV. Recommendation**

A second round of EZs would build on the success of this "signature" Administration initiative, but it would require Congressional support for additional spending. While the planning process has proven to be successful, it is still too early to have evidence on the success of the December, 1994 designations (first round). Moreover, a second round would reach only a few of the many cities and rural areas that were not designated in December 1994.

All of the choices appear problematic. Because of the difficulty in finding suitable offsets to pay for a second round, as well as other policy and legislative concerns stated above, a clear majority of your advisers recommend pursuing Option C while devoting the Administration's energies this year on passing waiver legislation and helping round-one applicants successfully implement their strategic plans. (We

could begin a process to develop second round options that you would consider for inclusion in your FY 1997 budget.) A few of your advisers, especially those from HUD, however, believe that we should proceed now with a second round in order to capture the momentum and excitement created by Round One. They recommend either Option A or Option B.

**V. Decision**

\_\_\_ Option A

\_\_\_ Option B

\_\_\_ Option C

\_\_\_ Discuss Further

May 24, 1993

*file*

MEMORANDUM FOR TOM DALTON, DIRECTOR  
ARKANSAS DEPARTMENT OF HUMAN SERVICES

FROM: Carol H. Rasco, Assistant to the President for  
~~Domestic Policy~~

SUBJECT: Empowerment Zones

I have asked Bruce Reed and Paul Weinstein of my staff to expect a call from you to discuss the referenced subject. They can be reached at (202)456-6515. Please let me know if I can be of any further assistance to you.

Thank you.

THE WHITE HOUSE

WASHINGTON

7/29/93

Jack Quinn

Fixed 7/29

I received the memo via  
Fed. Ex. today; I like it!  
(I don't even mind having  
the principles in the body  
of the memo now.) I'm  
ready to roll when  
you all are!

Thanks,

C. Rasco

FROM THE DESK OF

*Jack Quinn*

JUL 28 REC'D

Carol -

Here is a rewrite of the  
Community Empowerment memo.  
We're eager to get it out --  
and Henry is eager to hear  
back from us. Let me know  
what you think; I trust this  
better states the rationale  
and reflects the collaborative  
nature of this undertaking.

Thanks

# Clinton Library Transfer Form

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Subgroup/Office of Origin		Subseries	Subject Files		
Folder Title	Empowerment Zones [3]	OA Number	7453	Box Number	12
Description of Item(s)	Diskette, July 19, 1993 memo from Rubin.				

<b>Donor Information</b>							
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July 19, 1993

MEMORANDUM FOR: The Vice President  
Ron Brown, Secretary of Commerce  
Carol Browner, Administrator of EPA  
Henry Cisneros, Secretary of HUD  
Mike Espy, Secretary of Agriculture  
Fedrico Pena, Secretary of Transportation  
Robert Reich, Secretary of Labor  
Attorney General Janet Reno  
Richard Riley, Secretary of Education  
Donna Shalala, Secretary of HHS  
Erskine B. Bowles, Administrator of SBA

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

SUBJECT: Community Empowerment Strategy

For several months, a sub-cabinet community empowerment work group has been refining core principles to unify and coordinate the community work of key domestic Cabinet departments. The central idea has been to create a consensus on the unified objectives of our policies and programs in urban areas and communities. The President could then use these objectives to assure coordination across departmental lines in communities.

The work group has recognized the urgency of community problems and the pleas of local leaders from government and the private sector for coordinated federal action. It has also recognized that the constraints of the fiscal environment make it essential to utilize existing resources more effectively as opposed to proposing massive new programs. This is a time to build on the things which we know work and to stress consolidation and performance. It is also a time to work with partners across the country to build reciprocity and shared responsibility into government's efforts.

Keeping these realities in mind, the work group has proposed five principles to use in tying together our community programs. They can be thought of as the answers to the questions: "What do we as federal agencies stand for and to what are we committed?" This memorandum sets forth these principles and a suggested governance structure by which the Administration would advance its efforts toward community empowerment.

