



Creating a Platform for Sustained Neighborhood Improvement

INTERIM FINDINGS FROM CHICAGO'S NEW COMMUNITIES PROGRAM

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BUILDING KNOWLEDGE
TO IMPROVE SOCIAL POLICY

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Overview

Distressed urban neighborhoods face challenges on multiple fronts, but most efforts to confront these problems work in isolation of one another. The New Communities Program (NCP) is an exception, helping selected Chicago neighborhoods develop partnerships to address challenges involving employment, education, housing, and safety in a comprehensive, coordinated fashion. In each community, a local intermediary brings together organizations to plan and then to implement varied improvement projects. A 10-year, \$47 million MacArthur Foundation initiative developed and managed by the Local Initiatives Support Corporation of Chicago (LISC/Chicago), NCP emphasizes this relational approach by building collaborations as a “platform” for broad and sustained improvement, even as local conditions change.

MDRC leads the NCP evaluation with collaborators at the University of Chicago’s Chapin Hall, Metro Chicago Information Center, and Wayne State University. This interim report focuses on NCP’s rollout and early implementation years, examining community conditions, how local groups worked together, and projects completed through 2008. The report shows that NCP has successfully managed planning and implementation of many different projects to help address varied local problems. Its findings include the following:

- **Community conditions.** NCP was implemented in neighborhoods facing varying degrees of economic disinvestment and population change. Quality-of-life trends were consistently improving in NCP neighborhoods during the early years of planning and implementation (2003-2005), showing greater local investments and generally falling crime rates. However, by 2006-2007, some NCP neighborhoods were seeing increases in foreclosures, and NCP’s designers began to adjust their strategies to contend with the growing economic downturn.
- **Initiative management.** As the managing intermediary, LISC/Chicago successfully facilitated grants to organizations, offered technical assistance, mediated community conflict, and enforced accountability among partners.
- **Implementation.** Local intermediaries successfully developed quality-of-life plans and implemented about 750 projects in multiple domains: education, workforce development, housing, and social services. Most of these projects were small — around \$25,000 to \$50,000 — but some were able to leverage additional resources, especially in the area of housing and commercial real estate development.
- **Collaboration.** NCP helped community organizations form more trusting relationships and work together more successfully. However, improvements in relationships mostly occurred within neighborhoods, not *between* neighborhoods or with City Hall, raising questions about the long-term sustainability of local action.

Future reports will examine NCP’s adaptation to the changing economic climate and its longer-term role in supporting neighborhood improvements and will compare trends in NCP neighborhoods with those in similar neighborhoods that the foundation and LISC/Chicago did not target.

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Preface

Research on urban poverty, at MDRC and elsewhere, has revealed that the *concentration of poverty* — and an associated lack of access to good jobs, affordable housing, quality goods and services, and economic and political resources — presents special challenges for improving the economic prospects of people who live in low-income neighborhoods. Unfortunately, many efforts to address these problems are too narrowly focused and work in isolation from one another.

In 2003, the MacArthur Foundation launched one of the most ambitious efforts to improve conditions in distressed urban neighborhoods in the United States: the New Communities Program (NCP), a 10-year, \$47 million initiative. NCP is a comprehensive effort to engage community-based groups in selected Chicago neighborhoods to attack multiple problems simultaneously — in education, workforce development, housing, social services, and public policy. Managed by the Local Initiatives Support Corporation of Chicago, NCP is based on the premise that lead agencies in each community can organize neighborhood stakeholders to create “quality-of-life” plans, leverage public and private investments (supported by “seed grants” from the MacArthur Foundation and technical assistance supplied by LISC/Chicago), and catalyze organized efforts to revitalize the community.

This interim report covers NCP’s early implementation years, focusing on community conditions, how local groups worked together, and projects completed through 2008. While not an evaluation of the impact of NCP, the MDRC study finds that the initiative did successfully manage the neighborhood planning process, which led to the launching of more than 750 individual projects, each funded by a grant of \$25,000 to \$50,000. Altogether, the initiative reported attracting approximately \$400 million in leverage through 2008 (mostly concentrated in a number of housing and commercial real estate development projects).

Even at this interim stage, the experience of the New Communities Program offers important lessons, which are described in detail here, both for designers and managers of other community initiatives and for individual communities participating in them.

Of course, NCP and the participating neighborhoods, like the rest of the country, are now contending with incredible challenges posed by the current recession, including high unemployment, rising foreclosure rates, and government budget reductions. Future reports will focus on understanding how NCP adapted during the economic downturn, how the NCP model’s emphasis on community capacity may contribute to neighborhoods’ “resilience” or their ability to weather external shocks, and whether NCP plays a role in either supporting improvements in neighborhoods or dampening negative trends.

Gordon L. Berlin
President

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This report has benefited from hard work and thoughtful contributions from funders, practitioners, reviewers, partners, and MDRC staff. From the beginning of the project, our funders provided substantive guidance, rooted in their experience as researchers and urban policymakers. Jonathan Fanton, former President of the John D. and Catherine T. MacArthur Foundation, and Julia M. Stasch, Vice President of the Program on Human & Community Development, shaped the evaluation from its early discussions. Susan Lloyd was MDRC's first project officer and played a critical role in the architecture of the initiative and research stemming from it. Special thanks go to Craig Howard, who first directed the evaluation at MDRC and then became our project officer in his role of Director of Community and Economic Development. His vivid hometown knowledge introduced the team to Chicago and continues to serve as a touchstone for evaluation findings.

Community development practitioners and resident leaders from around Chicago gave researchers hours of their time and provided critical insights about their practice. We especially thank the Local Initiatives Support Corporation of Chicago (LISC/Chicago) for transparency about the initiative. Andrew J. Mooney, Executive Director, Joel Bookman, Director of Programs, and Susana Vasquez, NCP Program Director, emphasize a culture of learning within NCP, greatly aided by its "scribes," led by Patrick Barry. We have valued the opportunity to think with them about NCP. Executive directors, NCP project directors, and NCP organizers at the 14 lead agencies were generous to share their many lessons with the field. Without their openness about their work and communities, this report would not be possible, and we are grateful to have learned from them.

This report has also benefited from the guidance of the Comprehensive Community Initiative (CCI) field. Anne Kubisch, Patricia Auspos, Tom Dewar, and Keith Lawrence at the Aspen Roundtable for Community Change served as reviewers at many different stages of the project, as did Prudence Brown, whose work has influenced the CCI evaluation field over time. Professor Michael Bennett at DePaul University provided helpful advice during research design.

Special acknowledgments go to our evaluation partners. George Galster, Clarence Hilberry Professor of Urban Affairs at Wayne State University, played a key role in helping conceptualize the quantitative component of this evaluation. At Metro Chicago Information Center (MCIC), Garth Taylor, former Executive Director and now Senior Research Fellow, not only provided all the quantitative data but also offered valuable insights on the evaluation findings. Melissa Kraus Schwartz and Krysten Lynn Ryba were the team's data liaisons at MCIC. At Chapin Hall at the University of Chicago, Katie Claussen Bell, Jiffy Lansing,

LaShaun Brooks, and Ben Roth allowed the evaluation to have a constant presence in the field. In addition to interviewing, Bell and Lansing took on data coding and database management, which served as the basis for the report's qualitative findings, and drafted selected analyses.

At MDRC, we have been helped by generous review provided by Gordon Berlin and Fred Doolittle, bringing their deep experiences in evaluation and the community development field to the project. John Hutchins contributed extensively to both review and writing processes. Cynthia Miller, Rick Hendra, and Sonya Williams offered valuable advice on quantitative analyses. On the MDRC research team, Albert Fang, Tatiana Homonoff, and Christopher Leake generated quantitative analyses over the course of the project. Nikki Ortolani took the lead on detailed NCP project analysis; Sarah Rich conducted important early field research; and Alexandra Brown ably served as report coordinator. Robert Weber edited the report, and David Sobel and Stephanie Cowell prepared it for publication.

The Authors

Executive Summary

In 2003, the MacArthur Foundation launched one of the most ambitious efforts to improve conditions in distressed urban neighborhoods in the United States: the New Communities Program (NCP), a 10-year, \$47 million initiative. NCP is a comprehensive effort to engage community-based groups to attack multiple problems simultaneously — in education, workforce development, housing, social services, and public policy. Developed and managed by the Local Initiatives Support Corporation of Chicago (LISC/Chicago), NCP focuses on 14 neighborhood areas with varying challenges.¹ Through collaborative planning and implementation, NCP designers believed that community organizations, which too often work in isolation on narrow agendas, would come together to solve common problems and improve the quality of life in their communities — across a variety of outcomes.

In early 2006, the MacArthur Foundation engaged MDRC, a nonprofit, nonpartisan education and social policy research organization, to evaluate NCP. This interim report brings together qualitative and quantitative analyses to examine early NCP implementation processes and projects as well as quality-of-life trends within each of the NCP neighborhoods. To draw in-depth lessons, it focuses on six neighborhoods that represent a cross-section of the NCP communities. The report does not draw any “causal” conclusions about the NCP initiative’s effect on the trends in community outcomes observed.

NCP Neighborhoods

The 14 NCP neighborhood areas in Chicago are varied, but two types predominate: (1) disinvested inner-city neighborhoods, facing recent population declines, large proportions of low-income residents, and relatively low levels of housing investment; and (2) neighborhoods that have experienced considerable growth in the last decade, are home to large and growing Latino communities, and have relatively modest levels of housing investment. To understand both the different contexts in which NCP rolled out and the targets of its interventions, the study examines a broad range of quality-of-life indicators for NCP neighborhoods and compares them with trends in similar Chicago neighborhoods that are not a part of the NCP initiative. This report provides detailed analysis of trends in community safety, housing market activity, and commercial vitality for both groups from before the initiative was launched through the 18-month planning phase and into the beginning of project implementation.

¹NCP is often described as serving 16 Chicago communities. However, these communities are located in 14 areas for the purposes of the initiative’s planning and implementation. Therefore, for simplicity’s sake, this report refers to these areas as NCP’s 14 neighborhoods.

- **Independent of NCP, quality-of-life trends throughout Chicago were generally improving at the start of the initiative, between 2003 and 2005.**

Almost all experienced declining crime rates, and, after peaking in 2002, foreclosure rates were down by 40 percent or more in one-half of NCP neighborhoods. However, even though quality-of-life trends were generally improving in all NCP neighborhoods, starting levels and rates of change varied significantly. This fact reflects an interest by NCP's architects to test the model in varied neighborhoods. While it is too early to assess the full effects of the current economic crisis on NCP neighborhoods, it is possible to examine selected trends during the period that immediately predated the current recession. In the period 2006-2007, for instance, NCP neighborhoods and non-NCP neighborhoods were starting to see a similar pattern of increasing foreclosures. Future reports will document more recent trends in neighborhoods, as foreclosure processes in Chicago have risen dramatically in the period since.

The Role of LISC/Chicago and the Lead Agencies in NCP Neighborhoods

Most implementation action within NCP occurs at the neighborhood level. A "lead agency" in each community, which receives funding for staffing and other supports from LISC/Chicago, convenes other neighborhood groups to define a plan for local improvement. Developed over an 18-month period, the plan provides a blueprint for varied efforts to be accomplished over several years, in domains ranging from social services and education initiatives, to employment and economic revitalization programs, to community arts projects and affordable housing development.

In the time since the planning processes in each neighborhood have been completed, LISC/Chicago has dispersed hundreds of modest grants of \$20,000-\$25,000 to support specific projects identified in the plans. These "seed grants" are not always intended to cover the full cost of individual projects, and, therefore, community groups are responsible for using these grants to leverage additional resources for their projects.

Two key findings emerge about roles within NCP:

- **LISC/Chicago was able to manage grants flexibly, mediate community conflict successfully, and promote progress among NCP community partners. These capacities appeared to be important ones for initiative management.**

Community organizations valued the flexibility and speed with which LISC/Chicago provided seed grants and its technical assistance during planning and implementation. In some important instances, LISC/Chicago stepped in to enforce accountability by replacing grantees or

directing agencies to hire staff whose skills were more suited to the project. In other cases, it served as a mediator among community groups, where conflict might have derailed NCP processes. Both types of strategies were more likely to occur in neighborhoods marked by historic disinvestment, where mistrust was often especially high among community groups — although this was not universally the case, and other types of neighborhoods also experienced patterns of mistrust. LISC’s technical assistance role was more intensive during planning than it was during implementation, and some lead agencies would have preferred that LISC/Chicago played a more direct role in helping broker relationships with public officials, who were often critical players in getting projects off the ground.

- **While the lead agencies in the neighborhoods led successful planning processes, the implementation phase was more challenging for some NCP communities.**

Lead agencies engaged a broad range of stakeholders in their communities, helped build trust among groups who already knew one another, and contributed to the formation of new relationships among groups who had no history of working together. However, in historically disinvested neighborhoods in particular, the shift from planning to implementation sometimes proved difficult — especially in those places where fewer organizations had the capacity to implement projects.

Building Community Capacity

The NCP model promotes collective action by community groups to work together for local improvements. NCP designers believe that building networks of local groups is an important outcome in itself, because neighborhoods with strong networks are better positioned to weather hard times and seize opportunities in better times.

- **In different types of neighborhoods, community organizations formed more trusting relationships or worked together successfully for the first time as a result of NCP.**

In many communities, partners with no prior working relationship were connected for the first time through NCP. Interviews also provided substantial evidence of existing relationships being deepened through NCP. These new or improved relationships were formed even in challenging circumstances — as was the case in some neighborhoods where groups often started out mistrusting one another. NCP also helped improve internal divisions that were found to exist in both of the Latino neighborhoods studied, where more recent and more established immigrants sometimes clashed and where divisions between African-American and Puerto Rican residents was observed to be a problem during planning. However, not all NCP neigh-

neighborhoods were equally successful in creating functioning networks of community groups. The starting context — whether organizations started out skeptical or trusting of each other — played a large role in the nature of the eventual collaboration.

- **The new collaborations created by NCP sometimes attracted substantial resources to communities.**

Relationships formed through NCP sometimes brought substantial new resources to neighborhoods, especially when NCP helped create local collaboratives to apply for larger grants that small groups might not have been able to attract on their own. For example, in one community, NCP helped several neighborhood organizations apply for relatively large public health grants. In some ways, these new collaborations for funding provide the strongest evidence of NCP’s “working” in its intended mode, because they represent ways that the initiative has added value to existing networks.

- **Improvements in relationships mostly occurred within neighborhoods and not *between* neighborhoods or with City Hall.**

As might be expected from an initiative that emphasizes planning among community groups, most of the successful relationships described by participants were among local organizations and not with organizations in other neighborhoods, with city government, or with other large public or private institutions, such as banks, hospitals, or universities. Some lead agencies suggested that the initiative’s emphasis on local action and smaller projects meant that it missed an opportunity to connect to broader, Chicago-wide efforts initiated by larger players, like the city government or the school system.

Implementing NCP Projects

The hallmark of NCP is to encourage neighborhoods to work on many local problems simultaneously in the effort to improve quality of life. By using relatively modest seed grants, the initiative hoped to spark larger efforts that would attract additional funding from other sources. And, in practice, the NCP communities developed and implemented plans that included hundreds of projects across four wide domains: education, workforce development, housing, and social services. Having said that, it is one thing to engage stakeholders in developing plans; it is another to carry out these plans — a transition in which earlier comprehensive community initiatives have faltered.

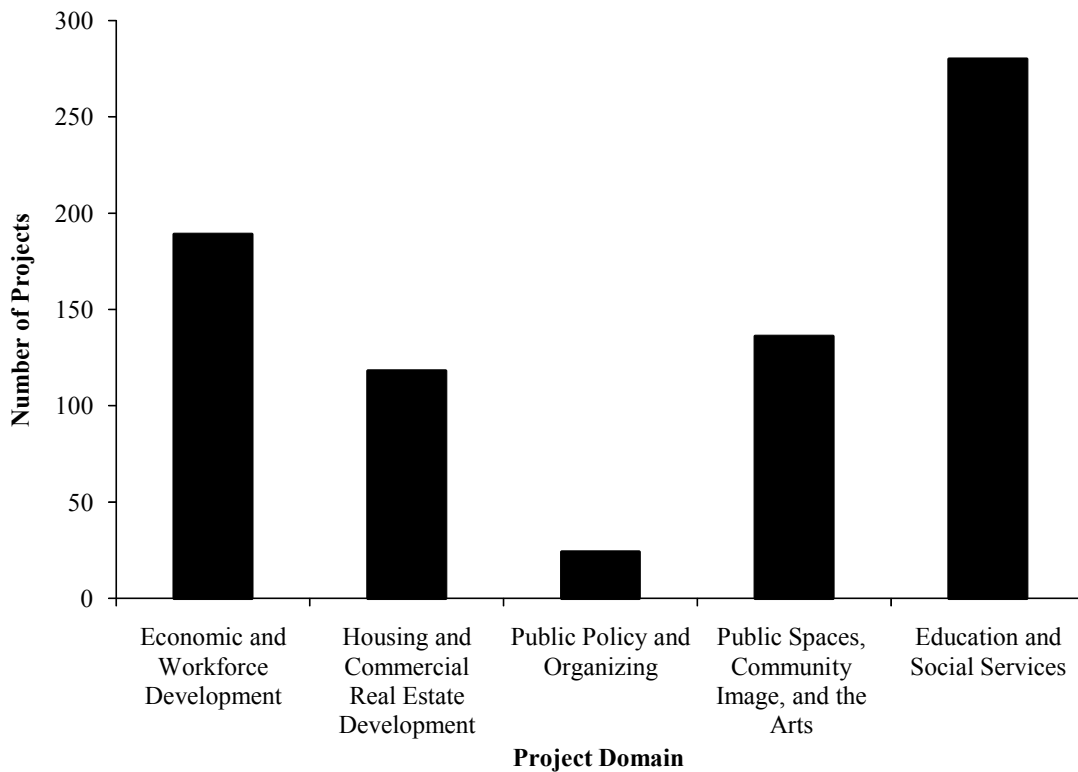
- **Overall, NCP successfully managed the transition to implementation, with 750 projects being supported in the areas of education, workforce development, housing, and social services.**

NCP was developed to spark comprehensive community improvements, and analysis of program annual reports suggests that NCP did, in fact, create a successful system for identifying and supporting projects in multiple domains. Figure ES.1 presents the number of projects reported through the auspices of NCP from 2002 to 2008, by domain: about 750 total projects, with nearly 300 coded by the evaluation to be in education and social services; over 180 in economic and workforce development; nearly 120 in housing and commercial real estate development; and more than 130 in public spaces and the arts. With some significant exceptions, historically disinvested neighborhoods attracted fewer projects than other neighborhoods, in large part because there were fewer organizations able to implement projects.

The New Communities Program

Figure ES.1

Number of NCP Projects, by Domain, Totaled Across Neighborhoods (2002-2008)



SOURCE: MDRC analysis of lead-agency annual progress reports provided by LISC/Chicago.

NOTE: This analysis includes NCP projects reported to have received support grants from LISC/Chicago, non-LISC investments, other kinds of support, and projects that do not list any funding or support.

- **NCP was less successful in catalyzing projects focused on informing public policy.**

Although some NCP communities made significant efforts to inform public policy, public policy organizing did not on the whole become a focus of NCP, with fewer than 30 efforts so coded by the evaluation of the 750 total (Figure ES.1). Policy work may become more important for NCP neighborhoods as government struggles to develop new responses to current economic shocks. Since public funding for government-sponsored initiatives represents a potential funding source — eclipsing even significant foundation-sponsored initiatives — this area may be important for NCP’s ability to influence neighborhood trajectories and for its longer-term sustainability.

- **While most seed grants did not attract additional investments, NCP neighborhoods overall were reported to attract substantial investments, especially in the area of housing and commercial real estate.**

NCP was structured to leverage additional funding through small seed grants, whereby a pilot program might later attract resources from a larger funder. However, most grants did not report attracting additional resources, even if not every grant was intended to do so. Figure ES.2 shows the proportions of grants that were reported to have achieved additional investments, by amount: 58 percent of seed grants attracted no additional investments; 25 percent attracted less than \$50,000; and 6 percent attracted \$50,000 to \$99,999. A small number of grants were responsible for the majority of leverage: 4 percent of grants attracted between \$1 million and \$15 million.

Some community partners felt that the size and short-term nature of the seed grants made it particularly difficult to attract additional resources. Unsurprisingly, many community partners were interested in seeing larger grants and more help from LISC/Chicago and from the MacArthur Foundation in intervening to ensure that additional funds followed them. At the same time, overall, the initiative reported attracting approximately \$400 million in leverage through 2008, a substantial amount of additional investments. While most occurred in the realm of housing and commercial real estate development — where a planning grant could attract a large construction loan — investment was also achieved in other areas, such as social services and education, where leverage is often more difficult to obtain.

