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CENTERING NEIGHBORHOOD PRIORITIES FOR ECONOMIC INCLUSION: EARLY OUTCOMES FORM FIVE CITIES

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Introduction

One year ago, Brookings and the Local Initiatives Support Corporation (LISC) released a playbook for a new approach to advancing economic inclusion—one that centers disinvested neighborhoods as the locus for achieving inclusive regional economic recovery and growth. Inherently place-based and community-led in nature, this approach—"community-centered economic inclusion"—has been tested by the shock of the COVID-19 pandemic, persistent racial injustice, and widening inequities in our nation's most impoverished communities.

Today, as the economic challenges of the pandemic continue to change shape, muddle the conventions of economic thought, and disproportionately impact people and places that have long been disadvantaged, the value of equity-focused place-based economic development is as important as ever. But so too is understanding the effectiveness of these strategies during a period in which many place-based efforts have had to shift to focus toward meeting basic needs amid prolonged crisis rather than dismantling the long-standing root causes of economic inequity.

This brief presents early outcomes and lessons from five cities that have implemented community-centered economic inclusion for at least one year: Los Angeles, Indianapolis, Detroit, San Diego, and Philadelphia. It provides early insight into the questions: Can cities and regions meaningfully reduce economic inequity by growing more communities of opportunity? How can cities tell if they are on the right track to produce the kind of systems-level change needed to accomplish this? What lessons have emerged for cities looking to reduce economic inequity in today's pandemic era?

By presenting early outcomes and lessons from the field, this brief seeks to provide guidance for other cities looking to enhance opportunity in their disinvested neighborhoods and test a new kind of economic inclusion rooted in the knowledge, strength, and collective power of community.

What is community-centered economic inclusion and what makes it different?

Disinvested communities in the U.S. have been over-planned and over-studied, often with dismal results to show for it. Despite billions of dollars spent on place-based initiatives, the number of high-poverty neighborhoods in the U.S. has continued to grow at alarming rates over the past four decades.

Some scholars have recently pointed to the flaws inherent in past and current federal place-based programs. For instance, our Brookings colleagues contend that the "what," "where," and "who" of most place-based initiatives have gotten it wrong. They argue the "what" is typically too focused on attracting outside investment rather than growing local assets; the "where" is often too expansive or determined by political interests (such as with Opportunity Zones); and the "who" has often failed to prioritize community leadership. Researchers at the Urban Institute have a similar critique, arguing that place-based policies fall short because they rarely center racial equity or systems-level change, fail to truly build community power, and make it procedurally difficult to bridge policy domains and coordinate across agencies—a task that is critical due to the cross-disciplinary nature of place-based challenges.

Given the past and current failures of place-based initiatives—and drawing from four decades of experience in on-the-ground community and economic development in disinvested communities—LISC, in partnership with Brookings, piloted a new place-based approach to economic inclusion: community-centered economic inclusion. The approach, piloted in 2019 in Los Angeles, Philadelphia, and Indianapolis and codified in our practitioner-oriented playbook, has since been adopted in eight additional cities: Atlanta, Oakland, Calif., Buffalo, N.Y., Detroit, Honolulu, San Diego, Seattle, and Washington, D.C.

So, what exactly makes community-centered economic inclusion different? It makes key changes to the "where," "who," "why," "what," and "how" of previous place-based efforts—seeking to correct for prior downfalls and chart a new approach that centers equity in both process and outcomes.

1. The "where": While the term "place-based" can apply to areas as small as a district or as large as a region, community-centered economic inclusion operates within "hyperlocal" sub-city geographies that possess a specific set of criteria: 1) the presence of documented economic inequities (e.g., high poverty rates, high unemployment, high housing cost burdens); 2) a concentration of undervalued assets within the neighborhood (e.g., industrial land, anchor institutions, clusters of small businesses); 3) a level of economic activity and population large enough to impact citywide economic outcomes; and 4) the buy-in of neighborhood residents and community-based organizations to lead the community-centered economic inclusion process.

Figure 1: "The Where" in Indianapolis: The Far Eastside

Source: Indianapolis' Economic Inclusion Agenda for the Far Eastside.