#### Community Empowerment Principles

A Commitment To Community would mean:

- Fundamentally changing the way the federal government does business by respecting "bottom up" initiatives rather than imposing "top down" requirements

- Encouraging comprehensive solutions to local problems by providing incentives to coordinated action at the local level and across federal departments areas of responsibility
- Making programs more flexible and responsive to the needs of people who carry them out and are served by them and reducing the burdens of applying for and implementing programs
- Assuring citizens and local governments a meaningful voice in federal decision-making and supporting efforts to engage the civic values of community.

A Commitment To Support Families would mean:

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

A Commitment To Economic Lift would mean:

- Creating a continuum of programs in order to move people up a ladder of opportunity, thereby infusing lifting ideas, not static concepts and opening a way versus simply maintaining
- Rewarding self-improvement across life-cycles and income levels
- Harnessing the marketplace and using its rationale in government programs where possible
- Investing in human capital by integrating education and training in all community support programs.

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

- Expecting a commitment to individual and family self-improvement

July 19, 1993

Page 3

- Designing programs that embody a balance between rights and responsibilities
- Intervening early in the lives of children and youth to discourage crime, drug use, gangs, and other destructive behaviors.

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

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

These principles can guide us operationally as we review government-wide policies and they can serve to focus cooperation by multiple departments in specific sites, for example in the actual empowerment zones. Examples of the results which we might expect from the use of these principles are:

- The consolidation and simplification of existing federal planning requirements to encourage local actions
- The use of surplus federal properties for community purposes, including base closures and disposition of foreclosed housing
- The linking of efforts to rebuild physical infrastructure with health, training, education, and other social efforts
- The removal of barriers to work in existing programs and their replacement with coordinated training and job placement initiatives
- The review of waiver authorities to achieve maximum flexibility and cooperation among departments
- The linking of programs in communities to achieve a "continuum of support" that culminates in self-sufficiency.

#### Governance Structure

In order to create the forum in which Cabinet Secretaries can meet to explore these approaches to coordination on a regular and systematic basis, a governance mechanism is necessary. That structure should make it possible to go beyond policy discussions

July 19, 1993

Page 4

to the next step of working with multiple Cabinet officers to select cooperative projects and manage them to success. It should assure the even-handed involvement of the appropriate Cabinet departments and be as straight-forward as possible, that is to say not complex, not competitive with other efforts, nor unduly demanding of Cabinet time. With all these criteria in mind, we are suggesting the following structure.

Based on the effective functioning of the trade group of Cabinet departments, experience suggests that the best coordinating mechanism is joint staffing by the NEC and the DPC of a Cabinet Secretaries work group. That work group would meet monthly and have two purposes:

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

The second purpose would be to apply the broader principles of community empowerment across departments by focusing on specific projects, such as coordinating waiver authorities and carrying out other activities not squarely within the jurisdiction of the Empowerment Board, but clearly related thereto.

The work group will be staffed by the NEC and DPC and supported by the existing sub-cabinet work group which designed the empowerment zones proposal. The Vice President will chair the work group (and the Empowerment Board). In addition to gaining the Vice President's leadership to signal the Administration's commitment to coordinating domestic efforts, his participation will enable the domestic departments to link their missions with the principles of the National Performance Review. We have discussed this role with him and he is eager to provide this leadership to our effort. In addition, he has suggested that we serve as co-vice chairs of the work group (and the Empowerment Board).

The purpose of this memo is to solicit your opinions about this community empowerment strategy. Specifically, we are interested in your opinions about whether you believe the "empowerment principles" to be the correct ones around which to begin the effort and whether you believe the governance structure suggested here is the most appropriate.

It is hoped that after we have received your views and modified the proposal accordingly, the listed Cabinet officers can sign a joint memorandum to the President in order to commence the effort in a unified manner. To this end, we will soon schedule a meeting, with all of you and the Vice President in attendance, to talk through your views.

James O. Cole  
Vice President  
Corporate Affairs



September 12, 1994

The Honorable Carol H. Rasco  
Assistant to the President for Domestic Policy  
Domestic Policy Council  
1600 Pennsylvania Avenue, NW  
Washington, DC 20500

**RE: OAKLAND'S EMPOWERMENT ZONE APPLICATION**

Dear Ms. Rasco:

This letter is to urge your support for Oakland's Empowerment Zone application. We believe that making Oakland an Empowerment Zone will contribute significantly to an improvement in its business climate and economic vitality.