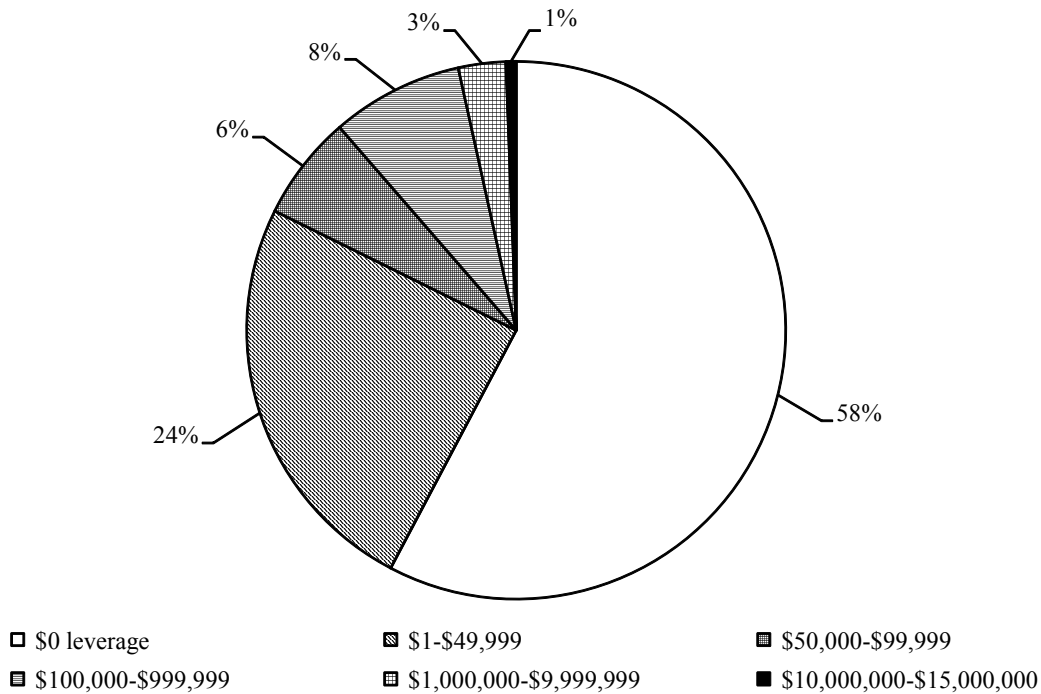
Selected Lessons for Policy and Practice

The NCP experience is particularly relevant for communities launching initiatives that rely heavily on partnerships among neighborhood organizations or that emphasize coordinated

The New Communities Program

Figure ES.2

Percentage and Amount of Non-LISC Investments (2002-2008)



SOURCE: MDRC analysis of lead-agency annual progress reports provided by LISC/Chicago.

NOTES: This analysis includes nearly 500 NCP projects with LISC grants of \$1 or greater and non-LISC investments ranging from \$0 to \$15 million. LISC grants are project support grants given by LISC/Chicago to NCP projects. Non-LISC investments serve as indicators of additional dollars leveraged by NCP neighborhoods. Percentages may not add to 100 percent because of rounding.

and comprehensive action. This report offers lessons both for designers and managers of such initiatives and for individual communities participating in them.

Recommendations for Designers and Managers of Community Initiatives

NCP's structure was meant to reflect lessons learned from past initiatives that did not work. To avoid conflict between funders and implementers, NCP made LISC/Chicago the manager of grants and the direct contact with local organizations. To address the critical issue of moving from planning to implementation, where so many past initiatives have faltered, NCP recognized that successfully implementing a variety of projects needed to draw on more than a single organization. Accordingly, it vested local agencies with the responsibility of identifying

other capable actors and ensuring that they complete the projects identified in plans, largely through seed grant support. These types of groups are called “intermediaries.” Several insights for funders, program designers, and managers emerge from these experiences.

- **Intermediary structures can support comprehensive community action by many different local groups.**

NCP architects decided to invest overall management in each neighborhood within a single agency, charged with reaching out to community partners, so as to achieve organizational efficiencies without alienating other local groups. It also relied on LISC/Chicago as “managing intermediary,” both to facilitate grants and to promote accountability through the initiative. The variety and number of projects implemented through NCP demonstrates that this type of two-part intermediary structure can support comprehensive revitalization activities. (The overall success of NCP’s intermediary structure also likely benefited from existing strengths of LISC/Chicago and local Chicago organizational networks.)

- **Governance of community initiatives should anticipate how to deal with mistrust among local organizations, particularly when moving from planning to implementation.**

NCP’s comprehensive community planning was a vehicle that allowed different groups to become involved and rally behind initiatives, especially when given opportunities to access major new funding sources as a result of their participation. However, in many (but not all) historically disinvested neighborhoods, mistrust sometimes derailed implementation efforts. In these situations, mediation by LISC/Chicago and the full engagement of respected local leadership were sometimes required to ensure that groups could continue to work together after planning.

- **Funders and initiative managers can help leverage additional resources by engaging the public, private, and foundation sectors and by informing public policy.**

While most NCP seed grants did not leverage additional resources, substantial leverage was achieved in a few cases. In these examples, LISC/Chicago helped to foster connections between NCP sites and actors in the private, public, and nonprofit sectors who were well positioned to provide additional resources or leverage political influence to support NCP activities. Much of this brokering work occurred within the philanthropic sector and was aided by the MacArthur Foundation. For example, LISC/Chicago worked with the Atlantic Philanthropies to bring comprehensive intermediate-school and extended-day services to NCP neighborhoods. These actions often resulted in substantial new resources to neighborhoods; many participants wished to see LISC/Chicago and the MacArthur Foundation engage in more such brokering.

- **After planning and start-up, managers of community initiatives will need to retain the authority and resources to enforce progress and to mediate among local interests.**

Within NCP, LISC/Chicago had a major role in ensuring that community groups received technical assistance, either directly or through consultants. Although this role was particularly intense during planning, it did not end at that point. For instance, in several disinvested neighborhoods, LISC/Chicago intervened to transfer the designation of lead agency to a new organization from a low-performing one.

- **For neighborhoods where no natural convening organizations exist, managers should consider creating new intermediaries.**

At the start of NCP, designers identified two neighborhoods where a new intermediary needed to be created. One of these organizations — Quad Communities Development Corporation — became one of the most successful within the initiative in supporting relationships and attracting additional resources to its neighborhood. It should also be noted that a number of factors seemed to make a difference within Quad Communities, foremost being strong local political support. Establishing new neighborhood intermediaries consumed considerable time and resources on LISC's part.

Recommendations for Community Practice

The report profiles six NCP neighborhoods in depth: four that successfully advanced relationships and leveraged new resources through NCP and two that did not appear to do so effectively. The contrast among these six communities reveals factors potentially associated with success.

- **Comprehensive planning does not in itself ensure coordinated action. Lead agencies should delegate some projects to partners, while also creating opportunities for collaborations among them.**

Lead agencies were encouraged to make their planning process both comprehensive and inclusive. However, local participants in open planning forums did not necessarily remain engaged with NCP. Even those who stayed with NCP long enough to receive a grant did not continue to work with other groups in the initiative. As a result, lead agencies needed strategies to keep groups involved in NCP and working with each other. The most successful lead agencies employed several approaches to build stronger relationships and complete more projects: (1) identifying projects that other individual organizations could complete, (2) creating collaborations among several community organizations in an attempt to attract major new sources of funding, and (3) carrying out a limited number of projects on their own.

- **When working in neighborhoods marked by historic disinvestment, consensus-building must be balanced with concrete action around implementation.**

In two neighborhoods characterized by mistrust among local players and a lack of capacity to implement projects, the two lead agencies initially adopted very different approaches. One tried to distance itself from large institutions, such as the local bank or community college, and worked almost exclusively with smaller community groups in an effort to build their capacity. However, these small groups were not always ready to take on projects, resulting in stalled implementation efforts. The other neighborhood agency tried to take the lead on many projects itself but did so in a way that was not perceived by others to be inclusive. Over time, both communities took on elements of each other's strategies — taking on some projects themselves and empowering smaller community groups to do others — resulting in the improvement of local relationships and an increased ability to complete projects.

Looking Forward

The current recession and the challenges it poses for the NCP model will form an important backdrop for framing the study's research questions as the evaluation moves forward. Future reports will focus on understanding how NCP adapted during the economic downturn, how the NCP model's emphasis on community capacity contributes to neighborhood "resilience" or ability to weather external shocks, and whether NCP can play a role either in supporting improvements in neighborhoods or in dampening negative trends.

Chapter 1

The New Communities Program

Urban Challenges

Since World War II, changes in urban America have been a central part of its history. Cities moved away from their industrial foundations and shifted more toward finance, service, and technology sectors.¹ At the same time, the metropolitan economic base spread outward to the suburbs. Encouraged by public policies and government investments, residents moved out to follow jobs and opportunities, leaving behind declining and increasingly isolated inner-city neighborhoods.² The face of immigration also changed during this period. From earlier waves of European groups during the nineteenth and early-twentieth centuries, immigrant waves beginning in the 1970s have come from Asia, Latin America, and Africa.³ The result has been a new urban diversity, with its own set of issues for race and class relations and for local and national politics.⁴

Chicago, considered the first American city, embodies many of these trends. Unlike Detroit or Cleveland, Chicago has largely recast itself as a global city. Where once manufacturing dominated the city's economy, Chicago's industrial jobs now represent a small portion of the overall economy, complemented by finance, real estate, insurance, and professional service sectors.⁵ Chicago's continuing tide of immigrants, with large Mexican and Chinese populations, not only countered population losses in earlier decades but well demonstrates today's new urban diversity. The city is now roughly one-third African-American, one-third white, and one-third Latino, interspersed with immigrants from the Middle East and Asia.⁶

Still, Chicago shares many problems with other U.S. cities, including concentrated poverty, racial/ethnic and economic segregation, crime, and sometimes-struggling schools. The contrasts of the first part of the decade have placed additional strains on Chicago, as for the rest of urban America. While the country experienced economic growth, in part associated with a housing market bubble, it remained plagued by growing inequality.⁷ As a result, in some urban areas, escalating housing costs placed heavy burdens on low-income families and resulted in hardship and displacement, challenging the sustainability of diverse, vibrant, and mixed-

¹Wilson (1987).

²Orfield (1997).

³Portes and Rumbaut (2001).

⁴Kasnitz, Mollenkopf, Waters, and Holdaway (2008).

⁵Casillas and Ahmed (2008).

⁶U.S. Census Bureau (2008).

⁷Piketty and Saez (2006).

income neighborhoods. With the collapse of the housing bubble, cities are even more vulnerable to foreclosures and concentrated hardship. During the writing of this report, foreclosures in Chicago have become serious enough a problem that the Cook County sheriff's office announced that it would stop evicting tenants from seized properties.⁸

Placed-Based Policy Responses

Although these historic challenges to cities have broader sources than urban neighborhoods themselves, they manifest themselves strongly through place. In response to them, two major strands of place-based policy initiatives have emerged. One is *community development*, and another is the *comprehensive community initiative*. The New Communities Program (NCP) combines strategies from both of these approaches to community work. NCP also responds to some of their limitations and, in so doing, is at the forefront of the current wave of community initiatives, with lessons from its evaluation being relevant to both foundation-sponsored initiatives and emerging federal policy.

Community Development

Community development is a form of urban intervention that traces its recent roots to the 1960s and 1970s. Some of the earliest community development organizations used grants, loans, organizing, and technical assistance to encourage local business development and to retain industries in low-income neighborhoods.⁹ Over time, a major tool of community development became the creation and renovation of affordable housing. In cities across the country, local organizations restored abandoned properties, or built on vacant lots, in an attempt both to provide decent and affordable homes for lower-income people and to spark other positive changes from this physical revitalization of neighborhoods. Federal affordable housing policy gives a formal place for these local agencies, and, in the 1990s, *community development corporations (CDCs)* became a predominant vehicle for producing housing that is affordable to low-income people.¹⁰

Building and renovating housing for lower- and moderate-income people remains an important function for many development groups. However, within the community development industry, several critiques emerged about an approach to community work that emphasizes only “bricks and mortar” development. Many observers believed that a physical approach to revitalization was not comprehensive enough in focus. Urban problems are often interconnected, and improvement in one area can be held up by problems in another. For example, it

⁸Casillas and Ahmed (2008).

⁹O'Conner (1999).

¹⁰Walker and Weinheimer (1998).

may be hard to encourage families to stay and invest in their homes if they believe that local schools do not serve their children well. In turn, efforts to improve schools may be held up by gang violence, which itself may be connected to a lack of youth development services. Although tackling every problem may not be feasible, the goal of *comprehensive* community development emerged as an important component of neighborhood improvement.

Another critique was that CDCs, like many small community groups, sometimes did not have the capacity to build housing or mount other types of services. Although organizations, such as the Local Initiatives Support Corporation (LISC), emerged across the nation to help build the capacity of CDCs, especially during periods when housing is expensive to build or renovate, some CDCs may not be equipped to carry out their basic mission and may need to find other ways to intervene in communities. Finally, CDCs were sometimes criticized for not acting forcefully to build *community* — to work with local residents and other organizations to define and enact a neighborhood agenda in coalition.¹¹

Comprehensive Community Initiatives

Another vehicle to confront neighborhood problems — while also addressing problems of comprehensiveness, coordination, and capacity — is the *comprehensive community initiative (CCI)*. Many CCIs attempt to influence neighborhoodwide change by mobilizing local groups to address a range of physical, economic, and social problems.¹² Other CCIs focus on integrating systems to address a specific problem, such as youth development. These efforts have often been sponsored by foundations, working together with community groups or local intermediaries. However, they also have been supported by public efforts that encourage local planning, such as the Weed and Seed program, aimed at crime prevention, and Empowerment Zones, aimed at economic revitalization.

The strengths of CCIs have been seen in their comprehensiveness and in their emphasis on community-building principles. By emphasizing democratic processes and citizen participation and placing at the center of the planning process the historical roots of communities and those who live there, CCIs have often increased residents' and organizations' abilities to participate in civic life. They have also developed a track record of making physical improvements and also of investing in economic development, health, and family support services.¹³

However, CCIs have also experienced some limitations in their varied history. CCIs have sometimes been hurt by mistrust issues between funders and implementers, resulting in a

¹¹Stoecker (1997).

¹²Kubisch et al. (2002).

¹³Kubisch et al. (2002).

stalemate around moving projects forward.¹⁴ Some of this tension is a result of a poorly built theory of change, where there may be disagreements about whether the initiative attempts to *change* communities or to build the capacity of residents and organizations. Other CCIs have had difficulty making the transition between planning and implementation. In attempting to do many things, it is sometimes difficult to do them well, and a diffusion of effort has sometimes hampered progress on all fronts. Related to this challenge of implementation, other CCIs have fallen prey to infighting within communities, with conflict making it impossible for projects to move forward.

Facing these limitations, a major question for both CCIs and community development efforts is whether they can develop sufficient organizational capacity, promote consensus to implement the initiative while adhering to principles of community-building, strengthen connections to external institutions and funding streams, and, in the longer term, help improve and sustain urban neighborhoods.

The New Communities Model

The New Communities Program emerged both to respond to urban challenges and to mount an effort to improve on the place-based interventions that address them. NCP is a \$47 million, 10-year initiative that represents one of the largest commitments of the MacArthur Foundation to the city of Chicago. Its specific genesis was in the efforts of leaders of community development in Chicago, led by LISC/Chicago. In 1997, the Futures Committee — a gathering of civic and neighborhood leaders convened by LISC/Chicago — began to rethink the goals and methods of community development. At the time, there was a sense that neighborhoods needed more than subsidized housing to reconnect to the mainstream and that community organizations needed to be more than developers and landlords.¹⁵

Around the same time, the MacArthur Foundation was interested in forming a stronger framework for guiding its community investments within Chicago. Its board was interested in the foundation's expanding its work to many more neighborhoods, especially those with high rates of poverty. In order to influence citywide change in Chicago, the foundation wanted to "move to scale," investing in more places than it had previously. MacArthur had worked with LISC/Chicago in the past to build the capacity of the community development field, and the foundation sought to partner with it again in the effort to expand. LISC/Chicago engaged thinkers on comprehensive community development initiatives — including the creator of the

¹⁴Brown and Fiester (2007).

¹⁵The discussion of the evolution of NCP draws on Mooney (2004).

Comprehensive Community Revitalization Program (CCRP) in the South Bronx — and developed a pilot initiative modeled after it, known as the New Communities Initiative (NCI).

NCP built on the pilot initiative and greatly expanded it, moving to 16 neighborhoods served by 14 lead agencies.¹⁶ Its model emerged as follows: Each “lead agency” is provided with two full-time staff, technical support for planning and documentation, and an opportunity to participate in learning from peers and subject-area experts. During the planning phase of NCP, a single lead agency mobilizes other local groups to define a “quality-of-life plan.” This plan provides a blueprint for varied projects to be accomplished over the next several years, including social service initiatives, employment and economic development programs, community arts initiatives, and affordable housing development. Also during planning, early-action grants provide planners with evidence of progress.

During the implementation phase of NCP, LISC/Chicago makes loans and passes through modest “seed grants” from the MacArthur Foundation to support these projects. Projects are wide-ranging and include social service and education initiatives, community beautification projects, affordable housing development, and jobs programs. Seed grants are the major vehicle for advancing plans, but because the size of these grants does not always cover the total cost of a project, both the lead agencies and their partners are responsible for securing additional resources in cases where they are warranted. By coordinating multiple seed grants around comprehensive areas of improvements, investments are meant to “leverage” more than the seed grants themselves. Furthermore, by creating an environment in which local groups were able to collaborate well together, NCP designers believed that they might set the stage for other major community programs to emerge in neighborhoods. Designers refer to this as the “platform” function of NCP, in that it serves as the base by which other initiatives may be layered onto it and may perform better than they would otherwise. These features, in addition to the generous and long-term nature of the MacArthur Foundation’s investment in NCP, permit LISC/Chicago to establish a durable program that is also uniquely responsive to varied and changing local conditions.

Like its predecessors in the CCI movement and in the efforts to make CDCs more comprehensive, NCP focused on making varied investments. However, to respond to limitations in both community development and CCI models, the NCP approach, as it emerged, involved several distinctive features or choices. Each of these features is explored in the report.

¹⁶NCP serves 14 planning areas that comprise portions of more than 16 communities, as defined by Chicago Community Areas. For the purposes of clarity and for standardizing planning jurisdictions with quantitative description of neighborhoods, this report refers to the number of neighborhoods served as 14 only.

- To respond to *challenges of local coordination and capacity*, NCP emphasizes the development of an “intermediary approach” to neighborhood improvement. An “intermediary” is an organization that attempts to promote relationships among organizations, builds the capacity of these groups, and steers strategic investments to them.¹⁷ Both planning and implementation occur through a single local intermediary that works extensively to build consensus among other community organizations, to strengthen existing relationships, and to form new ones.
- To respond to *challenges of implementation*, NCP relies on a strategy that delegates tasks among many hands. In contrast with its pilot predecessor, NCI, a feature of NCP as it expanded to 11 additional areas is that it offers much more explicit encouragement to lead agencies that *other* organizations carry out the plan that was collectively created. That is, while programs such as CCRP in the South Bronx and other CDC capacity-building efforts chose to diversify CDC activities, NCP acknowledges that a CDC does not, in itself, need to take on projects that it may not be suited to implement directly. NCP promotes implementation in other ways, as in attempts to promote early-action projects to bridge planning and implementation.
- To avoid *conflict between funders and implementers*, LISC/Chicago is the manager of grants and the direct contact with local organizations, while the MacArthur Foundation is the primary funder. This relationship was not without conflict, sometimes centering on the question of whether NCP alone should be expected to transform neighborhoods — a complicated one for research and evaluation. However, the division of labor between LISC/Chicago and MacArthur held as a strong partnership.

Box 1.1 defines the key terms associated with these distinctive characteristics of NCP, and Box 1.2 presents a statement of LISC/Chicago’s core values associated with the model.

Contrasting Views of the Goals and Expectations of NCP

Although the NCP model learns directly from limitations of CDCs and CCIs, one aspect of NCP’s broader theory of change remains less clear. The initiative targets very large communities, sometimes spanning several square miles, with projects that are often small and concentrated in discrete places within neighborhoods. Furthermore, many of the neighborhoods that engaged in NCP have been economically distressed for decades, and revitalization, even in

¹⁷Keyes, Schwartz, Vidal, and Bratt (1996).

Box 1.1

Key Terms Used in the NCP Evaluation

Comprehensive community initiative (CCI): A program distinguished by a comprehensive approach to community improvement. Some CCIs, like NCP, focus on improving multiple aspects of neighborhood life at the same time. Others take a more comprehensive approach to a single outcome of importance, such as youth development.

Community development corporation (CDC): A not-for-profit organization engaged in activities to promote community well-being. CDCs usually serve a specific geographic location, such as a neighborhood or a town. Although they can be involved in a variety of activities, they are often associated with building and renovating affordable housing for low-income people.

Intermediary: An organization that supports relationships among groups, promotes their capacity, and helps steer investments to them.* NCP relies heavily on intermediaries, with a “managing intermediary” in the form of LISC/Chicago (see below) taking a direct role in day-to-day operations of the initiative and 14 “local,” or “neighborhood,” intermediaries overseeing the program’s local implementation.