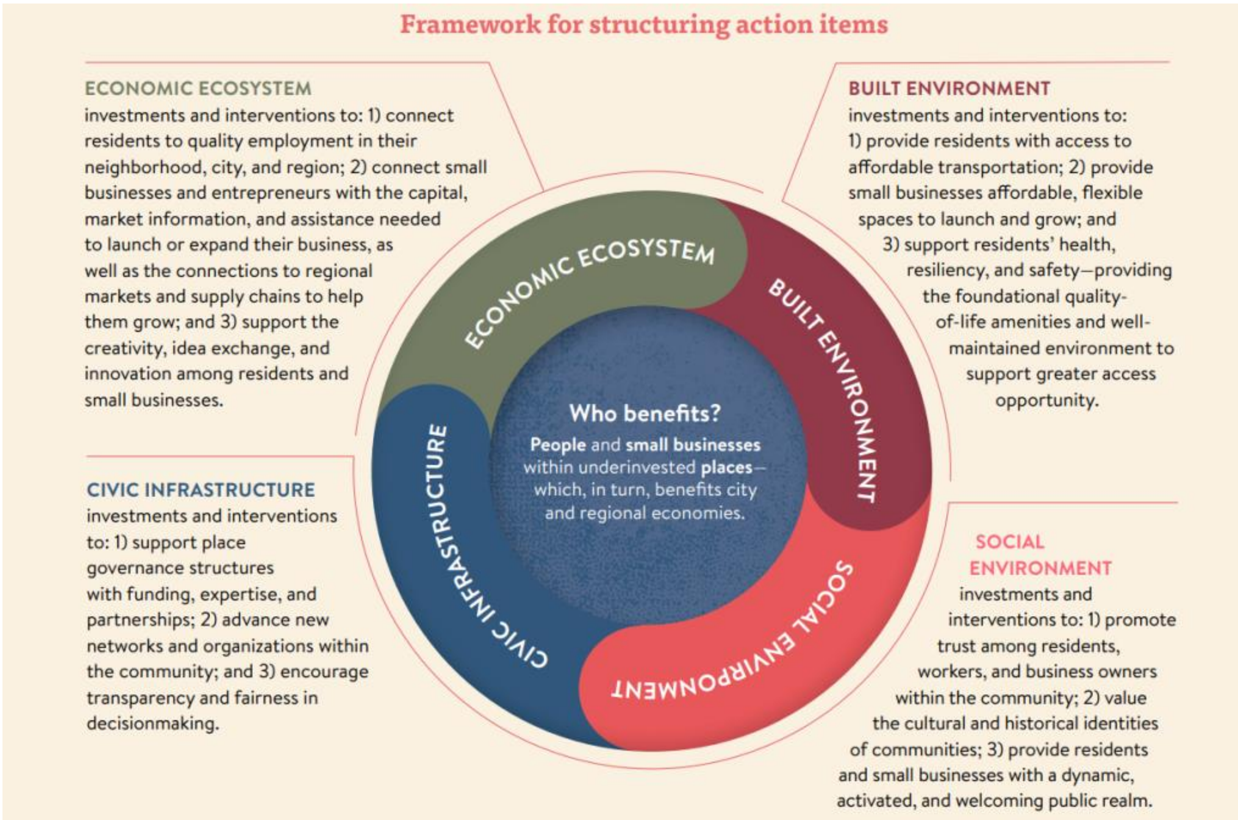
2. The "who": Past place-based initiatives have varied in the extent to which communities are engaged as partners in the work, with some (such as Empowerment Zones and Strong Cities, Strong Communities) seeking to build local capacity to lead efforts, while others (such as Opportunity Zones) requiring no local connection. By contrast, community-centered economic inclusion relies upon not only the presence of strong community leadership to "backbone" the process, but also requires city and regional stakeholders to align their economic inclusion priorities in partnership with community leaders. The purpose of bringing together these often-siloed groups is to make community-led priorities more achievable (through obtaining the support and resources of city and regional stakeholders), and city and regional efforts more attuned to the realities of disinvested communities.

Leimert Park and the Goodyear Tract in South LA: Two districts included in Los Angeles' community-centered economic inclusion agendas.

3. The "why": Place-based initiatives often aim to improve economic conditions in disinvested places without: 1) confronting the root causes of these inequities (many of which stem from policies and practices at the city, regional, state, and federal level); 2) centering racial equity in decision making; or 3) aligning strategies with market realities. Community-centered economic inclusion, on the other hand, takes a structural, racial equity, and market-informed lens to addressing neighborhood disadvantage. It studies the policy drivers underlying current neighborhood conditions, the market failures and strengths impacting communities, and residents' perspectives on what should be done to address them. In community-centered economic inclusion, understanding the holistic "why" of neighborhood conditions is a necessary prerequisite to determining the "what."

4. The "what": Most place-based initiatives seek to drive business growth and improve employment outcomes by attracting outside investment into underinvested communities. Community-centered economic inclusion seeks to grow from within by investing in local assets, people, and small businesses to produce broad-based prosperity. It equips local leaders with a four-part integrated framework (see Figure 2) to guide their place-based strategies—encouraging them to not only invest in a place's economic ecosystem, but also its built environment, social environment, and civic infrastructure.

Figure 2. A holistic framework to structure the "what"



5. The "how": Although the challenges facing disinvested communities are multifaceted and the solutions cross-disciplinary, many place-based initiatives struggle to bridge policy domains during implementation. Often, this is because they are housed within a single agency with its own mandate, making it difficult to work across governmental departments with different goals. Community-centered economic inclusion is not a government-led initiative; it originates in and is led by community-based organizations and residents, in collaboration with government officials and other stakeholders. The process of convening the "who" in community-centered economic inclusion inherently sets communities up for cross-sectoral collaboration during the "how"—as the community-based organizations, residents, city agencies, citywide employers, and regional actors that developed the community-centered economic inclusion strategies are ultimately tasked with co-owning implementation, outcome-tracking, and sustainability.

In short, community-centered economic inclusion is a place-based approach that values process as well as outcomes in achieving equity—seeking to build community power, shift relational dynamics, and bridge policy siloes, all while working toward equity-focused neighborhood-level change. Rather than expecting economic development investments at the city and regional level to "trickle down" to disinvested neighborhoods (which they rarely do), it contends that by improving economic outcomes in underinvested places, these positive outcomes will "trickle up" to strengthen the city and region at large.

Tracking outcomes for inclusive economic development

Often, place-based initiatives are funded and implemented without the time or resources to track *who* benefits and *how* they benefit over time. This can contribute not only to a poor understanding of results, but can also exacerbate community distrust. To be truly accountable to the communities they purport to serve, place-based initiatives must have clear visions of success and shared mechanisms for tracking progress toward short-, medium-, and long-term outcomes. To this end, this brief tracks early outcomes from the first year of community-centered economic inclusion in five cities—capturing successes, challenges, and lessons from early implementation efforts across different market contexts. It does so using qualitative interviews with key implementation stakeholders, as well as a thorough review of local sites' individual year-one metrics.

An overview of the outcomes in the five examined cities and much more is available at: **LINK:** https://www.brookings.edu/essay/centering-neighborhood-priorities-for-economic-inclusion-early-outcomes-from-five-cities/