The Clorox Company, a \$1.8 billion household products company, was founded in Oakland in 1913. Since our beginning with manufacturing and marketing a single product, *Clorox* liquid bleach, we have expanded our line of products to include over 30 laundry additives, home cleaning products, cat litters, charcoal briquets, insecticides and salad dressings and sauces sold nationally and internationally. Our worldwide headquarters, with approximately 1100 of our 4900 employees, is still in Oakland.

Oakland's comprehensive application focuses on community involvement to fight crime, create jobs, support schooling and foster community spirit. These programs will help the community help itself, giving the disadvantaged opportunities to develop marketable skills and experience while improving the health of the community. Additionally, Oakland's application ties empowerment zone activities into other economic development and community enhancement programs already underway. Using empowerment money to supplement existing development and revitalizing efforts will multiply the benefits of these projects.

Oakland is a city with tremendous potential. Your support for Empowerment Zone status for Oakland will give Oakland a reasonable chance to achieve her potential. We hope you will give Oakland's application your full support.

Sincerely,

The Clorox Company

P.O. Box 24305  
Oakland, California  
94623-1305

(510) 271-7519

Fax (510) 271-6583

SEP 18 1994



September 14, 1994

Ms. Carol H. Rasco  
Assistant to the President  
for Domestic Policy  
Domestic Policy Council  
1600 Pennsylvania Ave., N. W.  
Washington, D.C. 20500

Dear Ms. Rasco:

I am writing to express my support for Oakland's Empowerment Zone application. The City of Oakland has engaged in an intensive community-based process, and has produced a seven-volume application including comprehensive strategies for economic development, education, transportation, housing, public safety, social services, telecommunications, environmental sustainability and cultural empowerment. The magnitude of this effort deserves serious consideration by the Community Enterprise Board.

The key strategy of Oakland's plan is the creation of "Community Building Teams," a vehicle for Empowerment Zone residents to fight crime, promote health, support schools, build community centers and create jobs in their own neighborhoods. The Teams will give economically disadvantaged residents the opportunity to gain skills and experience while recreating the institutions, relationships and economy of a healthy community.

In addition, the Empowerment Zone supports "anchor projects" such as transit villages around BART stations, neighborhood commercial revitalization and environmentally advanced industries. These projects will create sustainable economic development and jobs for the Empowerment Zone areas and for the region as a whole. Especially notable is the extent to which the strategic plan supports existing projects which will create a benefit to the entire Bay Area, such as enhancements and linkages to improve existing transportation infrastructure.

As a business organization, I support the comprehensive approach of Oakland's Empowerment Zone proposal, and can verify that the strategies presented will make

Ms. Carol H. Rasco  
September 14, 1994

Page 2

a major improvement in the City's business climate and economic vitality. I also applaud the tremendous commitment displayed by the city government, local institutions, community groups and Empowerment Zone residents during this process. Over 1000 individuals worked together to produce this strong, unique, creative model of community empowerment. I hope you will give our application your full support.

Very truly yours,



Harold Goodman  
Managing Director  
Oak Hub/SFO/SJC Ramps  
(510) 639-3808

pc: Congressman Ron Dellums  
Steven Pruitt

HG/hb

**GANNETT OUTDOOR**

September 9, 1994

**Ms. Carol H. Rasco**  
**Assistant to the President for Domestic Policy**  
**Domestic Policy Council**  
**1600 Pennsylvania Ave., N.W.**  
**Washington, D.C. 20500**

Dear Ms. Rasco:

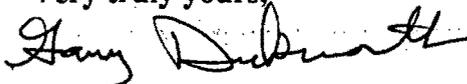
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Very truly yours,



**Gary Duckworth**  
**Vice President/General Manager**

cc: **Congressman Ron Dellums**  
**Lobbyist Steven Pruitt**



GANNETT OUTDOOR OF NORTHERN CALIFORNIA

1695 EASTSHORE HIGHWAY, BERKELEY, CA 94710 (510) 527-3350 FAX: (510) 527-7041



September 8, 1994

SEP 12 REC'D

SEP 12 REC'D

Ms. Carol H. Rasco  
Asst. to the President for Domestic Policy  
1600 Pennsylvania Ave., NW  
Washington, DC 20500