Lead agency: One of 14 organizations chosen by LISC/Chicago and the MacArthur Foundation to manage NCP planning. Also referred to as “local intermediaries,” lead agencies are provided with two staff members who first direct a community planning process and then help manage the plan’s implementation. In contrast with other initiatives, NCP took the approach of designating a single lead agency to manage the initiative in each Chicago neighborhood.

Local Initiatives Support Corporation (LISC): LISC is a national community development intermediary founded in 1979 by the Ford Foundation, initially to help promote the capacity of CDCs and support the financing of affordable housing. LISC has over 30 offices in urban areas around the country, and its Chicago office (see above) manages the NCP initiative.

limited geographic areas, often involves slow, gradual improvements. As a result, it may not be the case that NCP is in a position to influence community change patterns in a way that could be observed at the neighborhood level and over the relatively short time period of the evaluation. Indeed, in early interviews about the initiative’s theory of change, lead agencies felt that communitywide change goals were remote or unattainable through NCP and, instead, saw relationship-building and systems-building — or building the NCP platform — as the key outcome of the initiative.

At the same time, the MacArthur Foundation was interested in assessing outcomes of its substantial investments, and it raised community change goals with LISC/Chicago in that

Box 1.2

LISC/Chicago's Statement of NCP Values

Relationships: Between and among the MacArthur Foundation, the Local Initiatives Support Corporation (LISC/Chicago), NCP lead agencies, and local partners and across sectors. LISC/Chicago often describes its role as the “honest broker” as the managing intermediary.

Engagement and organizing: A key lesson reaffirmed through NCP planning and implementation is the value of stakeholder, resident, and leadership engagement.

Lead agency: The lead agency plays a critical role as the local intermediary. Each lead agency receives the resource of two full-time staff members.

Quality-of-life plan: Serves as an engagement process, a covenant, and a blueprint for investment by LISC/Chicago and others.

Early-action grant: A core methodology that puts “money on the streets” during planning to move locals into action and implementation, to show visible results. These grants are distinct from seed grants or other operating support.

Flexible resources: A critical component made possible through the MacArthur Foundation's investment in the NCP methodology that has led to grants following the organic development of projects and needs related to organizational capacity.

Leverage: LISC/Chicago resources include seed grants and loans and related equity investments, which have direct leverage; the program as well has leveraged political and other financial investment.

Partnerships and collaboration: This has evolved from within a community to across communities as seen through the emergence of the NCP platform.

Peer learning: The diversity of groups, plans, and approaches to comprehensive work has been shared with the field and was best exemplified in the 2008 Getting It Done Conference.

Organizational development: NCP intentionally invests grants and other technical resources in lead agencies, staff, and partners.

Telling the local story: An approach to documentation and communications that is a critical innovation to CCIs and community development, in which LISC/Chicago takes a journalistic approach to capturing the stories from its work, uses these to learn in “real time,” and builds the capacity of local partners to do the same.

SOURCE: LISC/Chicago.

vein. These discussions became a point of conflict between LISC/Chicago and MacArthur, with both parties emphasizing somewhat different outcomes of the initiative. In these discussions, LISC/Chicago raised concerns that the MacArthur-funded evaluation would place emphasis on community change outcomes, which it did not see as the short-term outcome of its work but as something that was associated with strong interorganizational relationships. For its part, MacArthur recognized the importance of relationship-building as an important outcome for NCP, but it was equally concerned about accountability and demonstrating progress on community-level outcomes.

This ongoing internal debate about NCP's final outcomes, along with methodological concerns about observing large-scale community-level changes, served as an important backdrop for the evaluation. This interim evaluation is focused on understanding the community-building goals of NCP, and neighborhood trajectories are examined as a way of offering the context in which NCP unfolded. Accordingly, a traditional "impact" assessment is absent from this interim evaluation. It is possible that longer-term data on NCP activities and investments might offer a case for the evaluation to explore whether it is *plausible* that NCP played a role in neighborhoods, either in supporting positive changes or in dampening negative trends. Given the importance to the community development field of being able to speak to questions about effectiveness, the next phase of the NCP evaluation will consider this topic.

Selecting NCP Neighborhoods and Organizations

LISC/Chicago set out a deliberate and multifaceted selection process for NCP.¹⁸ The process started with eight neighborhoods where the MacArthur Foundation or LISC/Chicago had current investments in building community capacity for comprehensive development: Grand Boulevard, Logan Square, North Kenwood-Oakland (collectively known as Quad Communities), North Lawndale, Pilsen, South Chicago, West Haven, and Woodlawn. Next, LISC/Chicago considered 29 communities that had poverty rates above 21.6 percent, the citywide average in 2000. It also considered a variety of attributes about these places — for instance, market opportunities, neighborhood characteristics, and capacities of local CDCs. This group was further narrowed to 10, based on a review of experiences working with neighborhood-based organizations within these communities as well as their market conditions.

Beginning in December 2002, a more formal process ensued for selecting 8 community areas from this pool of 10 as well as the lead agencies within them. In addition to tours of these communities and interviews with nonprofit leaders and city officials, prospective lead agencies

¹⁸Information on NCP selection processes is drawn from the MacArthur Foundation's *Creating Communities of Choice and Connection* (2005) as well as LISC/Chicago internal memorandums (LISC/Chicago, 2002).

were asked to prepare concept papers on their expected accomplishments through NCP participation. Following this review, the final 8 neighborhoods were selected in March 2003: Auburn Gresham, Chicago Lawn, Douglas, East Garfield Park, Englewood, Humboldt Park, Little Village, and Washington Park. Selection considerations included the availability of a neighborhood infrastructure for carrying out the NCP vision and strategic calculations by LISC/Chicago about places where its existing relationships with local groups could be strengthened. The MacArthur Foundation agreed to this final list.

As with the identification of target community areas, LISC/Chicago's selection of lead agencies was also systematic, drawing on the written submissions from prospective lead agencies as well as interviews with organization and community leaders. Prospective lead agencies were assessed in terms of their community development agenda, promising local partners, and ability to mobilize residents, among other considerations. Box 1.3 presents the final list of community areas, and Figure 1.1 is a map showing their locations throughout Chicago.¹⁹

As described above, an important inspiration for the NCP approach was to help community development organizations act around a more comprehensive set of issues than a traditional “bricks and mortar” strategy focused on housing and commercial real estate development. NCP architects, however, did not rely solely on CDCs to play the role of lead agency. As described in Table 1.1, NCP works with a range of organizational types. In some communities, NCP selection turned to organizations that were strong community development corporations. In others, NCP selection worked with organizations that had no previous experience in housing development but sometimes had deep experiences in mobilizing neighborhood stakeholders around improvement efforts. These organizations are referred to as “planning and organizing groups.” In still others, NCP architects determined that there were no existing organizations — CDCs or otherwise — able to act as local intermediaries. In these cases, lead agencies had to be built “from scratch.”

These groups range in size, resources, and historic capacities (Table 1.1). Several are powerful community organizations with deep experiences in organizing and planning. For example, the Logan Square Neighborhood Association, acting in the gentrifying neighborhood of Logan Square, is a well-regarded community organizing group that conducts annual planning exercises among its members. The Greater Southwest Development Corporation and its sister organization, the Southwest Organizing Project, have been working together for decades to build power with residents around varied projects, including development activities.

¹⁹The box and figure are adapted from LISC/Chicago (2005).

Box 1.3

The NCP Neighborhoods: An Introduction

Auburn-Gresham: Though buffeted by “white flight,” real estate redlining, and gang activities, this mostly African-American community has a strong housing stock and more home owners than renters. Planners are looking for residential investments and retail growth.

Chicago Lawn: Despite growing poverty and a changing racial/ethnic dynamic in this neighborhood, planners hope to build on such pluses as Midway Airport and affordable bungalows.

East Garfield Park: Hit hard by the riots of 1968, this community has seen a decline in population and has about 1,750 vacant lots. But powered by the rising visibility of the Garfield Park Conservatory, Chicago Transportation Authority (CTA) improvements, and interest in historic graystones, planners hope to spur a turnaround.

Englewood: This area has struggled for decades to reverse a declining population and job base. Residents will focus on job creation, promoting healthy lifestyles, and finding uses for 3,500 vacant lots.

Humboldt Park: The community is responding to encroaching gentrification by staking a claim for longtime residents. Strategies include developing affordable housing and improving education and health care.

Little Village: *La Villita* is considered the capital of the Mexican Midwest. With half the residents under age 25, challenges revolve around investing in youth. Planners want to focus on better schools, violence prevention, and improved health and social services.

Logan Square: Gentrification is issue Number 1 in this neighborhood of sturdy homes and boulevards. Strategies revolve around preserving diversity and affordable housing, expanding community school programs, and revitalizing Armitage Avenue.

North Lawndale: After decades of job loss and population decline, North Lawndale has seen a resurgence with a new shopping center, improvements on Ogden Avenue, and 1,200 housing units planned or under construction. But the challenges of poverty and high unemployment top the list for planners.

Pilsen: This heavily Mexican-American community started in a pilot program (NCI) in 1998. It already has developed affordable housing, set up a \$300,000 revolving loan fund for minority contractors, and worked with local schools. Efforts in those areas are ongoing.

Quad Communities: These four communities (Douglas, Grand Boulevard, North Kenwood, and Oakland) are undergoing a transformation. Mixed-income developments are replacing Chicago Housing Authority (CHA) projects; schools are being overhauled; and developers are snapping up homes. Strategies revolve around managing those changes and enhancing retail opportunities and activities for children.

(continued)

Box 1.3 (continued)

South Chicago: This community, hurt by the loss of steel makers, started in a pilot program (NCI) in 1998. It already has set up a home owners and tenants association and has helped start an after-school program.

Washington Park: Planners are focused on creating an employment center, supporting a market for mixed-income housing, and setting up a welcoming program for new residents.

West Haven: This community started in a pilot program (NCI) in 2000. It is undergoing a rapid influx of housing and retail development. Residents have helped shepherd that development, improved a park, and set up a support program for CHA residents.

Woodlawn: The population has stabilized, and new construction is starting to fill in 1,700 vacant lots. Planners are focused on housing for a mix of incomes, improving schools, beautification of 63rd Street, and retail projects.

SOURCE: LISC/Chicago (2005).

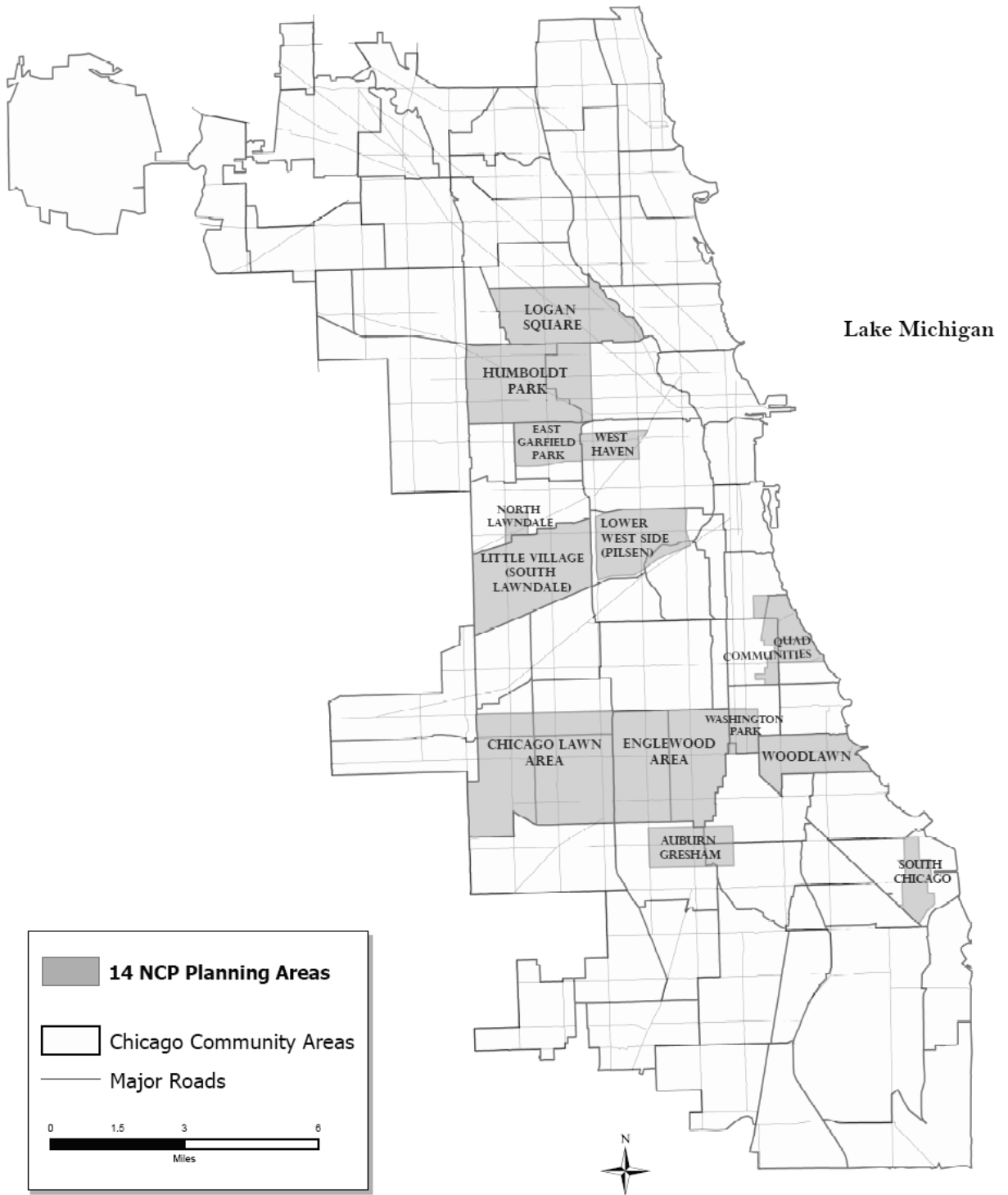
Other groups are well respected but have less experience in acting as a community intermediary. For example, the Lawndale Christian Development Corporation (LCDC) is a large affordable-housing developer and health care provider in North Lawndale, an African-American community on the city's West Side. Staff described LCDC's involvement with NCP as sometimes helping the agency reach out to some local stakeholders for the first time, while balancing this consultation with the organization's traditional role in the community. Similarly, the Garfield Park Conservatory Alliance (GPCA), also in an African-American neighborhood on the West Side, is a horticulture organization whose collection is internationally recognized. Although GPCA has had several community programs, it had little experience as a community convener in the mode envisioned by NCP.

NCP also works with several smaller organizations whose activities were significantly enhanced by resources associated with NCP. For example, the Greater Auburn Gresham Development Corporation was founded in 2001 with only a single staff member. NCP added staffing and also program resources to many of its activities. Two small organizations were newly formed explicitly as intermediaries for NCP: Teamwork Englewood and Quad Communities Development Corporation.

The New Communities Program

Figure 1.1

NCP Neighborhoods and the City of Chicago



SOURCE: Created by Metro Chicago Information Center (MCIC) using Geographic Information System technology.

The New Communities Program

Table 1.1

NCP Lead Agencies

Neighborhood	Lead Agency	Characteristics of Organization			In-Depth Research Site
		Type	Staff Size ^a	Year Founded	
Auburn Gresham	Greater Auburn Gresham Development Corporation	CDC	7 full-time; 3 part-time	2001	
Chicago Lawn	Greater Southwest Development Corporation	CDC/planning and organizing	29 full-time	1974	
East Garfield Park	Garfield Park Conservatory Alliance	Planning and organizing	18 full-time; 5 part-time	1995	
Englewood	Teamwork Englewood	Planning and organizing	5 full-time; 2 part-time; 2 contract	1999 ^b , 2003	√
Humboldt Park	Bickerdike Redevelopment Corporation	CDC	65 full-time; 3 part-time (does not include Humboldt Construction Company staff)	1967	√
Little Village (South Lawndale)	Little Village Community Development Corporation	Planning and organizing	25 full-time (10 of which are community school staff)	1990	√
Logan Square	Logan Square Neighborhood Association	Planning and organizing	28 full-time; 5 part-time	1962	
North Lawndale	Lawndale Christian Development Corporation	CDC	13 full-time plus 4 full-time Lawndale Christian Residential Services staff	1987	

(continued)

Table 1.1 (continued)

Neighborhood	Lead Agency	Characteristics of Organization			In-Depth Research Site
		Type	Staff Size ^a	Year Founded	
Pilsen	The Resurrection Project	CDC	27 full-time; 1 part-time	1990	
Quad Communities	Quad Communities Development Corporation	Planning and organizing	4 full-time	2003	√
South Chicago	Claretian Associates ^c	CDC	8 full-time	1990	
Washington Park	Washington Park, NCP ^d	Planning and organizing	0	2007	
West Haven	Near West Side CDC	CDC	22 full-time (5 at NWSCDC and 17 with Home Visitors Program)	1988	√
Woodlawn	NCP Woodlawn	CDC	3 full-time (for NCP Woodlawn)	1987 ^e , 2007	√

SOURCES: 2008 lead-agency portfolio updates, MDRC interviews, and quality-of-life plan documents.

NOTES: ^aStaff sizes are for 2008.

^bIn 1999, formed as Pullman Bank Initiatives; name was changed to Teamwork Englewood in 2003 to foster community trust and cohesion.

^cIn July 2007, Claretian Associates assumed the role of lead agency. South Chicago Development Commission was the lead agency at the launch of NCP.

^dSt. Edmund's Redevelopment Corporation was the initial lead agency. In 2007, a new nonprofit organization, Washington Park Consortium, was developed to oversee the execution of the plan.

^eLeadership in 1987 was through Woodlawn Preservation and Investment Corporation and The Woodlawn Organization. In 2007, a formal steering committee representing WPIC, TWO, and the University of Chicago was established under the leadership of long-time and well-respected community leader Bishop Arthur Brazier.

Overview of the Evaluation

The MacArthur Foundation engaged MDRC in early 2006 to evaluate NCP.²⁰ This interim report utilizes a comprehensive and integrated approach to understanding community change, bringing together qualitative and quantitative analyses. These methods are broadly described in Table 1.2. Research also emphasizes the role of local contexts. As NCP is a neighborhood-based initiative directed toward specific community problems and drawing on distinct community strengths, the evaluation team comes to the evaluation assuming that context matters. Given the range of neighborhoods in which programs like NCP roll out, the research both addresses patterns of community change throughout different types of Chicago neighborhoods and seeks to understand how groups meet challenges and opportunities within specific neighborhood contexts. The report also addresses how organizational context matters for NCP, in order to understand how different agencies charged with leading NCP may carry out the initiative differently.

Figure 1.2 describes the relationship of research to major milestones within the NCP project and also notes that the research started after the planning period.

This research is not an “impact” evaluation, whereby conclusions may be drawn about the relationship between an initiative and broader community change outcomes. Rather than a single intervention, NCP represents a wide range of complementary processes and investments. Both because of this wide range of strategies and because many powerful influences are always at work within communities, the research is limited in the extent to which it can speak conclusively to the role of NCP in any observed community-level changes. At the same time, due to the number of communities and organizations involved in NCP within Chicago, the research has a much greater opportunity than most evaluations of community initiatives to compare and contrast community change efforts as they play out across different types of neighborhoods and organizations.

To accomplish this task, the evaluation combines extensive qualitative and quantitative research methods. The combination of field observations and interviews with lead-agency documentation provides a comprehensive and rich analysis of NCP strategies and program outcomes. This variety of data allows the evaluation to examine questions at multiple levels and to offer comparative analyses:

- **Across all of Chicago**, data collection on key community indicators puts NCP neighborhood conditions into broader context.

²⁰The research team includes partners at Chapin Hall at the University of Chicago, Metro Chicago Information Center (MCIC), and Wayne State University.