Dear Ms. Rasco,

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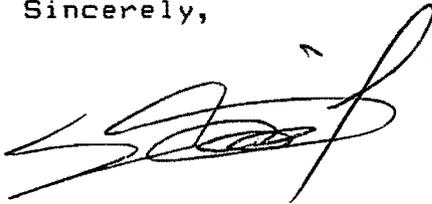
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Jack London Square, Ten Washington Street, Oakland, CA 94607

(510) 836-3800 Tel (510) 832-5695 Fax

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Sincerely,

A handwritten signature in black ink, appearing to read 'Sam Nassif', written in a cursive style.

Sam Nassif  
General Manager

SEP 20 1994

# Lloyd A. Wise Companies

(Established 1914)

A.A. Batarse, Jr., CEO

September 13, 1994

Ms. Carol H. Rasco  
Assistant to the President  
for Domestic Policy  
Domestic Policy Council  
1600 Pennsylvania Ave., NW  
Washington, DC 20500

Dear Ms. Rasco:

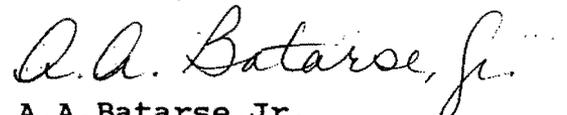
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Sincerely,



A.A. Batarse, Jr.

CC: Congressman Ronald V. Dellums  
City Lobbyist, Mr. Steven Pruitt

















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SEP 18 1994

September 14, 1994

Carol Rasco  
Assistant to the President for Domestic Policy  
Domestic Policy Council  
1600 Pennsylvania Ave.  
Washington, DC 20500

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Very truly yours,



Joseph J. Haraburda  
Associate Publisher

JUN 13 REC'D

THE WHITE HOUSE  
WASHINGTON

June 13, 1994

MEMORANDUM FOR CAROL RASCO

FROM:

Paul Weinstein *file*

SUBJECT:

Empowerment Zone/Enterprise Community  
(EZ/EC) Designation Process Timetable

Last Wednesday, HUD briefed us on their proposed process for screening the EZ/EC applications. Attached is their overview of the process and a separate memo from Peter Necheles on USDA's.

Two issues came up which you need to consider: (1) At what point do the Vice President and the you and Bob Rubin wish to have your staffs involved in the process of reviewing applications? and (2) is HUD's proposed completion date of September 1 early enough for the White House.

1) I recommend White House Staff not review any application until Secretary Cisneros and Secretary Espy present their (40) finalists to the Board around the end of August.. This differs from the agreement reached in the May 26 designation memo from you, Bob, and Jack which stated White House staff would review applications prior to review by the secretaries. I believe such a policy is dangerous because it would give the appearance of White House political interference. In addition, reviewing 200 applications is probably not the best use of White House staff time. (The reason this is an issue is that Jack Quinn originally wanted the staff for OVP, NEC, and DPC to review all the "most viable" applications. I am not clear on his current views of this matter).

2) Although the agencies feel they can complete the selection process by mid-September, they feel they need more time (particularly USDA), because they will need to have some negotiations with applicants about performance agreements, changes in their strategic plans, and conditions for receiving waivers and program funds. These negotiations could take place after designation, but we loose much of our leverage in these discussions by waiting until that juncture. However, delaying the completion of the process after mid-September will make it difficult to announce any designations before the election. I remain convince that it would be a mistake to choose any EZs or ECs before the fall election.

\_\_\_\_\_  
✓

Agree

Discuss Further

cc: Bruce Reed

*I think we need (OVP, NEC, DPC) to discuss these issues together and have a memo prepared by staff for all 3 offices w/ traces. Shamps. CR*

# THE GOALS

- Supplement a review process that produces by September 1, 1994 all information necessary for the Secretary to begin consultation with the Community Empowerment Board (CEB) and then make final Empowerment Zone (EZ) and Enterprise Community (EC) designations.
- Provide a comprehensive and efficient system to solicit the input of other federal agencies regarding Title XX funding eligibility, program waivers and program funding.
- Make available the necessary space, resources and equipment to enable representatives of the CEB and other federal agencies to review EZ and EC applications and deliver the resulting information to CEB members.
- Guarantee a fair and open process ensuring that the best applications with the greatest opportunities for success are presented to the Secretary and CEB for review and decision.
- Work collaboratively with the Department of Agriculture to coordinate the HUD and USDA review and designation processes.