The New Communities Program

Table 1.2

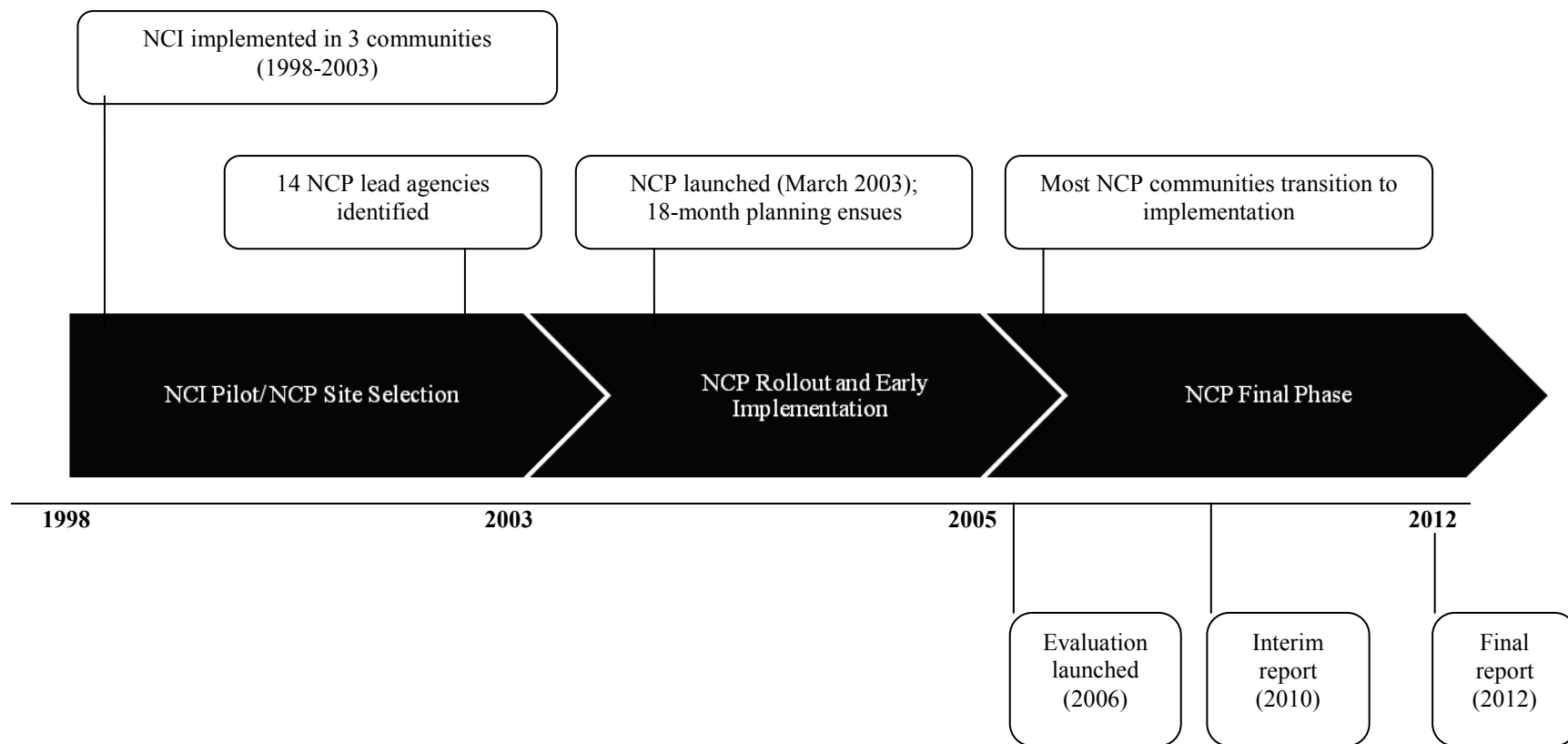
Data Used for the Interim Report of the NCP Evaluation

Data Type	Data Source	Sample	Time Period and Coverage
Program implementation	Interviews and observational research conducted by MDRC and Chapin Hall staff	Over 100 interviews and observations conducted with LISC/Chicago and lead-agency staff and partners in all 14 NCP neighborhoods; collected from observers at different distances from the initiative, with transcribed interviews and coded field notes	Multiple site visits between June 2006 and July 2008
NCP projects and investments	Lead-agency annual progress reports submitted to LISC/Chicago	All 14 lead agencies	2003 to 2008
Organizational networks	Interviews conducted by MDRC and Chapin Hall staff	6 in-depth research sites: Englewood, Humboldt Park, Little Village, Quad Communities, West Haven, and Woodlawn	Multiple site visits between June 2006 and July 2008
Aggregate community indicators	Social and economic indicators from administrative agency records, compiled by the Metropolitan Chicago Information Center (MCIC)	NCP planning areas and non-NCP neighborhoods	1990 through 2007

The New Communities Program

Figure 1.2

NCP and Evaluation Timeline



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SOURCES: MDRC interviews and NCP program documentation.

- **Across all NCP neighborhoods**, the report documents NCP implementation, projects completed through NCP, key capacity-building outcomes, and neighborhood conditions.
- **Within a subset of six NCP neighborhoods**, the evaluation conducts in-depth studies, interviewing multiple staff, implementation partners, and external stakeholders to assess in detail groups' planning and implementation strategies and to understand the role of context in NCP processes.

In undertaking this broad range of analyses, the evaluation recognizes that NCP does not operate in a vacuum. The early years of NCP took place during a period of considerable economic growth, coupled with promising housing market conditions within Chicago neighborhoods and across the nation. Concerns about excessive growth and gentrification dominated many neighborhoods' initial plans and projects, but, at the time of this writing, lead agencies and their partners are being challenged to think about strategies to help families and communities deal with the effects of the current economic crisis. With the state of the national financial markets and the broader economic downturn, unemployment is rising, foreclosures are growing, and increasingly difficult economic circumstances are being forecast for the next several years.²¹

Beyond the impacts of the broader macro forces, the Chicago Housing Authority's (CHA) Plan for Transformation is another important backdrop for several NCP communities. Considered one of the most dramatic social policy changes in Chicago in decades, the CHA's plan represents the largest reconstruction of public housing in the nation's history. Approved by the U.S. Department of Housing and Urban Development in 2000, the plan seeks to reform administration, renew the physical structure of CHA properties, and promote self-sufficiency among public housing residents. By the time it is fully implemented, thousands of units of high-rise public housing will be replaced with a combination of scattered site housing and mixed-income developments and vouchers. West Haven, in the Near West Side community area, and Quad Communities are two NCP neighborhoods targeted by the plan for large-scale demolition and redevelopment. The Plan for Transformation has generated considerable controversy, particularly with regard to its focus on creating mixed-income communities, which critics charge will effectively displace lower-income residents in favor of more affluent ones.²²

Putting these macro forces in perspective, long-term trends (close to 20 years) allow the evaluation to examine key indicators of economic context, such as residential and commercial lending and foreclosures, well before this recent economic "shock." While this report focuses

²¹Guichard and Turner (2008).

²²Smith (2006).

on the early implementation of NCP, future evaluation activities will explore the relationships between the changing contexts and how NCP responds to changing threats and opportunities.

This approach to learning from NCP is important, as the NCP model has been widely considered in community development and CCI circles. In March 2008, LISC/Chicago reported over 900 attendees from around the country at a conference entitled “Getting It Done,” including public and elected officials, foundation representatives, and community organizations interested in putting NCP principles and strategies into practice. In a potentially significant move for community development practice, LISC’s national office launched the Sustainable Communities program to encourage CDCs around the country to pursue a comprehensive vision for local improvement. Also in 2008, philanthropist Joseph Zilber announced a \$50 million donation to found a program in 10 Milwaukee neighborhoods, using a model based on NCP.²³

CCIs and neighborhood-based work are also part of the Obama Administration’s emerging urban and regional policy agenda. Although at the time of publication these have yet to be fully developed, *Promise Neighborhoods* is a CCI strategy aimed at improving outcomes for children in poor neighborhoods. The *Choice Neighborhoods* program is a revitalization program through the U.S. Department of Housing and Urban Development (HUD) that targets distressed neighborhoods for coordinated improvements, and the *Sustainable Communities Initiative* (distinct from LISC’s national program) is a joint initiative between HUD and the U.S. Department of Transportation that encourages planning around transportation and housing. Design and early implementation strategies of all these varied programs may be informed by this interim research.

The Structure of the Report

Chapter 2 describes the neighborhoods and the varied contexts in which NCP operates. Drawing on aggregate indicators of neighborhood quality, it profiles the 14 NCP neighborhood areas and looks at how these communities have been changing from before the start of NCP through the early rollout period. The chapter also draws on a neighborhood grouping strategy to offer a comparative framework for examining the challenges facing the organizations selected to operate NCP, the plans they implement, and the strategies they adopt.

Chapter 3 turns to the broad strategies that distinguish NCP: the use of intermediaries. It describes strategies and roles held by both LISC/Chicago and the 14 lead agencies and how they met challenges associated with supporting the initiative while also promoting accountability among its many partners.

²³Borsuk (2008).

Chapter 4 explores lead agencies' accomplishments in forming stronger neighborhood networks and the import of those partnerships for implementing projects of significance to NCP. Readers interested in community capacity-building outcomes should focus on this chapter.

Chapter 5 describes the projects and strategic investments in neighborhoods, what these investments catalyzed in terms of additional resources, and the variation across the participating organizations. Readers interested in “what got done” in NCP to date — documenting its accomplishments and challenges in undertaking projects — should focus on this chapter.

Chapter 6 steps back from the description of network and project outcomes to understand what elements of strategies and context distinguished more successful efforts at NCP implementation. Readers particularly interested in practice issues within CCIs and comprehensive development efforts should focus on this chapter.

Chapter 7 concludes the report with a review of the broad lessons that NCP holds for community initiatives, describes some more recent trajectories of NCP communities, and lays foundations for topics to be explored in the next phase of the evaluation.

Chapter 2

Understanding NCP Neighborhoods

As is outlined in Chapter 1, the New Communities Program (NCP) takes a comprehensive approach to challenges facing urban communities. Rather than focusing on a single aspect of neighborhood challenges — such as high crime rates, limited affordable and quality housing opportunities, or joblessness — NCP designers saw the greatest likelihood for success being achieved through simultaneous strategies addressing the social, economic, and physical conditions of a neighborhood.

This chapter assesses conditions related to these neighborhood challenges (and, in some cases, opportunities) as the initiative started and as projects began to develop to address them. It does so by examining a series of quality-of-life indicators for the NCP neighborhoods in the early years of the initiative — the years 2003 to 2005, also referred to as the “rollout phase.” In so doing, it demonstrates a unique feature of NCP among other comprehensive community initiatives (CCIs): Whereas CCIs have typically been located in poor, urban communities where physical and economic declines exist amid social isolation and limited political influence, NCP includes a broader range of neighborhoods. As this chapter shows, NCP focuses on distressed neighborhoods as well as neighborhoods where quality-of-life improvements themselves may be threatening lower- and moderate-income households with displacement and, thus, limiting their access to the very benefits of revitalization.

Given this broad set of NCP communities, the chapter draws on a neighborhood grouping strategy to support examination of the challenges and opportunities facing the NCP lead agencies, the plans they implement, and the strategies they adopt — the foci of Chapters 3 through 6. Chapter 7 revisits the quality-of-life trends and these neighborhood groupings and further builds the evaluation’s strategy for examining change in the NCP communities going forward.

Key Points

- As a whole, NCP neighborhoods were facing many challenges related to community safety, housing market activity, and commercial vitalities as the initiative was getting under way. However, conditions ranged dramatically within NCP. Some patterns were troubling, and others suggested stability and relative prosperity.

- The early rollout period of NCP was one in which quality-of-life trends were generally improving.
- Statistical analysis of economic and demographic conditions at the start of NCP (2000-2005) creates five distinct groups of Chicago neighborhoods, with the majority of NCP neighborhoods falling into two of these groups.

Quality-of-Life Indicators and Early Conditions in NCP Neighborhoods

The brief introduction to the NCP neighborhoods in Chapter 1 demonstrates that their locations span a relatively wide area in Chicago and that they also vary in their histories, assets, and challenges (see Box 1.3 and Figure 1.1). NCP identifies and supports strategies to improve and sustain these neighborhoods, and a central component of the NCP evaluation is the systematic examination of quality-of-life indicators, over time, in the neighborhoods that NCP is striving to improve.

Community conditions can be captured through a variety of quantifiable neighborhood indicators — property values, crime rates, residential and commercial investments, neighborhood amenities, and so on.¹ In choosing which ones to present, NCP research considered a number of factors. First, it chose indicators that were shared by NCP’s community change goals across the 14 NCP communities. Second, inasmuch as not all data are available for the longer term or exist at the neighborhood level, NCP research prioritized indicators that supported historical investigation. In addition to the data’s long-term availability, measurement with sufficient frequency, geographic specificity, and sensitivity were prioritized. Finally, this measurement strategy is sensitive to the dynamic nature of communities, that is, to the flows of people and resources shaping them.²

¹Many aspects of neighborhood conditions are not readily quantifiable, such as social capital, social participation and trust, and community resilience. While recent scholarship has prioritized the development of qualitative measures of communities, the indicators often require intensive data collection and, as a result, are not immediately amenable to cross-site, longitudinal investigation. However, NCP does pose the opportunity to qualitatively explore such aspects of change, including the interorganizational relationships and collective capacity that are part of the NCP model. Chapter 3 discusses the qualitative investigation and methods for measuring these important aspects of the NCP neighborhoods and the changes that they experience.

²Urban neighborhoods are defined by their geographic boundaries. At the same time, multiple boundary definitions can exist for a single “neighborhood,” depending on context: the individual resident, administrative agency, or social service catchment area. The City of Chicago uses Chicago Planning Area boundaries to define 77 neighborhoods. By contrast, this report refers to the 14 NCP quality-of-life planning areas that the 14 lead agencies and their partners defined. These cover 16 or more Chicago neighborhoods, depending on how they are defined. Appendix A provides further details on the geographic boundaries for the NCP Planning Areas.

The final set of neighborhood-quality measures is grouped into three domains:³

1. Community safety: violent crime, property crime
2. Housing market activity: home sales, home purchase loan amounts, completed foreclosures
3. Commercial vitality: small business loan amounts

Although these domains are important in themselves, both the NCP model and this report consider them to be interrelated.

Community Safety

Community safety is an issue of extraordinary importance, both for the direct manifestation of crime and for its indirect consequences. Whether people feel safe in their community comprises one essential feature of healthy and thriving neighborhoods and is related to other efforts at neighborhood improvement. Residents who feel unsafe in their neighborhood are sometimes less likely to come together to solve problems.⁴ Residents who have the means to move out of areas that they consider unsafe may do so, as may local businesses. Potential investors also consider safety in making decisions. As one respondent suggested from Englewood — a neighborhood where both the reality and the perception of safety are important — the “visible elimination of hang-out,” where potential investors feel comfortable driving through in the evening, is an important part of the overall economic development strategy.⁵

Similarly, interviews in Little Village indicate how concerns for safety can shape individuals’ decisions about whether to stay in the neighborhood: “So when you hear people say, ‘Oh, you work in Little Village — that is dangerous!’ [If an outsider says it,] I am fine, [but] if someone lives here and says that, then you got trouble. It is like, ‘Oh, I want to get out of here because it is just too dangerous.’” This analysis, therefore, conceives of crime rates as an important component of the social and economic contexts in which NCP operates, both in themselves and for the ways that perceptions of crime create other social dynamics.

NCP planning took these issues seriously, and every plan had some component addressing public safety. Many people associated violence and public safety issues with the

³Information on data sources and data assembly is provided in Appendix A.

⁴Sampson, Raudenbush, and Earls (1997).

⁵As described in Appendix A, qualitative data are drawn primarily from transcribed interviews, which have been coded and analyzed according to predefined themes. To illustrate these themes, representative quotations are presented from staff, implementation partners, or stakeholders external to NCP. Interviews were conducted with the expectation that individuals would not be identifiable.

consequences of the drug trade. NCP plans proposed outreach to gang members, and encouraging peace between gangs through recreational activities; the organizing of block associations and other organizations to promote neighborhood watches; efforts to partner with police; and job training programs for formerly incarcerated individuals. The comprehensive approach embodied in NCP allowed some projects to serve multiple purposes, with efforts in youth development and the arts providing opportunities for teens to stay off the streets.

Table 2.1 traces the rates of violent crime and property crime for the 14 NCP neighborhoods, enabling a visual scan of how the rates for the neighborhoods compare with one another. The three-year averaged annual crime rates from 2003 to 2005 permit assessment of levels during planning and early implementation, while the rates from 2000 to 2002 provide historic context and are discussed further below.

Although plans to improve and support NCP neighborhoods all had public safety components, the level of safety in NCP neighborhoods, as measured by crime rates, ranged quite widely during the NCP rollout phase. In Table 2.1, violent crime rates spanned a low of about 84 reported incidents per 10,000 residents (Little Village) to well above 400 (in East Garfield Park and Washington Park) — a difference of more than 400 percent. The range in property crime rates across the NCP neighborhoods is nearly as wide, with West Haven approaching 1,000 incidents as Little Village experienced only about 250 (per 10,000 residents).⁶ Overall, a considerable proportion of the NCP neighborhoods fall at the higher end of these ranges.

The rates during the first years of the decade provide some useful context for assessing the size of these numbers. They also largely show a pattern of continued decline that began in the 1990s. During this widespread decline, virtually every neighborhood in the city benefited as crime dropped to unprecedented lows.⁷

Therefore, while the NCP neighborhoods were experiencing different levels of crime in their communities, most were experiencing improvements in safety, as indicated by negative average annual changes in Table 2.1.⁸ Only North Lawndale experienced increased property and violent crime during the rollout period. The rate of improvement in community safety is quite striking in the NCP neighborhoods of West Haven and Logan Square, where average annual declines (in both violent and property crimes) during the rollout phase were above 10

⁶Particular care must be taken when comparing property crime rates across neighborhoods, as the likelihood of reporting property victimization may be particularly sensitive to area- and individual-level characteristics with respect to income, in particular. Higher-income areas are more likely to report crimes that are generally considered of less consequence in lower-income areas. See Immergluck and Smith (2006).

⁷See Skogan (2006).

⁸While examining crime rates at one point in time can reveal a great deal of information, examining rates over time can provide a more complete picture of public safety. Appendix Tables B.1 and B.2 present trends in violent and property crime for each NCP neighborhood from 1991 to 2007.

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Table 2.1

Quality-of-Life Indicators, by NCP Neighborhood: Safety

NCP Neighborhood	Property Crime ^a			Violent Crime ^a		
	3-Year Average		Average Annual Percentage Change (2003-05) ^b	3-Year Average		Average Annual Percentage Change (2003-05) ^b
	Historical Context (2000-02)	Starting Context (2003-05)		Historical Context (2000-02)	Starting Context (2003-05)	
Auburn Gresham	876	791	-4.1	321	331	-2.3
Chicago Lawn	499	454	-3.9	131	138	6.8
East Garfield Park	791	855	3.2	488	464	-3.3
Englewood	689	706	0.7	421	395	-1.9
Humboldt Park	527	487	-12.2	240	198	-5.1
Little Village	286	249	-3.9	119	84	-4.6
Logan Square	580	490	-13.3	144	95	-13.2
North Lawndale	441	527	4.1	261	206	0.4
Pilsen	367	331	-10.1	127	91	-8.5
Quad Communities	640	570	-0.4	304	241	3.7
South Chicago	424	519	-0.1	228	223	1.3
Washington Park	754	681	-3.2	520	434	-1.9
West Haven	940	956	-21.4	496	380	-11.2
Woodlawn	685	637	-0.6	361	330	4.4

SOURCE: MDRC analysis of data assembled by Metro Chicago Information Center (MCIC). See Appendix A for specific details on data sources.

NOTES: Home purchase loan amounts have been normalized to 2005 dollars.

^aReports per 10,000 residents.

^bIn order to minimize the threat of annual fluctuations in quality-of-life data, the average annual percentage change is estimated using a regression procedure that takes into account a series of annual data over the three-year period 2003-2005. See Appendix A for details on data sources and methodology.

percent. While both of these neighborhoods were welcoming increasing safety at this time, it is interesting to note that West Haven's declines came amid some of the highest crime *levels* in the NCP neighborhoods, while Logan Square's crime levels were among the lowest.

In summary, while there was a wide range in the levels of crime across the NCP neighborhoods, a large portion of the neighborhoods were burdened with high crime rates. Nevertheless, there was a shared and continued trend toward increasing safety during the rollout phase. The overall pace of change was more gradual than had been seen during the 1990s, however, and NCP neighborhoods also varied in their rates of change, with some outpacing others.

Housing Market Activity

Housing market activity is another quality-of-life indicator that is important in itself and that also reinforces other aspects of a neighborhood's quality of life. Housing values capture the desirability of a neighborhood, including its housing stock, safety, schools, and amenities available to residents. However, rising housing market values cannot be interpreted unambiguously, especially given investment patterns during the early part of the decade, which many commentators now see to be part of a housing bubble. Rising housing values can create affordability problems for a neighborhood's lower-income residents and can include an influx of new, higher-income residents whose interests and priorities are distinct from those of existing residents. Related to higher home values and affordability problems is the issue of foreclosures, an issue that had started to become more serious during NCP rollout but had not yet accelerated.

Although NCP aimed to broaden local development activity beyond the housing domain, neighborhoods all planned to address housing issues in some way. These responses varied, based on local actors' responses to neighborhood conditions. These responses included not only bricks-and-mortar development but also efforts to preserve HUD-subsidized affordable housing projects, to organize with tenants, and to promote inclusionary zoning, or housing set-asides. Some proposed projects were quite large, such as a mixed-income development supported by the Local Initiatives Support Corporation of Chicago (LISC/Chicago) in the Woodlawn neighborhood. Others were smaller, including grants to home owners to help renovate.

This section turns to the three indicators of housing market activity — home sales, home purchase loan amounts, and completed foreclosures — to assess this important dimension of neighborhood change.

Table 2.2 presents the NCP neighborhoods' three-year averages for a series of housing market measures: annual sales, loan amounts, and foreclosure rates. It presents measures for the period of NCP rollout (2003-2005) as well as the average annual changes, reflecting the size and direction of housing market trends during this period. Measures for the years leading up to NCP (2000-2002) provide some historic context. This table also presents the percentage of the occupied housing units that were rentals in each neighborhood in 2000, thereby acknowledging that NCP neighborhoods were not primarily occupied by home owners.

On the whole, the NCP neighborhoods were largely home to renters during the rollout of NCP. In all but one of the neighborhoods, more than 55 percent of the occupied housing units in 2000 were rental properties; and rental units represented more than three-quarters of the housing units in 5 of the 14 NCP communities. This is somewhat lower than the Chicago average, which itself is in the middle range of home ownership for large U.S. cities.

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Table 2.2

Quality-of-Life Indicators, by NCP Neighborhood: Housing Market Activity

NCP Neighborhood	Percentage Rental Units ^d	Home Sales ^a			Home Purchase Loan Amounts ^b			Completed Foreclosures ^c		
		3-Year Average		Average Annual Percentage Change	3-Year Average		Average Annual Percentage Change	3-Year Average		Average Annual Percentage Change
		Historical Context (2000-02)	Starting Context (2003-05)	(2003-05) ^e	Historical Context (2000-02)	Starting Context (2003-05)	(2003-05) ^e	Historical Context (2000-02)	Starting Context (2003-05)	(2003-05) ^e
Auburn Gresham	60.1	23	40	32.7	4,141	9,003	30.3	22	28	-43.1
Chicago Lawn	36.0	64	79	13.4	8,846	15,419	18.5	11	12	-30.2
East Garfield Park	73.6	48	79	39.7	10,774	27,828	35.6	46	36	-62.7
Englewood	57.7	41	81	47.5	3,467	10,735	51.5	56	54	-28.6
Humboldt Park	67.2	39	71	37.2	12,670	28,714	29.8	20	21	-52.9
Little Village	64.0	25	32	9.4	6,368	10,508	22.4	6	6	-55.7
Logan Square	69.3	70	100	21.5	25,409	37,636	20.3	4	3	-65.0
North Lawndale	70.0	21	40	32.7	7,252	14,870	20.2	46	36	-46.0
Pilsen	74.7	20	28	23.1	6,255	9,688	21.1	3	5	-48.5
Quad Communities	86.0	85	157	38.0	30,521	60,286	27.9	28	28	-58.6
South Chicago	72.2	29	36	24.3	3,666	6,737	38.5	27	26	-26.4
Washington Park	90.3	54	223	68.5	14,600	40,742	78.0	79	54	-39.6
West Haven	88.5	77	204	37.6	24,175	67,787	1.6	15	12	-67.9
Woodlawn	81.8	41	133	55.5	12,438	33,635	17.5	40	34	-16.1

SOURCE: MDRC analysis of data assembled by Metro Chicago Information Center (MCIC). See Appendix A for specific details on data sources.

NOTES: Home purchase loan amounts have been normalized to 2005 dollars.

^aPer 1,000 dwelling units.

^bPer 1,000 owner-occupied dwelling units, in thousands.

^cPer 1,000 owner-occupied dwelling units.

^dFrom the 2000 Census.

^eIn order to minimize the threat of annual fluctuations in quality-of-life data, the average annual percentage change is estimated using a regression procedure that takes into account a series of annual data over the three-year period 2003-2005. See Appendix A for details on data sources and methodology.

Mortgage lending data suggest that housing investment was growing across all the NCP neighborhoods as the initiative was rolling out. As noted above, these trends were not necessarily a sign of unambiguous improvement, because of the affordability problems associated with them and the ways that some of this investment may have been unsustainable, associated with the subprime market, or associated with eventual foreclosures or other problems. Both the volume of home sales and home purchase loan amounts were climbing from 2003 to 2005 (as indicated by the positive, average annual changes presented in Table 2.2). However, considerable variety existed in the levels of investment and the pace of housing market growth.

At one extreme are the NCP neighborhoods that had relatively low ownership rates and large renter proportions but were experiencing sizable levels of recent housing investment. The neighborhoods of Quad Communities, Washington Park, West Haven, and Woodlawn all had renter rates above 80 percent in 2000. Nevertheless, within their limited owner-occupied housing markets, investment was quite strong and was the greatest among NCP neighborhoods. All four neighborhoods had relatively large volumes of home sales: More than 1 in every 10 occupied housing units were sold annually (on average) during this period. Loan amounts were also quite high in these neighborhoods at this time — and the greatest among the NCP neighborhoods. For the three-year period of NCP rollout, the average loan amount (per 1,000 units) in Quad Communities and West Haven was more than \$60,000.

This pattern of lending activity suggests that home buyers were making investments in these neighborhoods and were likely to receive the benefits of home ownership — certainly positive indicators of neighborhood well-being. However, to the extent that this growth reflects increases in high-cost or otherwise risky lending, it could result in home owners' facing foreclosures down the road. Meanwhile, while high loan amounts mean gains for the neighborhood residents selling their homes, high-cost sales may reflect the arrival of residents who are quite different from the existing community and perhaps may make home ownership or renting unaffordable to many. Such waves of new investment — qualitative data suggest — were cause for concern in some neighborhoods. In West Haven (also referred to as the “Near West Side”), both investment and demographic inflows were seen to cause tensions within the community:

There's tension because . . . since 2002, we've had a lot of new residential groups, new folks who are coming into the neighborhood, and they view the neighborhood differently than Near West does. . . . Near West has become in some sense a protector and defender of rights for long-term residents.

Such burgeoning housing investment was not the norm across all 14 NCP neighborhoods, however. The volume of home sales was relatively low in a number of the neighborhoods as the initiative was getting under way. Five neighborhoods (Auburn Gresham, Little Village, North Lawndale, Pilsen, and South Chicago) had sales volumes well below one-half of that observed in the neighborhoods described above. All five neighborhoods also had

relatively low total home loan amounts during this period — at or below \$100,000 per 1,000 owner-occupied dwelling units. In all these neighborhoods, as in the four discussed above, relatively small portions (less than 45 percent) of the housing stock were owner-occupied dwelling units in 2000.

As suggested above, home foreclosures capture another important facet of neighborhood housing markets and well-being. The extraordinary extent of current foreclosure activity in many NCP neighborhoods brings to mind the importance of this measure.⁹ Therefore, Table 2.2 also presents foreclosure rates in the NCP neighborhoods during the rollout phase (2003-2005). Rates were calculated as the total number of completed residential foreclosures (including single-family homes, condominiums/townhouses, and apartment buildings) in the neighborhood divided by the total number of residential dwelling units in the community.¹⁰ Annual rates were calculated, and Table 2.2 presents three-year averages for the period 2003-2005 and the years leading up to NCP (2000-2002). Rather than examining foreclosure counts, a foreclosure rate enables direct comparison of patterns across the NCP neighborhoods that include both large and small areas.

As NCP was getting under way, there was little evidence that foreclosures were increasing in the NCP neighborhoods — as indicated by the consistent annual declines in foreclosure rates in Table 2.2.¹¹ These data suggest a rosy picture overall, but the table also demonstrates that the range represented by the NCP neighborhoods is quite wide — from an average of 3 foreclosures per 1,000 units to a high of 54. Of the NCP neighborhoods, Englewood and Washington Park were being hit especially hard with foreclosures during this time, as both had three-year averages of 54 per 1,000 units. Both neighborhoods had also been experiencing the highest total lending amounts among the NCP neighborhoods. The West Haven neighborhood had a far lower average foreclosure rate (12 per 1,000 housing units), despite the fact that it, too, was experiencing considerable housing investment as NCP was getting under way. The combination of investment and foreclosure activity may signal problems to come in later years.

⁹Woodstock Institute (2008).

¹⁰Care must be taken when digesting foreclosure data, given the variation in measures and trends that may result from different sources. For example, differences in property types included (building size) and lenders included can change counts. The treatment of data as to the exclusion of multiple foreclosure filings per property can also dramatically alter counts. At the same time, the construction of foreclosure *rates* can also result in qualitative differences in trends — inasmuch as foreclosures among total residential mortgages, occupied dwellings, and total dwellings will differ, as examples. See Appendix A for a full discussion of the data and measures used in this report.

¹¹Considering the foreclosure trends in the years leading up to NCP, 2003 generally appears to represent a peak in foreclosure rates for the NCP neighborhoods. While declining rates are evident, Appendix Table B.5 presents foreclosure trends over a larger span of years prior to NCP (beginning in 1998), which more clearly demonstrate this peak.

Since these early years of NCP, the nation's housing and credit markets have plummeted. Chapter 7 explores foreclosures in the more recent two-year period 2006-2007, and longer-term follow-up data will be obtained for the remainder of the evaluation to monitor this growing challenge and the softening of the housing market in the NCP neighborhoods.

Based on this review, the rising national tide in the last housing cycle brought some increased residential capital flows to all the NCP housing markets — although to varying degrees. However, such dramatic changes, particularly for neighborhoods with lower rates of investment historically, may present risks around affordability and unwanted gentrification. Given this complex story during the early years of NCP, it is important to continue to consider both residential sales and foreclosure activity over time to appreciate the role of starting context in the NCP communities, particularly as they weather the mounting financial crisis.

Commercial Vitality

One assumption about healthy communities is that vibrant local business corridors provide jobs and amenities. Having a thriving, culturally rich set of local businesses is also seen to be a potentially important part of neighborhood stabilization and revitalization,¹² as residents may want to stay and invest in these desirable areas. Within NCP, planning identified different strategies to promote local businesses. These involved technical assistance to small business owners, the creation of special business districts with revenue to support them, grants for storefront repair, developing farmers' markets, organizing street festivals, and creating merchant associations.

An individual in East Garfield Park — a community with modest small business loan amounts — expressed the centrality of retail opportunities among overall efforts at community improvement:

I just think we gotta get some physical projects open. And I want to see some more stores. I want to see a CVS. I want to see major retailers here. I want to see our vacant lots on a commercial strip filled up and developed. Maybe not all with commercial space, but at least our major intersections should have some commercial space. I want people to feel like this is a vibrant community.

Similarly, another partner in Quad Communities — with considerably smaller Community Reinvestment Act (CRA) loan amounts — recognized the lost opportunities and economic benefits without local businesses: “We just didn't have anywhere to shop. We did a study, and we determined that there were all these millions of dollars that were actually leaving the

¹²Sutton (2006).

community.” Within Quad Communities, commercial development was seen as a way that the burgeoning African-American middle class might be sustained within the neighborhood.

The evaluation research uses CRA data to examine patterns of commercial investment capital flowing into NCP communities.^{13,14} These data examine CRA loan amounts to businesses with revenue under \$1 million, so large loans to midsize and large businesses that happen to be located in NCP neighborhoods are not included in this analysis. However, the small business and small farm lending data reported under the CRA regulations provide useful information about such lending in low-income communities, although they do not include demographic information about the applicant.

Table 2.3 presents the average flows of CRA small business loans during the NCP rollout phase (2003-2005) and for the years immediately prior (2000-2002). Standardizing for the land area available for commercial activity, the table shows the total annual amounts of CRA investment capital in the NCP neighborhoods.

As in the case of housing investments, the range of average small business investments across the NCP communities was quite wide over the first years of the initiative. The highest average annual amount by far was in Logan Square, with roughly \$60 million (in 2000 dollars). By contrast, the majority (11) of NCP neighborhoods received average annual investments that were less than half that amount. Auburn Gresham and Washington Park received the least, averaging less than \$10 million per year over the period from 2003 to 2005.

Again, beyond these *levels* of commercial investment, it is important to consider the changing *rates* of investment during the years of NCP planning and early implementation. Interestingly enough, this quality-of-life indicator is unique for the contrasting conditions that it suggests existed across the NCP neighborhoods (whereas other indicators largely show a singular direction of change, with varied intensities across the NCP neighborhoods). During the early rollout period (2003-2005), the trends were less positive and quite mixed (as indicated by the average annual changes presented in Table 2.3). In the majority of NCP neighborhoods (9), commercial investments were declining — some, quite dramatically. The neighborhoods of

¹³The CRA was as enacted in 1977 to encourage depository institutions to help meet the credit needs of the communities in which they operate, including low- and moderate-income neighborhoods, in ways consistent with safe and sound banking operation (Federal Financial Institutions Examination Council, 2007).

¹⁴The CRA small business loan data series is one indicator in a set of measures used to monitor local business vitality. It may not cover all lending activity relevant to businesses, and it certainly does not cover capital associated with informal sources, such as voluntary associations traditionally promoted by immigrant groups. Future analyses will consider a more expansive set of indicators, including the number of businesses in the community; in-service business addresses; business demolition permits; business construction, alteration, and repair permits; jobs located in the neighborhood; and wages of jobs located in the neighborhood.

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Table 2.3

Quality-of-Life Indicators, by NCP Neighborhood: Commercial Vitality

NCP Neighborhood	CRA Loan Amounts ^a		
	3-Year Average		Average Annual Percentage Change (2003-05) ^b
	Historical Context (2000-02)	Starting Context (2003-05)	
Auburn Gresham	6,535	7,847	-7.9
Chicago Lawn	11,146	15,956	-5.2
East Garfield Park	23,156	30,789	4.8
Englewood	6,564	10,340	-17.4
Humboldt Park	21,560	28,596	-6.4
Little Village	9,352	14,410	-6.8
Logan Square	59,392	59,777	-0.2
North Lawndale	12,210	18,845	4.3
Pilsen	14,365	17,399	-22.0
Quad Communities	6,904	13,470	39.0
South Chicago	11,573	14,569	-7.3
Washington Park	10,790	8,458	37.3
West Haven	29,740	48,452	10.2
Woodlawn	7,092	12,749	-11.5

SOURCE: MDRC analysis of data assembled by Metro Chicago Information Center (MCIC). See Appendix A for specific details on data sources.

NOTES: Community Reinvestment Act (CRA) loan amounts have been normalized to 2000 dollars.

^aPer square mile of commercial land use area, in thousands. Includes only CRA loans in amounts up to \$1 million to businesses with annual revenues less than \$1 million.

^bIn order to minimize the threat of annual fluctuations in quality-of-life data, the average annual percentage change is estimated using a regression procedure that takes into account a series of annual data over the three-year period 2003-2005. See Appendix A for details on data sources and methodology.

Englewood, Pilsen, and Woodlawn all experienced average annual drops that are greater than 10 percent. At the other extreme, Quad Communities and Washington Park had average annual increases approaching 40 percent.

* * *

As this review of quality-of-life indicators suggests, the NCP neighborhoods are a wide-ranging group. Given the evaluation's interest in generating lessons across neighborhood contexts, this variety among NCP planning areas on measures of community safety, housing market activity, and commercial vitality is encouraging. NCP includes neighborhoods that were experiencing overall conditions traditionally associated with distressed, inner-city communities

— high crime rates, lower levels of housing investment, and scant commercial investment. At the same time, NCP also includes neighborhoods experiencing less troubling conditions. Obviously, none of these social and economic conditions exists within a vacuum; rather, they are influencing one another and other aspects of community well-being — which reinforces the importance of NCP’s comprehensive approach to community change.

Given this degree of variation, the evaluation sought to understand how neighborhoods differ, when taking a *comprehensive* view of neighborhood social and economic well-being. Cluster analysis is a commonly used statistical procedure for exploring what distinguishes objects along several dimensions when considered simultaneously (rather than with an indicator-by-indicator approach). This technique also results in groups that are alike, supporting deeper exploration of quality-of-life and community change efforts within distinct neighborhood contexts. The following section briefly reviews this approach and its findings and lays the foundation for upcoming discussions of NCP implementation outcomes in light of starting neighborhood conditions.

Patterns of Variation Among Chicago Neighborhoods

As just demonstrated by the range in quality-of-life indicators, NCP was launched in neighborhoods that had strikingly different challenges and assets. When taken together, the indicators begin to evoke recognizable patterns. To explore more rigorously such patterns and support deeper exploration of neighborhood context and NCP processes, cluster analysis was applied to all Chicago neighborhoods, including the 14 NCP communities.¹⁵ Measures of neighborhood economic and demographic conditions at the start of NCP (2000-2005) are included in the analysis.¹⁶

¹⁵It is not possible to apply cluster analysis to the NCP neighborhoods alone, given the relatively small number of neighborhoods they represent. At the same time, analyses based on all of Chicago’s neighborhoods are more likely to generate valid and meaningful findings about what most distinguishes neighborhoods across the city. Moreover, Chicago-wide analyses are more amenable to generalization to other non-NCP neighborhoods in Chicago and in other cities.

¹⁶More than 20 variables measuring neighborhood economic and demographic characteristics are included in this analysis. The final set of cluster variables includes data on the racial/ethnic and economic composition of the resident population, the flow of incoming residents (home buyers), and some aspects of the housing market for each neighborhood. Measures were chosen for their relevance to the implementation of comprehensive initiatives, in general, and to the distinct priorities of NCP (such as the distinct pressures facing some neighborhoods as a result of housing market dynamics). While quality-of-life indicators do appear to distinguish the NCP neighborhoods, they represent some of the broader outcomes that the initiative would hope to affect; therefore, it is inappropriate to include them in this analysis. Measures were assembled for the period from 2000 to 2005, in order to capture the “starting context” for NCP lead agencies, as they initiated planning and moved into early implementation. As some measures are available only through the U.S. Census, they are the most recent data available prior to NCP launch. For a discussion of this grouping process, see Appendix A.

Several important findings about Chicago and the NCP neighborhoods grew out of this analysis. First, the majority of NCP neighborhoods fall into two groups. Five distinct groups of Chicago neighborhoods were identified and are presented in Table 2.4.¹⁷ Second, Cluster 4, which includes eight of the NCP neighborhoods, is characterized by many of the conditions that are hallmarks of disinvested inner-city neighborhoods. Table 2.5 presents several measures of social and economic conditions for the five neighborhood clusters — averaged for all the Chicago neighborhoods within them.¹⁸ Cluster 4 has had average declines in population

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Table 2.4

Cluster Membership of NCP Neighborhoods

Cluster 1	Cluster 2	Cluster 3	Cluster 4	Cluster 5 ^a
Auburn Gresham	Logan Square	Chicago Lawn Humboldt Park Little Village Pilsen	East Garfield Park Englewood North Lawndale Quad Communities South Chicago Washington Park West Haven Woodlawn	

SOURCES: MDRC analysis of data from Metro Chicago Information Center (MCIC). See Appendix A for specific details on data sources.

NOTES: Cluster analysis, a statistical procedure, is used to group Chicago neighborhoods. Appendix A provides details on the clustering methodology.

^aNone of the NCP neighborhoods was grouped into Cluster 5. See Appendix Table C.1 for a full list of cluster membership for all of the Chicago neighborhoods.

¹⁷See Appendix Table C.1 for the grouping of all Chicago neighborhoods in the five clusters. It shows that a fair number of Chicago’s neighborhoods are also grouped in Cluster 4. Therefore, the NCP experience in this cluster is relevant more broadly. Moreover, the conditions in Cluster 4 neighborhoods are shared with many neighborhoods in other U.S. cities, suggesting even broader significance.

¹⁸It is worth noting that the distinguishing facets of the five Chicago clusters (as presented in Chapter 2, Table 2.5) are not driven by the conditions in one or two outliers in a group. Statistical metrics of the final cluster solution and post hoc sensitivity tests confirm that these groups are “real” and meaningful. For example, the large proportions of black residents in Clusters 1 and 4 are not artifacts of one or two neighborhoods with large concentrations of black residents “pulling up” the average for the groups.

over the last decade that approach 10 percent — the greatest among the clusters. That group has also been home to the largest proportion of low-income residents (nearly 60 percent). Finally, with less than a quarter of owner-occupied units, it has a relatively low level of housing investment, historically.

As is discussed in upcoming chapters, the majority of implementation data collected for the NCP evaluation are drawn from within such communities. Therefore, the evaluation presents a prime opportunity to explore for these neighborhoods what types of challenges exist for the practice of NCP, important community dynamics to follow, strategies that can address these challenges, and what types of expectations one should have about projects and relationship-building outcomes.

Four NCP neighborhoods — two of which are in-depth evaluation case-study sites — fall into Cluster 3, which is characterized by a very different set of conditions. These neighborhoods have witnessed considerable growth in the last decade and are home to large (and growing) Latino communities, amid relatively modest levels of housing investment. Again, the implementation data collected in these neighborhoods support deeper exploration of the nature of community change efforts under these distinct conditions.