# THE TOOLS

- Central location for all EZ and EC activities at the Reporter's Building directly across from HUD on Seventh Street. All HUD and USDA staff, along with all staff of other federal agencies, will work from this central location.
- Full integration of HUD and USDA operations, including central filing, computer, duplication, fax and other systems.
- Custom-designed, computer-based system permitting quick entry of information and standardized measures of application completeness and eligibility.
- Training programs for all HUD and non-HUD personnel concerning the evaluation of applications, use of the custom computer program, and other necessary skills.

# THE PROCESS

- **June 27**

- Training of all HUD and non-HUD personnel begins.
- Full EZ and EC operations transferred from HUD headquarters to the Reporter's Building.

- **June 30**

- Applications arrive at HUD headquarters and are transferred to the Reporter's Building.
- Basic application information is entered into the computer database, providing a complete catalogue and profile of all applications received. This process will continue over the Fourth of July holiday weekend.

- **July 5**

- EZ and EC applications are available for inspection by representatives of the CEB and other federal agencies.

- Review of applications begins.

- The reviews will be conducted by trained HUD and other federal agency staff members working in teams of five.

- Each team will be supervised by a HUD official experienced in the review of economic development proposals.

- Each reviewer will be responsible for a series of applications; each application will be reviewed for completeness, eligibility, requests for federal waivers and funding, and content.

- Each review will result in presentations to the team leader and other team members. As a result of this process, each reviewer will be fully prepared to make a comprehensive presentation to the Rating Panel.

- **July 11**

- The Rating Panel begins hearing presentations by application reviewers.

- The size of the Rating Panel will be determined by the total number of applications received; it is likely to consist of three or five members.

- The Rating Panel will accomplish the following tasks:

- Comprehensively review, and listen to reviewer presentations concerning, each EZ and EC application.

- After reviewing all applications, rate each application on a relative point scale; points will be awarded in specific categories, including the quality of the strategic plan, the strength of assurances of support, the quality of community and business sector input, innovation, community partnership, and need.

- Throughout the review process, distribute to other federal agencies applications that are likely to require quick decisions on federal program waivers and funding availability.

- **July 12**

- The Rating Panel notifies other federal agencies that particular applications are available for review to determine federal program waivers and funding availability.

- Other federal agencies begin reviewing the applications at the central HUD/USDA location; computers, copying equipment, and work spaces will be available for representatives of these federal agencies.

- **August 19**

- The Rating Panel completes its review of all EZ and EC applications and begins scoring each application on a relative point scale.

- The Rating Panel incorporates the decisions of other federal agencies regarding program waivers and funding availability.

- **September 1**

- The Rating Panel presents the results of its work to the Secretary.

- The Secretary begins his consultation with the CED and then makes his final designations.

*How would they work in rural area?**Red review for SBH  
by Capital group*

**USDA REVIEW PROCESS  
EMPOWERMENT ZONE AND ENTERPRISE COMMUNITY PROGRAM**

**DRAFT****GOALS**

- Selection process that will provide the Secretary with options to present 50 of the most appropriate demonstration projects in rural America prior to September 1, 1994.
- Implement a selection process that permits the comprehensive review and analysis of 250 applications by every member of the Community Enterprise Board, and that provides adequate period for the determination of program and waiver approvals by other federal agencies.

**PROCESS**

**June 27th** Training for all EZ/EC reviewers and other interested federal employees

Training consists of the introduction to the philosophy and objectives of the EZ/EC program (will request Rasco, Rubin, Espy and Cisneros participate in training); the goals of the review; the tools and process of the review; and ground rules -- security, confidentiality, biases, etc.

**June 29th** The EZ/EC operations at the Reporter's Building is initiated

Computer system running; office equipment in place; file system operational; copy center and mail room organized; security guard assigned for 15 hour shifts (from 6am to 9pm), and on Saturday hours (from 9am to 6pm).