Figures 2.1 through 2.6 help give meaning to each of these neighborhood groups in terms of quality of life historically and during the NCP rollout phase (in addition to the cluster averages presented in Table 2.5). Using the same quality-of-life indicators examined above, these figures show trends during the 1990s through 2005 for community safety, housing market activity, and commercial vitality — with separate graph lines for Cluster 3 neighborhoods and Cluster 4 neighborhoods. For example, one can see that crime rates in Cluster 4 neighborhoods are consistently higher than those in Cluster 3 — suggesting that safety is more compromised in these neighborhoods. Housing activity in Cluster 4 neighborhoods has historically been more limited (in terms of number of sales and residential investment levels). However, the latest housing cycle witnessed skyrocketing increases in Cluster 4 neighborhoods, such that they outpaced the neighborhoods in Cluster 3 during this period. At the same time, however, Cluster 4 neighborhoods have long been burdened by foreclosures, compared with fewer foreclosures in the more stable Cluster 3 housing markets. Readers may find these figures useful background on neighborhood context as upcoming chapters consider NCP implementation experiences and outcomes.¹⁹

¹⁹This introduction to Clusters 3 and 4 is not to suggest that the two remaining NCP neighborhoods are being dropped from the implementation analyses and discussion. They are included throughout and are also included in all the neighborhood-level tabular presentations.

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Table 2.5

Conditions in All Chicago Neighborhoods, by Cluster, at Starting Context (2003-2005)

Condition	Cluster 1	Cluster 2	Cluster 3	Cluster 4	Cluster 5
<u>Resident population ("stock")</u>					
Census population in 2000 (change from 1990) (%)	-4.9	5.6	20.4	-9.4	13.3
Composition of total population, 2000 (%)					
White	1.3	52.4	18.2	5.3	66.1
Black	93.3	9.5	15.3	87.7	13.4
Hispanic	4.3	27.0	62.9	3.3	12.7
Low-income	43.4	32.8	46.5	57.8	25.3
<u>Housing market</u>					
Home purchase loan originations per housing unit, 2000-2005 (%)	2.7	1.7	2.2	2.5	3.7
Average median home purchase loan amount, 2000-2005 (\$)	105.7	205.9	178.5	132.0	267.0
Rental units per 1,000 occupied dwelling units, 2000 (%)	40.3	41.1	48.3	76.8	62.9
<u>Population inflows, 2003-2005 (%)</u>					
Home purchase loans to whites	7.1	66.4	18.8	20.4	84.2
Home purchase loans to blacks	87.5	4.8	8.2	62.0	3.2
Home purchase loans to Hispanics	3.9	21.0	67.4	11.9	3.9
Home purchase loans to high-income borrowers	13.6	42.1	24.2	28.8	67.6

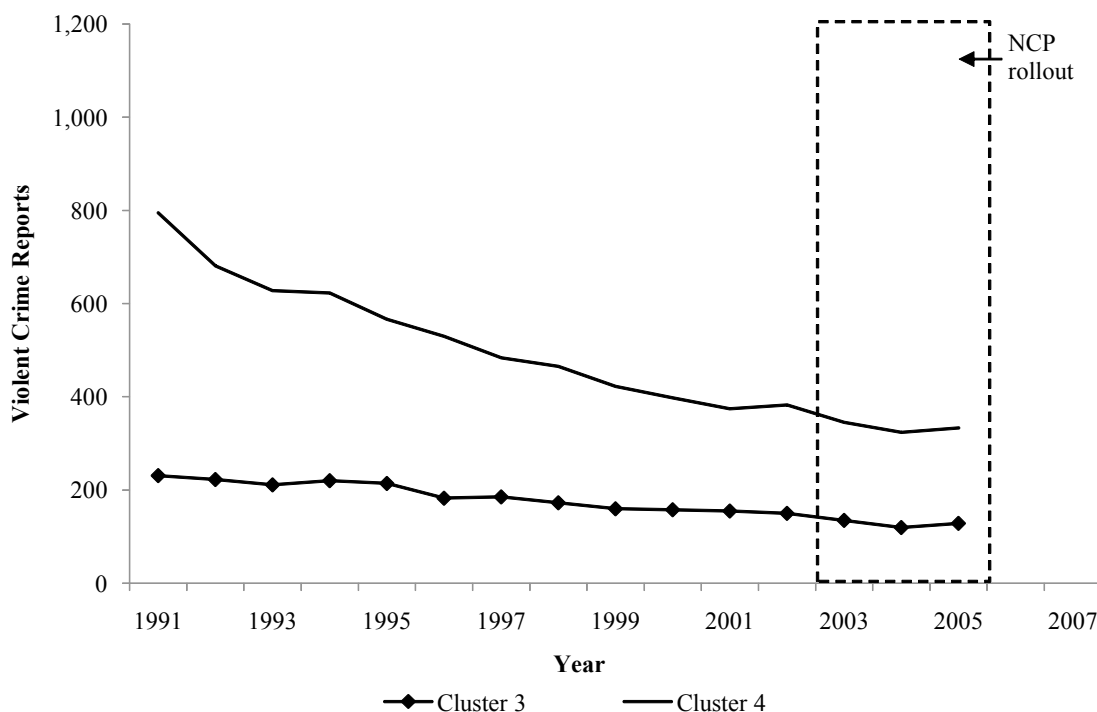
SOURCES: MDRC analysis of U.S. Census and Home Mortgage Disclosure Act data provided by Metro Chicago Information Center (MCIC). See Appendix A for specific details on data sources.

NOTE: Cluster analysis, a statistical procedure, is used to group Chicago neighborhoods. Appendix A provides details on the clustering methodology.

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Figure 2.1

**Violent Crime Reports per 10,000 Residents,
Among NCP Neighborhoods, Clusters 3 and 4 (1991-2005)**



SOURCE: MDRC analysis of data from Metro Chicago Information Center (MCIC). See Appendix A for specific details on data sources.

NOTES: The period from 2003 to 2005 is generally referred to as the NCP "rollout period," when project activities focused on planning and early implementation. NCP research grouped Chicago neighborhoods according to several dimensions of neighborhood economic and social context.

Cluster analysis, a statistical procedure, is used to group Chicago neighborhoods. Appendix A provides details on the clustering methodology.

Cluster 3 includes four NCP neighborhoods: Chicago Lawn, Humboldt Park, Little Village, and Pilsen.

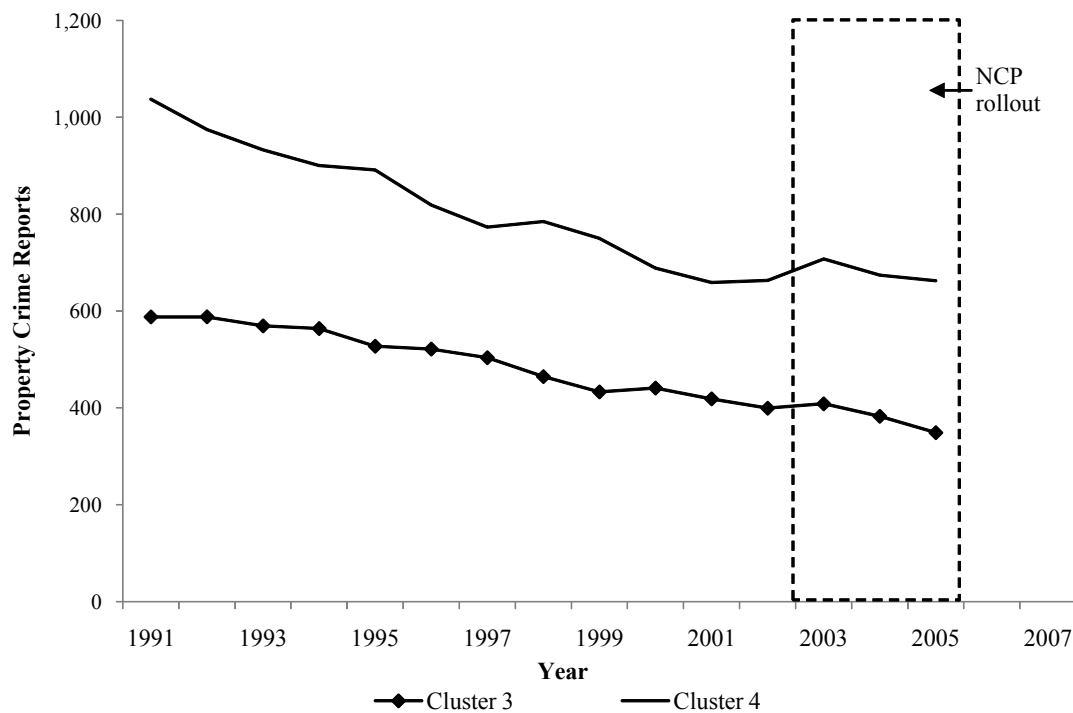
Cluster 4 includes eight NCP neighborhoods: East Garfield Park, Englewood, North Lawndale, Quad Communities, South Chicago, Washington Park, West Haven, and Woodlawn.

Aggregate measures were calculated as the unweighted average of values for the NCP neighborhoods in each cluster.

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Figure 2.2

Property Crime Reports per 10,000 Residents,
Among NCP Neighborhoods, Clusters 3 and 4 (1991-2005)



SOURCE: MDRC analysis of data from Metro Chicago Information Center (MCIC). See Appendix A for specific details on data sources.

NOTES: The period from 2003 to 2005 is generally referred to as the NCP "rollout period," when project activities focused on planning and early implementation. NCP research grouped Chicago neighborhoods according to several dimensions of neighborhood economic and social context.

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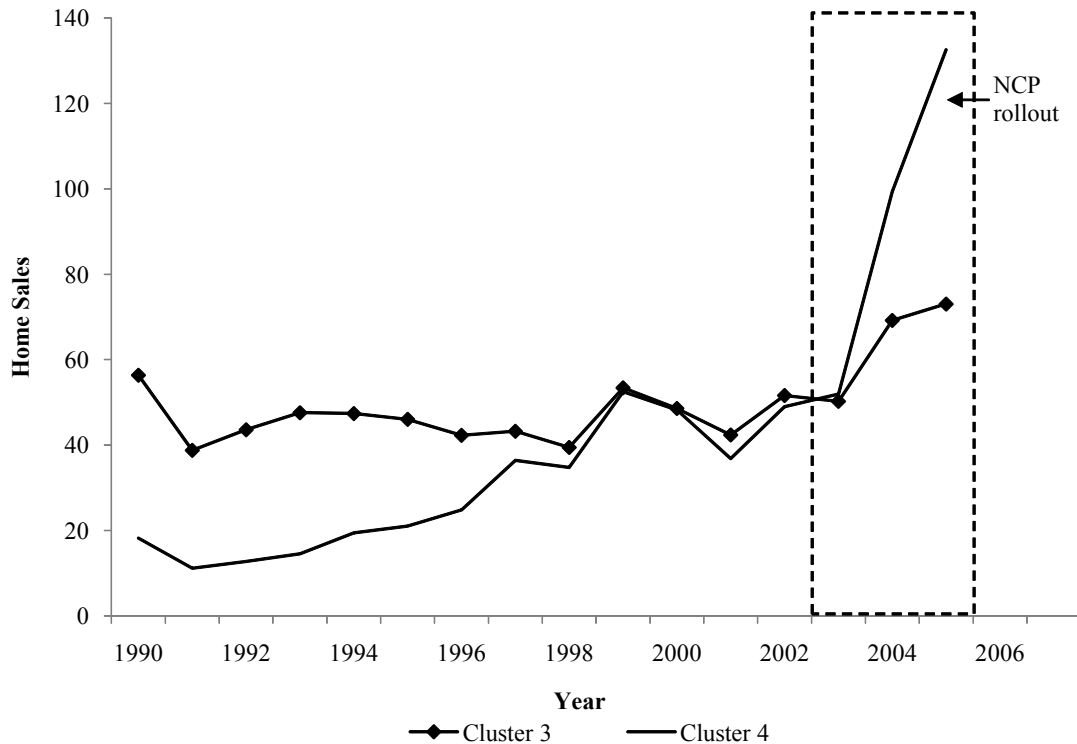
Cluster 4 includes eight NCP neighborhoods: East Garfield Park, Englewood, North Lawndale, Quad Communities, South Chicago, Washington Park, West Haven, and Woodlawn.

Aggregate measures were calculated as the unweighted average of values for the NCP neighborhoods in each cluster.

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Figure 2.3

Home Sales per 1,000 Owner-Occupied Dwelling Units,
Among NCP Neighborhoods, Clusters 3 and 4 (1990-2005)



SOURCE: MDRC analysis of data from Metro Chicago Information Center (MCIC). See Appendix A for specific details on data sources.

NOTES: The period from 2003 to 2005 is generally referred to as the NCP "rollout period," when project activities focused on planning and early implementation. NCP research grouped Chicago neighborhoods according to several dimensions of neighborhood economic and social context.

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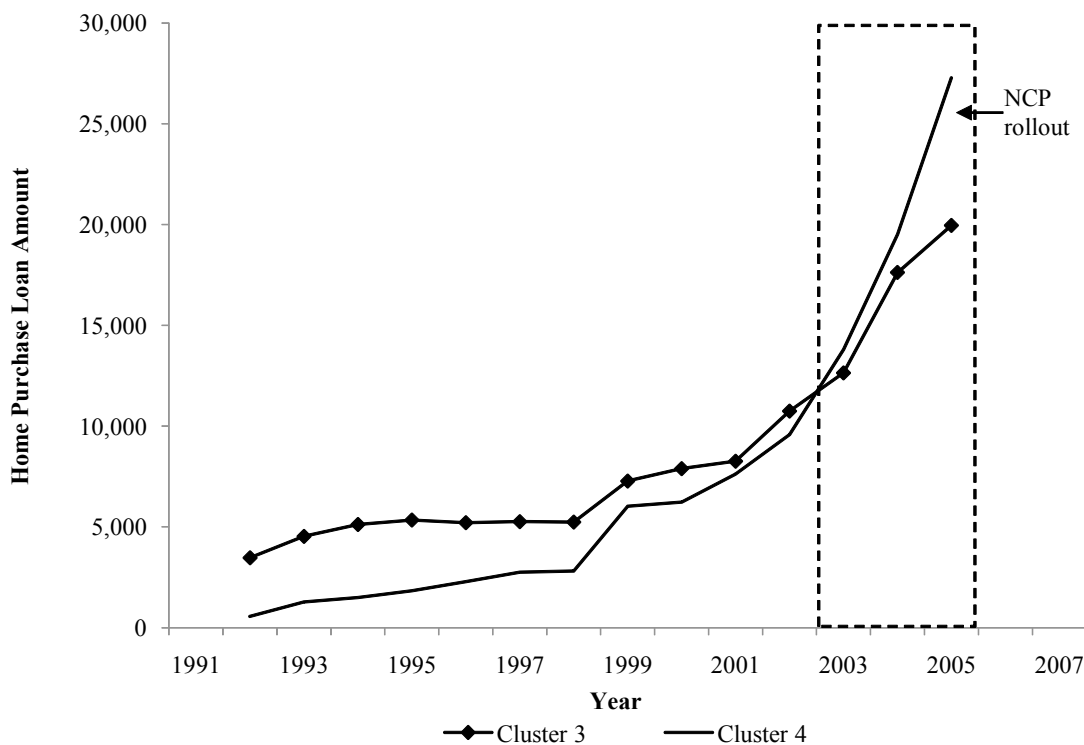
Cluster 4 includes eight NCP neighborhoods: East Garfield Park, Englewood, North Lawndale, Quad Communities, South Chicago, Washington Park, West Haven, and Woodlawn.

Aggregate measures were calculated as the unweighted average of values for the NCP neighborhoods in each cluster.

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Figure 2.4

Home Purchase Loan Amounts per 1,000 Owner-Occupied Dwelling Units, in Thousands (2005 Dollars), Among NCP Neighborhoods, Clusters 3 and 4 (1992-2005)



SOURCE: MDRC analysis of data from Metro Chicago Information Center (MCIC). See Appendix A for specific details on data sources.

NOTES: Home purchase loan amounts have been normalized to 2005 dollars. The period from 2003 to 2005 is generally referred to as the NCP "rollout period," when project activities focused on planning and early implementation. NCP research grouped Chicago neighborhoods according to several dimensions of neighborhood economic and social context.

Cluster analysis, a statistical procedure, is used to group Chicago neighborhoods. Appendix A provides details on the clustering methodology.

Cluster 3 includes four NCP neighborhoods: Chicago Lawn, Humboldt Park, Little Village, and Pilsen.

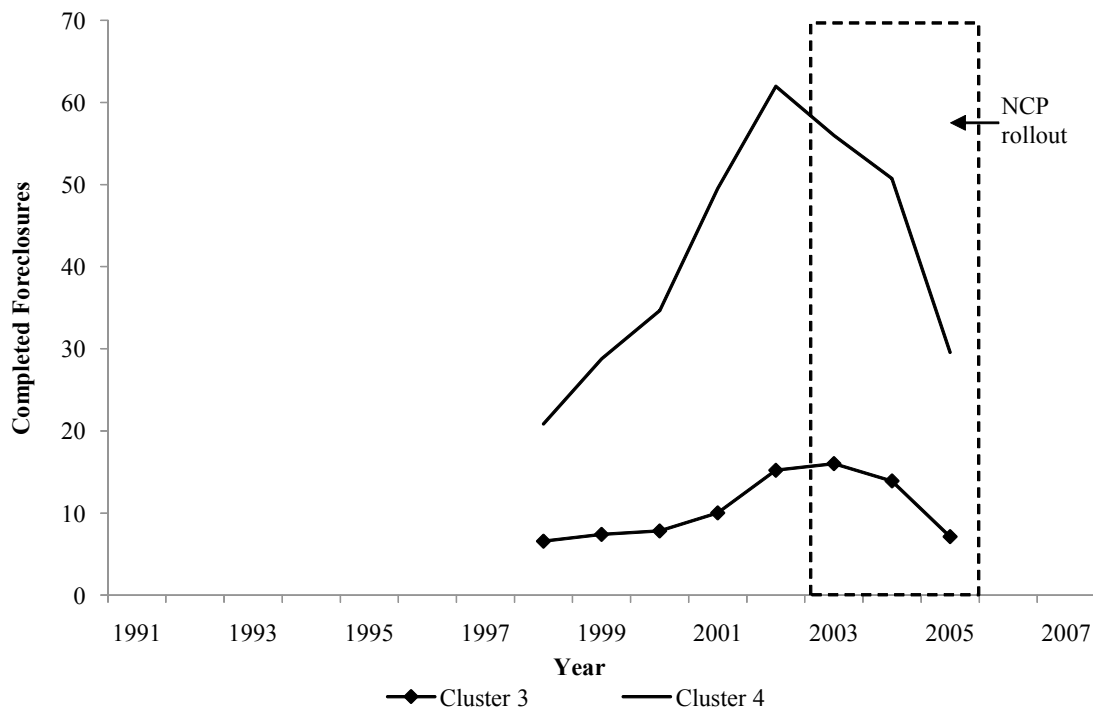
Cluster 4 includes eight NCP neighborhoods: East Garfield Park, Englewood, North Lawndale, Quad Communities, South Chicago, Washington Park, West Haven, and Woodlawn.

Aggregate measures were calculated as the unweighted average of values for the NCP neighborhoods in each cluster.

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Figure 2.5

Completed Foreclosures per 1,000 Owner-Occupied Dwelling Units, Among NCP Neighborhoods, Clusters 3 and 4 (1998-2005)



SOURCE: MDRC analysis of data from Metro Chicago Information Center (MCIC). See Appendix A for specific details on data sources.

NOTES: The period from 2003 to 2005 is generally referred to as the NCP "rollout period," when project activities focused on planning and early implementation. NCP research grouped Chicago neighborhoods according to several dimensions of neighborhood economic and social context.

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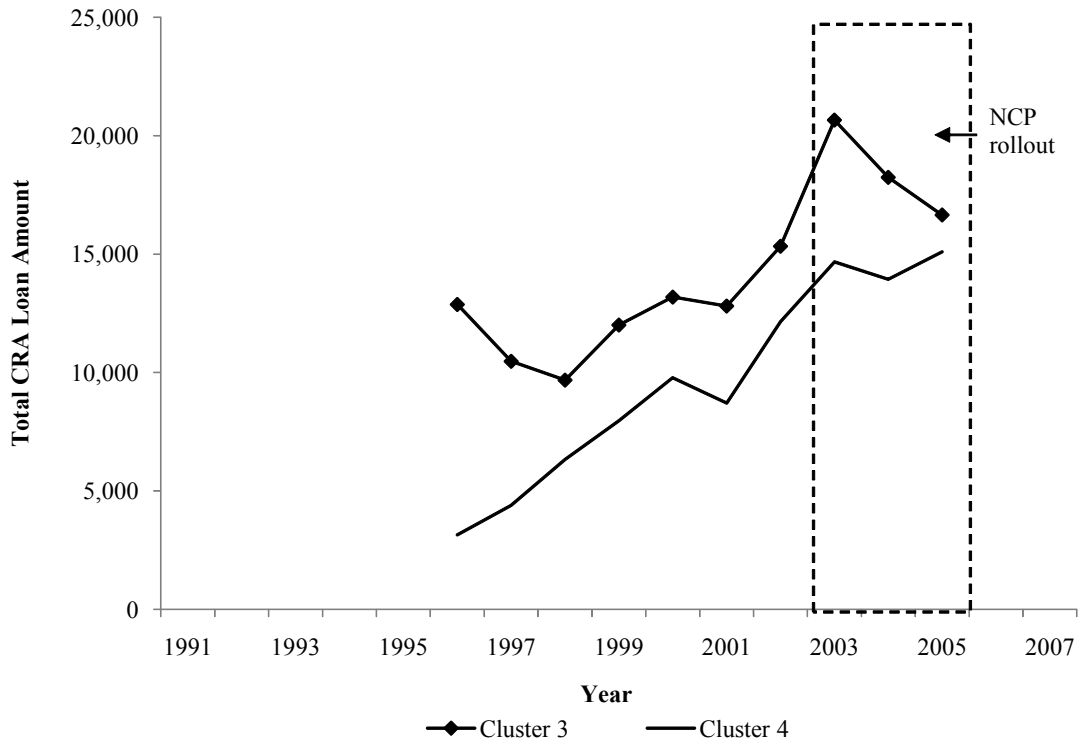
Cluster 4 includes eight NCP neighborhoods: East Garfield Park, Englewood, North Lawndale, Quad Communities, South Chicago, Washington Park, West Haven, and Woodlawn.

Aggregate measures were calculated as the unweighted average of values for the NCP neighborhoods in each cluster.

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Figure 2.6

Total CRA Loan Amounts per Square Mile of Commercial Land Use Area, in Thousands (2000 Dollars), Among NCP Neighborhoods, Clusters 3 and 4 (1996-2005)



SOURCE: MDRC analysis of data from Metro Chicago Information Center (MCIC). See Appendix A for specific details on data sources.

NOTES: This analysis includes only Community Reinvestment Act (CRA) loans in amounts up to \$1 million to businesses with annual revenues less than \$1 million. CRA loan amounts have been normalized to 2000 dollars.

The period from 2003 to 2005 is generally referred to as the NCP "rollout period," when project activities focused on planning and early implementation. NCP research grouped Chicago neighborhoods according to several dimensions of neighborhood economic and social context.

Cluster analysis, a statistical procedure, is used to group Chicago neighborhoods. Appendix A provides details on the clustering methodology.

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Aggregate measures were calculated as the unweighted average of values for the NCP neighborhoods in each cluster.

This analysis also confirms the continued presence of racial/ethnic segregation in Chicago. A post hoc analysis examined the social and economic conditions that most distinguished neighborhoods as NCP was getting under way — or that “drove” the grouping of Chicago’s 77 neighborhoods into five clusters.²⁰ While no single measure explains all or most of the groupings, findings from this analysis do suggest that the proportion of black borrowers among neighborhood home buyers is a central distinguishing characteristic of Chicago neighborhoods today.^{21,22} Black borrowers are relatively limited outside the neighborhoods in Clusters 1 and 4 (where their proportions are well above 60 percent).

Paralleling this pattern among home buyers, racial/ethnic diversity among the residents of NCP neighborhoods was also limited as the initiative was getting under way. Table 2.6 presents the share of the population in three mutually exclusive racial/ethnic categories in each NCP neighborhood: Hispanic, non-Hispanic black, and non-Hispanic white. The diversity index offers a summary assessment of the degree to which the groups are equally represented in the neighborhood.^{23,24} Numbers approaching 100 indicate higher levels of diversity. Racial/ethnic diversity among residents in the NCP neighborhoods was relatively rare in 2000: For example, for eight neighborhoods, non-Hispanic blacks accounted for over 94 percent of the population, and Hispanics were the majority group in Little Village (83 percent) and Pilsen (90 percent).

Conclusion

The period in which NCP started (2003-2005) represented a very different economic time than the present. However, trends toward greater community safety and greater housing market values and commercial vitality were an important part of this rollout period. At the same

²⁰ Again, see Appendix A for a discussion of the analysis described here.

²¹ Given the extent of segregation in Chicago historically, this finding may not be particularly surprising while still disappointing. At the same time, a recent study of segregation also finds considerable racial and income segregation in many of America’s largest cities (Turner and Fortuny, 2009).

²² As part of the NCP evaluation, a newly developed “diversification index” was created to explore how population inflows increase or decrease neighborhood income or racial/ethnic diversity. This measure compares the composition of the current or recent population inflow and the composition of preexisting population stock on a group-by-group basis, with positive (negative) values signifying a process generating more (less) diversity in the stock. A more complete analysis of neighborhood diversification trends for NCP communities will be explored in the next phase of the evaluation. For an application of this diversification index, see Galster and Homonoff (Unpublished manuscript, 2009).

²³ The table also presents the neighborhood diversity index (also called the “nominal entropy index” or “H-index”), which provides a measure of how evenly families are distributed across racial/ethnic groups within a neighborhood. It assumes its maximum value of 100 when each of four groups is equally represented in the neighborhood, and it has a minimum value of zero when only one group is represented.

²⁴ Although the H-index was computed based on four racial/ethnic groups (Hispanic, non-Hispanic black, non-Hispanic white, and other), only the first three groups are presented in this table because of the exceedingly small proportions of “other” residents across the NCP neighborhoods.

The New Communities Program

Table 2.6

Diversity in NCP Neighborhoods, by Race/Ethnicity (2000)

NCP Neighborhood	Racial/Ethnic Composition (%)			Diversity (H-Index)
	White	Black	Hispanic	
Auburn Gresham	0.3	98.2	0.6	8
Chicago Lawn	21.7	29.5	46.4	82
East Garfield Park	0.9	97.5	0.9	10
Englewood	0.4	97.8	0.9	9
Humboldt Park	8.3	37.1	52.8	71
Little Village	3.5	12.9	83.0	41
Logan Square	26.3	5.2	65.1	65
North Lawndale	1.2	97.2	1.0	11
Pilsen	7.5	1.8	89.6	30
Quad Communities	1.3	96.6	0.9	13
South Chicago	3.8	41.8	52.8	64
Washington Park	0.6	97.5	0.7	10
West Haven	2.3	93.9	2.4	21
Woodlawn	2.8	94.2	1.1	20

SOURCE: MDRC analysis of U.S. Census data provided by Metro Chicago Information Center (MCIC). See Appendix A for specific details on data sources.

NOTE: The H-index represents racial/ethnic diversity in the neighborhood. It ranges from 0 to 100, with high values representing greater diversity.

time, there was considerable variation in the ways that individual neighborhoods experienced these conditions, as well as in the strategies that groups took to address challenges and sustain improvements.

Recognizing the varied conditions represented by the NCP group, the evaluation enlisted a statistical grouping procedure (cluster analysis) to classify all of Chicago’s neighborhoods based on their economic and demographic conditions at the point that NCP was getting under way. This analysis confirmed that NCP neighborhoods contain many contrasts — as observed in the indicator-by-indicator review. However, it also determined that the majority of NCP neighborhoods fall into just two groups — Clusters 3 and 4 — among the five defined by the city overall.

The conditions in these neighborhoods are particularly relevant to community change priorities and efforts — with the markings of traditionally disinvested inner-city neighborhoods in one group. Upcoming chapters explore NCP implementation processes and outcomes for all the NCP neighborhoods. Yet the focus is on the case-study neighborhoods in Clusters 3 and 4, with attention to the role of neighborhood context therein.

Chapter 3

Intermediaries and Their Practice

The New Communities Program (NCP) is an attempt to address urban problems and support healthy communities in Chicago by supporting a broad range of local projects, from social services to job training and neighborhood beautification efforts. However, the NCP model also recognizes that a single organization often does not have the ability to carry out such different projects. Instead, NCP supports neighborhood organizations to act as local *intermediaries* — organizations that support relationships among groups, promote their capacity, and help steer strategic investments to communities.¹ Rather than requiring a community organization to carry out wide-ranging projects on its own, NCP gives lead agencies the responsibility and authority to lead a local planning process, identify other capable actors, and ensure that they complete the projects identified in plans. NCP designers believed that communities with organizations that work well together are better positioned to seize opportunities in good times and to weather bad times. Taking an intermediary approach also distinguishes NCP from other comprehensive community development initiatives. The Local Initiatives Support Corporation of Chicago (LISC/Chicago) and the MacArthur Foundation believed that this structure would keep agencies from taking on new types of projects when they did not have the capacity to do so.

Relying on intermediaries, however, may present its own challenges. More voices may mean more disagreement during planning. During implementation, challenges may be even more acute, given the design of the NCP planning processes. As described in Chapter 2, projects identified in NCP plans addressed many types of community improvement and preservation efforts. However, because a major function of the planning process was to build relationships among local organizations, lead agencies were encouraged to take an inclusive approach to identifying projects; thus, if a potential community partner proposed a project that was not in conflict with other elements of the plan, it generally became part of that plan. Furthermore, because all plans were encouraged to be comprehensive, some projects were identified in areas without strong implementation partners.² As a result, some parts of plans remained very much “on paper.” In these situations, local intermediaries had no direct control over organizations that were expected to implement the plans, and yet they had the responsibility to make sure that those projects “got done.”

¹Keyes, Schwartz, Vidal, and Bratt (1996).

²Because of the encouragement to plan comprehensively, despite differences in local community context, plans all tended to have projects identified across different domains. More significant differences between communities emerged in the number and types of projects that were able to be implemented. This variation is described in greater detail in Chapter 5.

Within the NCP model, LISC/Chicago itself serves as another type of intermediary — a “managing” intermediary. The arrangement of NCP is one whereby the MacArthur Foundation is not involved in day-to-day responsibilities for grant making and program management. This decision stemmed in part from experiences of other comprehensive community initiatives (CCIs), where evaluators identified the need for quicker, smaller, and more flexible funding decisions than larger foundations are designed to provide. However, this management structure also raised structural challenges for LISC/Chicago, a relatively small organization with experience in housing finance, not necessarily social services or education. In addition to managing small grants in these new domains, LISC/Chicago also needed to provide support and technical assistance to lead agencies, while also facing more traditional funder-related challenges of enforcing accountability within the initiative when groups did not meet standards.

This chapter examines how these intermediary roles played out in practice — how LISC/Chicago worked with local intermediaries and how these organizations, in turn, worked with other community organizations.

Key Points

- LISC/Chicago played a critical role within the NCP initiative. LISC/Chicago created the initiative’s structure, managed grants and loans, offered technical assistance, enforced accountability, and brokered relationships. It created a common culture within the initiative, in part through ongoing project documentation. Lead agencies valued the flexibility and speed with which LISC/Chicago provided seed grants and the technical assistance that it provided during planning and implementation. Independent of LISC/Chicago’s role, however, many partners noted significant limitations to NCP’s seed grant strategy.
- Community partners felt that lead agencies led successful planning processes, fulfilling part of their intermediary role. Planning engaged a broad range of stakeholders, helped build trust among groups that already knew one another, and contributed to the formation of new relationships among groups that had no history of working together. Even in communities marked by mistrust, in which planning proved challenging, lead agencies were in many cases able to bring about a sense of community centered on plans.
- During implementation, lead agencies faced the twin challenges of turning plans into reality while keeping community groups engaged. To do this, they employed strategies to catalyze action by others, while developing ongoing communication, governance, and oversight strategies. Lead agencies often

had to employ these strategies differently, depending on the nature of local organizational relationships and capacity.

LISC/Chicago’s Role as Managing Intermediary

LISC/Chicago plays a critical role in NCP. It created the initiative’s structure and communicates it to the broader field while also working to strengthen this structure internally. LISC/Chicago manages funding to NCP communities, attempts to direct additional resources to groups, and provides technical support to lead agencies. In some sites, LISC/Chicago’s role has included in-depth, hands-on work with lead agencies, particularly where staffing issues, organizational capacity challenges, or leadership turnover was seen to be particularly difficult. In other places, it has played more of a grants-management role. Overall, LISC/Chicago has been viewed positively by lead agencies and their partners, providing evidence that the initiative’s decision to create a “managing intermediary” was a successful one from the perspective of many NCP actors.

Developing the NCP Model

After working with experts in the CCI field to create the NCP model, LISC/Chicago was charged with building a program to meet this model. It selected agencies to carry it out and, in some cases, helped create lead agencies. For example, in Quad Communities — the African-American neighborhood to the north of the University of Chicago — NCP was initially associated with the 4th Ward alderman’s office. LISC/Chicago worked to create a new organization that gave it formal independence from the office, on issues from board development to the creation of bylaws. In addition to these operational dimensions of launching NCP, LISC/Chicago also promoted a common culture within the initiative; a finding of early implementation research was that lead agencies consistently shared a vision of NCP as a program that aims to promote community capacity. Finally, LISC/Chicago promoted learning within the initiative by using “scribes,” or community journalists, to help with planning and to report on accomplishments.

Outside Chicago, LISC at the national level continues to find ways to make NCP a visible model for community development in ways that enhance opportunities for local agencies to learn from “best practices” around the country.³ LISC/Chicago has organized large conferences,

³Efforts include “rolling out” the model to other cities through national LISC’s Sustainable Communities program, which encourages community development corporations (CDCs) around the country to pursue a comprehensive vision for local improvement. This has raised the profile of the NCP initiative nationally.

incorporating both community partners and organizations from the national community development field. One interviewee described how this access and exposure helped:⁴

When you deal with an organization like LISC, that has such a level of respect nationally . . . that adds validity to your work. The more LISC supports the work that we're doing, the more valid our work is considered around the country. For me to be in New York speaking, and then have somebody from LISC/New York say, "Wow, we used you guys as an example in our meeting nationally the other day with the president," — that's huge. . . . I don't think we would have been in that conversation about community and economic development without that kind of relationship with LISC.

Managing NCP Funding

Although the MacArthur Foundation provides funding for the initiative, LISC/Chicago is responsible for managing "seed grants," making day-to-day decisions about their allocation. These grants support projects identified in NCP plans, provide the foundation for leveraging future resources, and sometimes help enhance the relationships among community groups. LISC/Chicago reported that providing these seed grants required a shift in the role of its program officers, away from the administration of grants and loans to modeling the types of "intermediary" skills that they wanted individual groups to develop within their own communities. As one program officer reflected:

For many years, these program officers were essentially like loan officers. They sat here and waited for the phone to ring, and then they wrote up loans. [Within NCP,] we need to be active as program officers. We need to be involved in, engaged with the neighborhood organizations, knowledgeable about what they're doing, and looking for opportunities to help them accomplish their plans on multiple . . . fronts . . . you need a broader knowledge of organizing. You need a broader knowledge of community development . . . you also need to be able to have skills in communication, negotiation, and deal making.

Overall, NCP lead agencies and partners have reacted positively to LISC/Chicago's management of seed grants, particularly liking its flexibility. Grants can be put to many different uses, as long as they are connected to a local quality-of-life plan. Staff at organizations appreciated the ease of the seed grant application process and the relative speed with which grants were delivered to the agencies requesting them; one representative opinion was that they

⁴As described in Appendix A, qualitative data are drawn primarily from transcribed interviews, which have been coded and analyzed according to predefined themes. To illustrate these themes, representative quotations are presented from staff, implementation partners, or stakeholders external to NCP. Interviews were conducted with the expectation that individuals would not be identifiable.

were “easily available. . . . And at least the people [at LISC/Chicago] with whom we deal [make it] real easy.”

Independent of LISC/Chicago’s management of seed grants, many NCP actors reported significant limitations to the seed grant strategy. One complaint is that grants are insufficient even to “seed” programs or to help certain types of groups. As one community partner put it:

The seed money, in my view, is not enough. Because when they’re talking about seed money, they’re talking about \$25,000 to \$30,000 for a youth program, but that’s nothing. I mean, that’s nothing. You can’t even hire a coordinator for that amount.

Another complaint is that the size and short-term nature of seed grants make it difficult to “leverage” additional resources, thereby making some projects less sustainable in the longer term, even as they sometimes distracted organizations from longer-term fund-raising. In contrast with economic or housing development, where a small grant can sometimes attract a business or construction loan, in areas around social services, public spaces, or the arts, it is sometimes difficult to attract additional funds to projects. Over the longer term, some grantees feared reputational costs if these programs were not to be sustained. As one put it: “We can’t let go of things that we have initiated . . . that we have promised the community we’re going to do . . . sustainability is a big issue. . . . We don’t want to be known for starting things and then just dropping them.”

In some cases, these complaints represent a misunderstanding about the intent and purpose of seed grants. From LISC/Chicago’s perspective, the major purpose of seed grants is relationship-building — to provide support to varied projects and relationships that otherwise would not have been funded — rather than to snowball into new funding. These critiques may also reflect a general wish that the situation were otherwise, given the scope of the resource constraints that lead agencies face.

Providing Technical Assistance, Oversight, and Support

LISC/Chicago has a major role in ensuring technical assistance to groups. This work may be direct, with LISC/Chicago program officers providing the support, or may involve connecting organizations with consultants who help create business plans, shape proposals, or construct development deals. LISC/Chicago, for example, worked with the lead agency in Little Village to help a start-up youth organization develop a business plan with a longer-term view toward sustainability. In Quad Communities, it helped the lead agency shape an effective proposal for educational funding. Lead agencies and partners across sites noted the value of having access to outside expertise and of the responsiveness of LISC/Chicago in supporting their requests. As one actor recalled, “If I call them and tell them that I need something, they’ll do that.”

In some sites, LISC/Chicago's role was very hands-on, especially during the planning process. During planning, this intensive level of involvement was especially appreciated, as many groups, especially newer ones, said that LISC/Chicago program officers, scribes, and consultants made it possible for them to develop plans — interacting not just with them but with other organizations in the community. In other sites, LISC/Chicago acted as a broker to ease tensions within contentious planning processes. In Woodlawn, for example, this role was especially important. One participant described a consultant's role in the process as follows:

It really was . . . a consultant hired by LISC. She was at a meeting. . . . I'm going through this whole diatribe. . . . She comes out of nowhere with, "I get it. I got it. This is what you mean," and then it was clear that she did get it, and then we were able to develop stuff. . . . When we saw the plan again, it was in line with what we wanted to do.

LISC/Chicago's role in Woodlawn — intervening to keep actors involved and engaged with NCP — was cited by all participants interviewed in that community as being helpful in making the initiative function. NCP participants in that neighborhood and others described LISC/Chicago as flexible, engaged, and responsive.

During implementation, the degree of program officers' roles was more variable. At some times, LISC/Chicago played the role of an adviser, with a LISC/Chicago program officer making participants examine proposals and plans with an eye toward their effectiveness and relationship-building. In interviews, LISC/Chicago program officers, lead agencies, and community partners all discussed ways in which LISC/Chicago "pushes back" on community organizations in constructive ways: challenging assumptions, asking for greater clarity, or forcing participants to form plans to leverage additional resources. In others, however, LISC/Chicago program officers appeared to act more as grants managers, receiving proposals for projects and generally approving them if they were in accordance with the neighborhood plan, without direct regard for other criteria, such as a project's impact or sustainability.

One situation in which LISC/Chicago was called on to act more directly during implementation was to enforce accountability to the initiative. This function was most apparent in neighborhoods that have experienced historic patterns of disinvestment, which in Chicago tend to be African-American, with lower income levels and historically lower home values — those identified as in Cluster 4 and containing the majority of NCP neighborhoods. (See Table 2.4 in Chapter 2.) In these places, NCP processes were sometimes the most challenging. In several of these neighborhoods, LISC/Chicago intervened to remove the designation of lead agency from organizations that were not seen to be performing adequately. In others, LISC/Chicago intervened to enforce accountability or support choices by the lead agencies. In another instance, LISC/Chicago worked with the board of directors of a lead agency to encourage the hiring of a new executive director. This decision was especially difficult, as the director was seen to have

facilitated a very successful planning process. However, LISC/Chicago staff felt that the transition from planning to implementation was not going well. After staff determined that these conversations were ultimately unproductive, LISC/Chicago helped the board think through its options around hiring a new director.

In some of these historically disinvested NCP neighborhoods, some interviewees criticized LISC/Chicago for what they saw as a lack of sensitivity to the challenges of local work. These participants felt that the limited capacity of local organizations to enact an NCP plan needed to be addressed through greater assistance from LISC/Chicago regarding resource development, grant writing, and staff capacity-building. One participant described this frustration in the following way:

I felt that the . . . assistance from LISC was nonexistent because [this], once again, is a neighborhood that is challenged. It does not have a lot of organizations. The organizations that exist, they're not funder-ready. They may not have a 501(c)(3) yet, or they may not have had an audit in five or six years because audits cost money. So when you go through the criteria for funding to meet LISC criteria, most of the agencies . . . don't qualify.

Over time, however, LISC/Chicago itself shifted program-officer staffing for several of the traditionally disinvested neighborhoods, in a move that was well received by many in them. Some aspects of LISC/Chicago's new approach to working in neighborhoods with fewer organizations for implementation involved reaching out to other local groups directly (and not relying exclusively on the lead agency). LISC/Chicago also mediated tensions when required and explored and promoted projects that fledgling organizations might take on using seed grants.