Employees will be directed not to work on a flexible week schedule and their hours will be staggered to ensure continued operations from 7am to 7pm. Staff for the file room will work during the hours of operation.

**June 30th** Applications received

Must be received by 4pm EDS time. Original and at least one (1) copy received at USDA, room 5405, 14th and Independence Avenue, SW. Booths will be set up in the morning on the curbside of USDA at the main entrance of the Administration Building and on the Fourth Wing of the South Building. Signs will be at all entrances directing applicants to bring their packages to those two sites. Runners will transfer applications each hour from the drop off sites to the Reporter's Building. No applications will be accepted at the Reporter's Building.

**USDA Review Process  
EZ/EC Program****DRAFT**

June 10, 1994

**June 29th Applications logged into the system**

Use of bar code system where each application entered will be assigned a bar code to track location and to restrict access. From June 29- July 1, approximately 30 staffers will enter name of applicant, contact person, address, telephone number and whether an EZ or EC application.

Runners will then carry applications to the fourth floor where approximately 5 staffers will create files in secured file room with original copy in locked cabinet with limited access, and with two file copies that may be logged out to only those employees with the proper access codes.

Copy center staff will duplicate applications that were submitted with only one copy. (Maps and other media -- such as video tape -- will not be copied)

**July 1st Logging completed and Report Produced**

Report on the complete list of all applicants by State, city, town or county, Congressional district and whether applying for an EZ or an EC will be completed prior to the close of business.

**July 1st Eligibility Review Process Initiated**

During the first week, approximately 20 employees work on the eligibility review of applications, ensuring that applications are complete (fully signed with maps), and that applicant satisfies poverty, size and population criteria. Once this process is completed, these employees will be reassigned to the technical review teams.

Applications that are not complete will be submitted to the outreach staff, initially 5 employees, who will contact the lead entity through phone and fax, with a hard copy of the fax sent by regular mail, indicating the items that are missing and providing the applicant with 5 working days to remedy the item. A report on all applicant that have been notified will be compiled each day, indicating the results of our inquiries.

**USDA Review Process  
EZ/EC Program****DRAFT**

June 10, 1994

**July 5th Technical Review Process Initiated**

Approximately 50 employees, in teams of 5, begin to review the content of the applications. The review should not take longer than 1.5 days per application. As each application will be reviewed by two separate teams, each reviewer has a work load of just over 12 applications that must be completed in no more than 30 working days.

Teams are structured with one manager, person with experience in the process, and four reviewers -- from various Departments and agencies, with at least one person from HHS on each group.

Individual reviewer has access to only those applications assigned to his/her code (bar code is placed on back of federal id). Reviewer only permitted access to one application at a time, goes to the file room and requests file from clerk who notes removal on computer system. Reviewer is required to return file prior to leaving the building for the day. Manager has access to all applications assigned to members of his/her team.

Manager assists with the review by team members. Every second day, teams will meet in assigned conference rooms to discuss the reviews. The team manager will facilitate the presentation by the reviewer of each application to the group as a whole. Other members are required to participate in the discussion of each application, ensuring the wide discussion of the strengths and weaknesses of the strategic plans. The presenter takes notes of these comments. These sessions should last no longer than 2.5 hours.

Individual reviewer, based on his/her own review as well as the group discussion, critiques the application and completes his/her analysis with scores for the regulatory items. These are inputted into the computer system and the file is returned to the file room on the fourth floor. The reviewer then obtains a new file for his/her next review.

The team manager, who has computer access to the work completed by his/her review team, reads through the work completed by each of the individual reviewers and determines whether to return the application for further consideration or grades the application as "high", "medium" or "low". Based on the group discussion, as well as the computer work sheet, as well as access to the application file, the manager writes an

**USDA Review Process  
EZ/EC Program****DRAFT**

June 10, 1994

executive summary which indicates the strengths and weaknesses of the application. There are no scores on this summary.

Each application will be assigned to two separate review clusters who are directed not to discuss their reviews outside their own team to ensure impartial scoring.

**July 5th Senior Manager Review**

Three or four senior managers of the process will have access to all of the work by the individual reviewers and the team managers. To ensure quality control, these senior managers will periodically attend the group discussions and/or review an application with the computer report and/or executive summary. The senior managers are authorized to direct an additional review, a rewrite of the executive summary, or the reassignment of employees, according to their strengths or weaknesses.

**July 5th Federal Departments Invited to Independently Review Applications**

Those employees who receive training are permitted to use the system and granted access to any application. These employees are not permitted access to the computer system and their review will not be included in the applicant's file. Employees may not review more than one file at a time and must return the file before leaving the fourth floor reading area. Such employees are not provided access to the seventh floor.

**July 11th Site Visits**

State FmHA/RDA Directors and EZ/EC Contact persons are provided with the complete list of applicants from their State or from multi-State applicants. Directors are required to conduct a site visit of all applicants. Prior to each site visit, Directors or Contact persons are briefed on the specifics of the application by the relevant team manager. The site visit will use a questionnaire form that goes to the concreteness of the application. The results will be returned to the team manager who will ensure the site visit report is placed in the file.

**July 18th Federal Departments Informed of Program and Waiver Requests**

At the end of each day, a report will be prepared on applications that

*what about  
notes //*

**USDA Review Process  
EZ/EC Program**

**DRAFT**

**June 10, 1994**

receive a "high" mark from a single team manager, or that receive two "medium" marks from both team managers.

There will be at least three staffer appointed as liaisons with the other federal departments. Liaisons will review reports on daily basis and compare with computer generated list of each program and waiver request on a particular application.

Liaisons will contact the Departments by phone and by fax of the presence of an application: stating only the code number for the application, and the programs or waivers requested. Further identification will be limited to avoid the premature release of rankings.

Departments will be required to review the application on site; they are permitted to have only the pertinent pages photocopied for removal from the premises. They will receive a form that indicates their conditional commitment for funding or approval of waiver. The forms are to be completed by the Subcabinet member responsible for the Empowerment Zone program and returned to the Liaison within the agreed upon time constraints (at present, ten working days). The data on these forms is inputed by the liaison into the computer file.

**July 18th Heath and Human Service Review for Title XX Feasibility**

At the end of each day, a report will be prepared on applications that receive a "high" mark from a single team manager, or that receive two "medium" marks from both teams.

Special Title XX HHS employees will receive the "high/medium" report from senior managers and will be provided with access to the application file, the executive summary and to the computer review. The Title XX employee will be expected to complete his/her review within two working days and input into the computer file the status of HHS' approval, and whether the use of the Title XX funds is considered as "high", "medium" or "low" approval.

**July 18th Review by the staff of the CEB Chair and Co-Chairs**

Staff from the Vice President, NEC and DPC (respectively, the Chair and Co-Chairs of the CEB) will receive the "high/medium" report.



*add review by SBA for One-Step Capital*

**USDA Review Process  
EZ/EC Program****DRAFT****June 10, 1994**

Special VP, NEC and DPC employees will receive a list of these applications from the team manager and will be provided with access to the application file, the executive summary and to the computer review. Their review will not be included in the applicant's file. They may not review more than one file at a time, and must return the file before leaving the fourth floor reading room.

**July 25th Review by Panel of Rural Development Experts**

A panel of five senior USDA employees with experience with rural development, grant making and/or other appropriate skills conducts a review of the executive summaries and the applications for only those applications that receive "high/medium" marks.

Panel staff will provide information on HHS' review and that of the other agencies. Team managers may be called for additional information on a particular application.

The panel will discuss the applications and individually score such factors as: quality of the strategic plan, the strength of assurances of support, the quality of community and business sector input, innovativeness, feasibility, level of need, and community involvement.

The review panel produces a list of suggested finalists to the Under Secretary who will have access to presentations by team managers as well as to all files.

**August 22nd Presentation of the Finalist to the Secretary**

The Under Secretary and Senior Managers will present the Secretary with all of the "high/medium" applications and will indicate the relative strengths and weaknesses, based on the analysis of the Panel, the technical reviewers, the site visits, and the analysis by the Under Secretary.

The Secretary will determine which applications are to be submitted to the Community Enterprise Board for their consultation in compliance with the President's memorandum.

July 27, 1993

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

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

SUBJECT: Community Empowerment Zones — *file*

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

In considering these matters, the work group has recognized the urgency of community problems, the pleas of local leaders for coordinated federal action, and the constraints of the current fiscal environment. We are convinced that this is a time to build on the things that we know will work and to stress consolidation and performance. It is also a time to build reciprocity and shared responsibility into our programs.

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

The purpose of this memo is to solicit your opinions about this community empowerment strategy. Specifically, we are interested in whether you agree that the "empowerment principles" are the correct ones around which to begin the effort and whether

you believe the coordinating structure suggested here is the most appropriate. Please provide your comments to Carol Rasco or Bob Rubin by 5:00 p.m., Monday, August 2, 1993.

### Community Empowerment Principles

#### A Commitment to Community would mean:

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

#### A Commitment to Support Families would mean:

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

#### A Commitment to Economic Lift would mean:

- Creating a continuum of programs in order to move people up a ladder of opportunity, thereby infusing dynamic ideas, not static concepts and opening a way versus simply maintaining
- Rewarding self-improvement across life-cycles and income levels
- Harnessing the marketplace and, where possible, using its rationale in government programs where possible

- Investing in human capital by integrating education and training in all community support programs

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

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

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

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

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

- The consolidation and simplification of existing federal planning requirements to encourage local solutions to cross-cutting problems
- The review of waiver authorities to maximize flexibility and cooperation among federal departments
- The coordination of application and funding cycles for existing federal programs that deal with similar problems or issues
- The use of surplus federal properties (such as GSA-controlled facilities, HUD-foreclosed housing, and military bases slated for closure) for community purposes
- The strategic location of new federal facilities to promote community and economic development
- The linkage of federal transportation, employment training and affordable housing initiatives to ensure that job-ready

individuals have access to employment opportunities throughout a metropolitan area

- The charting of new directions for transportation that promote clean air, energy conservation and more cost-effective settlement patterns
- The coordination of federal community credit initiatives with local anti-crime and community policing programs to attract economic development to inner-city neighborhoods
- The coordination and increased enforcement of statutory requirements that federal housing and other construction funds be spent to provide training and employment opportunities to low-income persons
- The linkage of low-income housing, education, and health and family support programs to encourage establishment of health clinics, family investment centers, and tutoring and mentoring programs in public housing communities
- The support of tutoring, anti-gang, housing, and business and community development initiatives through the Administration's Youth Services program
- The facilitation of comprehensive planning for human capital development that embraces early childhood education, quality public schools, work-related technical education, excellent community colleges, comprehensive higher education, literacy education, worker retraining and the life-long learning needs of the work force
- The reform of the welfare system to promote individual initiative and make work pay
- The elimination of disincentives to work in other social programs and coordination of the programs to promote and reinforce economic independence.

### Coordinating Structure

The community empowerment principles embody a determination not only to coordinate -- as Cabinet Departments do so well through the Domestic Policy and National Economic Councils -- but also to commit the federal government to the performance-measured, customer-driven philosophy at the heart of the National Performance Review. In order to create a forum in which Cabinet Secretaries can meet to explore innovative approaches to community empowerment measures, as well as to cross-agency implementation of those approaches (similar to those being developed in the NPR), the coordinating mechanism described below

is recommended. This approach will make it possible to go beyond policy discussions to the next step of working with multiple Cabinet officers to select cooperative projects and manage them to success.

Modeled to some extent on the effectively functioning trade group of Cabinet departments, we propose the establishment of a Community Empowerment Working Group, to be jointly staffed by the Office of the Vice President, the NEC and the DPC. That work group would meet monthly and have two purposes:

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

The second purpose would be to apply the broader principles of community empowerment across departments by focusing on specific projects, such as coordinating waiver authorities and carrying out other activities not squarely within the jurisdiction of the Empowerment Board, but clearly related thereto.

The working group would be staffed by the OVP, the NEC and the DPC and supported by the existing sub-cabinet work group that designed the empowerment zones proposal. Because the Vice President's leadership would most effectively ensure that the domestic departments link their missions with the principles of the National Performance Review, the Vice President would chair the work group (and the Empowerment Board). We have discussed this role with him, and he is eager to collaborate with you and with us in this important effort. In addition, the Vice President has suggested that we serve as co-vice chairs of the work group (and Empowerment Board).

We look forward to your reaction.