Brokering Connections Between NCP Sites and Key Stakeholders

As managing intermediary, LISC/Chicago fostered connections between NCP sites and actors in the private, public, and nonprofit sectors that were well positioned to provide additional resources or to leverage political influence to support NCP activities. Much of this brokering work occurred within the philanthropic sector and was aided by the MacArthur Foundation. For example, LISC/Chicago worked with Atlantic Philanthropies to bring comprehensive intermediate-school and extended-day services to NCP neighborhoods. LISC/Chicago also worked with the Annie E. Casey and MacArthur Foundations to provide funding for the establishment of Centers for Working Families, a job-training, financial education, and asset development program. An interviewee praised LISC/Chicago's work in this way:

They help to connect the dots to the larger institutions. . . . I think initially, about a year ago, we had someone come from the Knight Foundation and from . . . some really big institutions, like the Ford Foundation, Robert Wood [Johnson]

— and through those types of interactions, we've been able to introduce what our program is and what our program does.

In addition, LISC/Chicago played a role in introducing sites to potential partners, particularly around commercial investment. This has been the case in places like West Haven and Quad Communities, where LISC/Chicago facilitated relationships with commercial developers, and also in Woodlawn, where it acted as a financial intermediary to facilitate loans or equity investments for development projects.

LISC/Chicago also promoted program diffusion or development from site to site in places where there may be cross-site implementation — helping a youth basketball league flourish among NCP partners or helping coordinate a Sunday Parkways bicycle path program that goes through five neighborhoods, shutting down boulevards for a full day to promote healthy activities. As one LISC/Chicago staff member described this approach:

So for the last 12 months I've found that my work has been sort of more LISC-based, and by that I mean there are a couple of sort of cross-community initiatives that I have had my hand in, one of which is a partnership with the police department in several of our neighborhoods. Sort of growing our sports programming, youth sports program.

Bringing distinct programs to NCP sites may complement NCP. However, it does not always connect new programs to NCP's capacity-building or networking mission. Interviews conducted around the Centers for Working Families, for instance, found less evidence of coordination between service programs and the broader work of NCP, although this varied from site to site.

Although funding connections facilitated by LISC/Chicago have tended to focus on philanthropic resources, including not only those mentioned above but also the Joyce Foundation and the Chicago Community Trust, connections to public sector actors have also occurred. These have involved meetings that brought the mayor of Chicago to NCP events, and staff liaisons within the mayor's office, and the facilitation of public resources around summer jobs programs. However, NCP participants sometimes saw less relative focus on public sector connections than they would have liked. Indeed, many groups were hopeful that LISC/Chicago could play a broader role in connecting them to the public sector — to public processes or government resources especially important for NCP sustainability, particularly given the limitations of seed grants. Some local groups also felt that they were not given the opportunity to participate in shaping these brokering efforts. As one lead agency staff member put it:

I also see LISC engaging the city departments on their own, not necessarily with-in these communities . . . so they are leveraging the power, no questions asked, but they're not bringing the communities to the table or they're selectively bringing the communities to the table . . . there are things that you can definitely say

— if you say to the Department of Planning, “LISC is on board” it’s very helpful because they’ve got a great relationship with the city, but when you take a look at the opportunity that was missed [by not going] collectively.

Although many groups felt that LISC/Chicago was helpful in brokering political connections, some felt that LISC/Chicago was sometimes too cautious in helping NCP groups address Chicago-wide policy concerns. One actor, for example, described the Chicago Housing Authority’s (CHA) Plan for Transformation, described in Chapter 1, as having major consequences for many neighborhoods.

The CHA plan has impacted every single school, and it’s impacted so many neighborhoods. . . . It’s impacted like 40,000 people . . . all of our safety issues in [name of neighborhood] have been tied back to the closing of public housing. . . . So then you have NCP, and they’re saying, “Okay, well, we’re over Chicago, and, hey, Chicago, we want you to have all these different things going on in your communities”; but they’re not looking at some of the bigger macro issues like . . . CHA and the public school system.

This participant, like some others, hoped that LISC/Chicago would be more active in helping direct NCP’s energies toward solving citywide problems with local ramifications. LISC/Chicago is not an advocacy organization, and other citywide coalitions exist to bring neighborhood voices to citywide decisions. At the same time, some lead agencies felt that LISC/Chicago’s extensive relationships might be brought to bear in a less “transactional” way. That is, instead of emphasizing individual support for projects, they hoped LISC/Chicago would take an active part in the development of stage-setting decisions that influence many neighborhoods. For example, in addition to the CHA Plan for Transformation described above, other decisions that were mentioned by lead agencies include regional transportation initiatives that could benefit “corridors” of NCP communities and, relevant at the time, planning for a potential Olympic bid. (LISC/Chicago did take part in 2016 fund planning during this bid.)

Local Intermediaries’ Roles During Planning

The first main intermediary responsibility of NCP lead agencies was to conduct community planning. Across the 14 NCP neighborhoods, thousands of community stakeholders — including residents, city officials, and other civic leaders — participated in structured community planning processes that culminated in the creation of quality-of-life plans. After formal planning was completed, scribes and LISC/Chicago staff worked to produce NCP-wide plan-

ning documents and convened a session among all lead agencies and the mayor of Chicago to jump-start implementation.⁵

Lead agencies as well as community partners largely described planning within NCP as a successful exercise that helped build trust among local groups. This finding is significant, as many community initiatives have been hampered by problems of coordination and collective decision making.⁶ However, getting through planning was more challenging for some lead agencies than others. Lead agencies that had strong relationships with other community organizations, or those that were politically powerful at the beginning of the initiative, were able to run smoother planning processes than those that did not. In neighborhoods where mistrust between groups was more the norm — neighborhoods often marked by historic disinvestment — lead agencies found planning to be a more challenging activity. It is important to consider these dynamics because stronger initial networks could lead to stronger planning and could lay the groundwork for more successful implementation.

Planning Based on Strong Local Networks

Lead agencies and their partners often described the most successful quality-of-life planning efforts as those whereby lead agencies built on existing networks. These processes were seen to mobilize more residents and organizations, identify more strategic projects, and build broader consensus around large projects of significance. Chicago Lawn is a neighborhood that has been held up as an example of strong planning. There, the lead agency is itself a collaboration between a well-respected community development organization (Greater Southwest Development Corporation, or GSDC) and an effective community organizing group (Southwest Organizing Project, or SWOP). *Before* planning formally started in that neighborhood, GSDC and SWOP identified over 100 community leaders, interviewing them and engaging them about needs, as a way of starting their process on a strong footing. As one staff member put it:

We didn't want anybody participating that didn't have capacity. When we picked our planning team, we wanted it to reflect the community as a whole. But we were very, very intentional in getting people in the planning team who could actually produce something. We didn't want any Lone Rangers. We didn't want any folks that didn't play well with each other.

Strong local networks also helped planning processes in Humboldt Park, a mixed Latino and African-American neighborhood west of the Loop. In that community, the lead agency,

⁵Online, see the Web site www.newcommunities.org/news/inTheNews.asp?objectID=181 for descriptions of neighborhood-specific plans.

⁶Chaskin, Brown, Venkatesh, and Vidal (2001).

Bickerdike Redevelopment Corporation, worked with an organizing network of local organizations, the Humboldt Park Empowerment Partnership (HPEP). Bickerdike added staffing to some of HPEP's existing committees and helped create some new task forces. A member of the organizing task force described how the basic structure of the umbrella network, and its approach to building consensus, carried into NCP planning and made it easier to communicate among teams:

The only thing you needed was to agree to disagree around the table in order for you to become a member of the [HPEP]. The same motto was adopted by NCP. . . . NCP became an integral part of the whole process. And we meet on a regular basis as a steering committee, and then NCP reports at the steering committee and . . . obviously, our partners also report, and the different action teams report at that table. So that basically makes it very easy for people to communicate.

Planning in Historically Disinvested Neighborhoods

Because planning was meant to be a collective exercise, it could be derailed by suspicion and mistrust. Although mistrust was an issue faced in some form in many neighborhoods, it was especially strong in Cluster 4 neighborhoods. As planning started, these neighborhoods often experienced skepticism about the intention of the lead agency and fears that it was “keeping” NCP resources. At other times, community partners believed that planning would not come to fruition. Conflict about specific components of the plans also made it difficult for community actors to come together.

In many cases, mistrust and conflict provided barriers to agenda setting during the planning process and disrupted some public meetings. For example, in Woodlawn, a traditionally disinvested neighborhood directly south of the University of Chicago, community organizations recalled a sometimes-contentious planning process — contention that related back to the history of the neighborhood:

You know, most of the Woodlawn meetings are, you know, you're gonna spend three hours exhausting yourself arguing with somebody about something that you know is right, and they know it's right, but they're gonna make you go through this whole process anyway to try to make you feel like you're a damn fool.

Challenges also surfaced where there was little local antagonism reported within the neighborhood but few relationships or organizations on which to build a planning process. This was also true of many historically disinvested neighborhoods. For example, in contrast to the ways that GSDC and SWOP were able to identify 100 leaders before planning started (discussed above) and to interview them about their capacities to carry out aspects of NCP planning and to start planning on a strong footing, other groups did not have the ability to identify any local leaders outside the organization and its board members. As a result, some lead agencies

may have been forced to open up meetings to individuals whom they did not know and with whom they had limited ability to form relationships. Staff at one lead agency reflected on this issue: “If you looked at our sign-in sheets in that time, we had a lot of people from the South Side, west suburbs . . . South Side, far south. I mean, we had people from all over.”

Despite the difficulties that these dynamics evoked during planning, many groups reported greater “togetherness” after going through the planning process. For example, during planning in Woodlawn, one group felt that it was being excluded from decision-making. Staff there subsequently organized a planning and survey initiative to counteract what they saw as a lack of focus on youth development. This focus was later incorporated and embraced by steering committee members, and the group became part of the Executive Committee of NCP Woodlawn. As one partner who was broadly critical of NCP in the community described:

Honestly, in retrospect, it was amazing to me that the quality-of-life plan project got done. The planning project itself is a major, major success for collaboration among these three lead agencies. So that’s a really positive thing. If we could see more happening on the implementation side, then I would be encouraged and say, “Oh, yeah, that was somehow a trust-builder.”

Another group acting in a historically disinvested neighborhood also found ways of reaching out to skeptical stakeholders during the planning process. Englewood is a historically disinvested African-American neighborhood on the South Side that is known for its history of internal disagreement. In this neighborhood, Teamwork Englewood, a small planning organization founded specifically for NCP, found ways of reaching out to smaller neighborhood groups — including many informal neighborhood associations or social service agencies that were led by their founders and that sometimes felt excluded from funding or community-level decision-making. One interviewee stated:

If I may say as far as my knowledge goes with Teamwork Englewood, I’ve seen Teamwork Englewood bring organizations, individuals, ministers together. We have all been able to meet in the same rooms and talk about the needs of the community, and that’s how the quality-of-life program came together — by all of us coming together, talking about the things we need, and because our community needs so much.

How Local Intermediaries Initiate Projects: Creating Partnerships

Although planning offers its own challenges, these may pale in comparison to the challenges of actually implementing plans. As described above, since the structure of NCP relies on implementation to be a *collective* process, lead agencies often needed to find ways of sparking action, even when they did not directly control it. Strategies to *catalyze* action often meant reaching out to identify neighborhood organizations that lead agencies felt could carry out

projects. Among the factors that they considered in building such partnerships were a group's organizational capacity, programmatic strength, reputation for reliability, available resources, and ability to collaborate.

The possibilities for crafting such partnerships differed across neighborhoods. In sites with relatively strong organizational infrastructures and where lead agencies had strengths in brokering and coordinating, lead agencies were able to establish partnerships with organizations that were well positioned to take on work immediately. For example, Humboldt Park and its lead agency, Bickerdike, is an example of a neighborhood with strong existing organizational structures. Bickerdike was deliberate in seeking partnerships with organizations that had specific, complementary capacities and a record of success. Its work as an intermediary often took on the shape of making collaborative arrangements among a number of organizations working in the same field. Through the NCP planning process, community health organizations together defined their five highest health priorities and worked to determine how they could leverage their expertise and resources to address those issues most effectively. As a staff member from Bickerdike explained:

They can see the benefits to becoming a collaborative effort, because it may be that they're doing a portion, like maybe they're doing an education piece, but if they partner up with another organization that's doing outreach, you know, it'll enhance both of their services. So it's kind of win-win.

Under these groups' efforts, the number of participating organizations has grown to more than 30 organizations and is known as the Greater Humboldt Park Community of Wellness. The initiative has generated a variety of programs, such as nutrition education, sports groups, vocational training for those interested in health careers, and general health services. It has also catalyzed deeper and more integrated partnerships, expanded opportunities and support for smaller organizations, and facilitated access to additional funding, including funding from the AIDS Foundation of Chicago for an examination and "call to action" to establish efforts in response to HIV/AIDS in the Latino community.

In contrast, in communities with less strong organizational infrastructures or operating in contexts of significant mistrust, lead agencies had to take other strategies to identify partners. One example is West Haven, a neighborhood with a relatively weak infrastructure of community-based organizations. Its lead agency, the Near West Side Community Development Corporation (NWSCDC), convened community stakeholders to provide input on emerging implementation plans, and it called community meetings to give both long-time residents and newcomers the chance to voice their opinions on the nature of the amenities to be sought. NWSCDC then used NCP funding to hire a consultant to secure additional grant funding and to design the retail development plan as well as to seek out investors who would help support the project.

Although residents shared many concerns, their discussion of the details of commercial development and revitalization created some tension related to diverging interests. One flash-point centered on the selection of a grocery store as an anchor development for a shopping center. Lower-income residents argued for a discount grocer and the promise of jobs for local residents that it would provide, while higher-income residents argued for a more upscale vendor. This dynamic was further complicated by a change in elected leadership, requiring the lead agency to win the support of the incoming alderman before being able to move forward with development plans.

How Local Intermediaries Maintain Momentum: Sustaining Strategies

Once the implementation process was under way, lead agencies often had to concern themselves with another important dimension of the NCP implementation process: sustaining engagement among community organizations and maintaining momentum of the implementation work. To accomplish this, they used *communication strategies* and created effective *governance and oversight structures*.

Communication Strategies

Nearly all interviewees stressed the importance of communication to promoting sustained engagement in the NCP process. Lead agencies have taken different strategies to communicate with local stakeholders, from surveys to open meetings to making themselves an information resource on request. In Quad Communities, for example, community partner organizations noted that information gathering was an initial priority of the lead agency as a way of coming to understand the “lay of the land,” including a sense of the stakeholders and existing local capacity. A significant amount of this effort was accomplished through community meetings that the lead agency, Quad Communities Development Corporation (QCDC), hosted. Bickerdike used NCP resources to conduct a survey of the health needs and effects of disease on each of Humboldt Park’s major population groups: African-Americans and Latinos. In addition to informing the work of and facilitating additional funding for the Community of Wellness, described above, this communication strategy effectively engaged both segments of the community’s divided residential population and positioned the lead agency to represent both. Feedback loops and communication about meetings and other events in both sites were reported by community partners to be an important means of sustaining broad interest and engagement in NCP.

Another point where communication was particularly important during implementation centered on the process by which NCP seed grants were to be distributed. Although seed grants could become an important relationship-building tool, they also could spark resentment if

potential community partners felt that grants were being distributed unfairly. Sometimes this process did not go well. Two cases drawn from neighborhoods within Cluster 3 — neighborhoods that could also be characterized as growing and with substantial Latino populations — illustrate this contrast. In Little Village, where the lead agency, Little Village Community Development Corporation (LVCDC), has taken a strong lead in project implementation, some partners perceived it to be acting as a “gatekeeper” of funds rather than facilitating additional funds or relationships. Some community partners also expressed feeling disconnected from the implementation process and were unsure how they might become more involved. One community partner in Little Village described it this way:

I don't know that there was ever a real conversation about how you get resources, and I think that part of the LVCDC, very much like some of the other managers, kind of . . . kept it really close, and they controlled information about who was eligible . . . and people had to develop their own lines of communication.

In contrast, Bickerdike provided clear and concrete information to organizations in Humboldt Park about the funding process and the lead agency's role in it. This helped seed grants build trust among community partners, in accordance with their intention.

One challenge noted by some lead agencies in maintaining strong and broad communication efforts is that it is difficult to do so while simultaneously focusing on implementing projects. Doing it can take a toll on an organization, as noted by a staff person at one agency:

We spend a lot of time representing. LISC wants us to come and represent; somebody else wants us to come and represent. You know, you can't actually get a damn thing done [unintelligible] doing that. And when you're small, it actually becomes sort of a — I would say that between the travel and the representation, it can get a little bit nuts.

Another communication challenge related to local context involves neighborhoods that have a history of mistrust. Lead agencies overcame this problem through more constant interaction and relationship-building. In Englewood, the dynamic was described in this way:

There are all sorts of rumors going on. People said we got \$12 million that we stuffed in our pockets someplace and all sorts — I mean, Who knows what these kinds of things were? We started the process of reaching out and having community meetings. . . . And we would have scores, hundreds, of people at some of these meetings telling what they wanted to see happen or what their complaints were for the community, and that was really very good. It was a good process and began to show them that, yeah, we're not perfect, but we're really trying to do this, and I think there's an appreciation in that, and so it was a process of developing this relationship.

Governance and Oversight Structures

Another function of the local intermediary during NCP implementation was to create and help manage ways that local groups would continue to interact with one another and make decisions about moving projects forward. Lead agencies also faced the challenge of establishing accountability and oversight on projects that community members felt they controlled. NCP groups took different approaches to the issues of governance. However, interviews suggest that such efforts, where well implemented, have positively influenced ongoing partnerships and have facilitated project implementation.

In some cases, NCP built on existing structures. For example, one lead agency successfully built on task forces that were already in the community, which became places not only to develop specific proposals about education, health, and youth violence but also to address issues of accountability. As one community partner put it:

Any issues that came up that had to be dealt with that were — where somebody was not fulfilling their goals, that was talked about at the task-force level, and decisions were made at that level . . . [so] the task force would say, “No, I don’t think this group is meeting its goals. My recommendation is that they do not receive the remaining portion of the grant.”

In other cases, lead agencies needed to *create* structures for governance and understanding. For example, in Quad Communities, the lead agency clarified expectations at the beginning of a partnership through a written Memorandum of Understanding (MOU), which helped avoid confusion and disagreements. Teamwork Englewood developed a “Circle of Village Advisors” to help deal with potential conflicts. A lead agency representative described its important role:

You have those kind of persons in every community. They’ve been here for a long time; they know the lay of the land; they have a reputation; they’re trusted; they have the community’s best interest at heart. . . . So when sensitive issues come up in the community — issues that may not necessarily deal with just programs or projects but perception, integrity, whether or not certain kinds of situations in the community were handled properly or improperly . . . — we can go into a room and talk about it.

In some cases, governance strategies chosen by the lead agency were conducive to particular aspects of NCP (such as engaging partners in planning) but were less effective for supporting the implementation of projects and sustaining working partnerships. Keeping groups at the table proved to be a more different task than engagement — a task that requires administrative and management skills with a greater focus on accountability, coordination, and oversight. For example, in one neighborhood, early committee meetings were reported to be largely unconstructive. Committees were seen to have little function beyond communicating ideas — a

function that may have worked during the brainstorming process of planning but not as a way of vetting projects, seeking funding, or vetting partners. One partner described it this way:

Each of the participants in the committee could come up with an idea, but the committee itself was not doing work. You know, there's a distinction between the work of a committee and the work of the committee members that it may delegate or sort of second responsibilities to. And so there were these projects going on by individual people . . . but there wasn't ownership of the committee to its work to see these things happen. And so the committee became a way of passing through some ideas from individuals within the group as, I think, as opposed to the committee itself taking on a strategic work process.

Over time, these expectations were clarified, and mechanisms were established for reporting progress and fostering more cohesive and more collegial dynamics among community organizations serving on committees. Under new leadership that was trusted and respected by community partners, the lead agency was able to set agendas more effectively, to clarify roles and lines of communication, and to follow through on decisions.

Conclusion

This chapter describes how the roles of different intermediaries played out in practice within NCP — the roles of both LISC/Chicago, the intermediary that managed the initiative, and the lead agencies, which were charged with conducting planning and implementation as a *collective* process. Lead agencies described LISC/Chicago's role as an important and generally helpful one, validating the MacArthur Foundation's critical decision to vest day-to-day operations within it. At the same time, questions were sometimes raised about the initiative's overall grant-making mechanisms and the ways that LISC/Chicago functioned to connect community organizations with citywide policy initiatives.

For lead agencies, planning was a strategy to build relationships that implementation attempted to sustain, through outreach, communication, and governance strategies. These strategies were often context specific, meaning that they needed to respond to the strengths and challenges of local relationships. Chapter 4 assesses the outcomes of this relationship-building strategy across the initiative.

Chapter 4

Relationships Formed Through NCP

Chapter 3 describes how the New Communities Program (NCP) responds to urban challenges by creating local intermediaries. An “intermediary” is an organization that attempts to promote relationships among organizations, builds the capacity of these groups, and steers strategic investments to them.¹ NCP designers believe that neighborhoods with such intermediaries may be better positioned to weather hard times and to seize opportunities in better times. Since so many community initiatives have been stymied by mistrust and a lack of coordination, NCP designers had high expectations for the local intermediaries and made community capacity-building an especially important part of the program.

This chapter summarizes broad outcomes around relationship-building, drawing from evidence across 14 neighborhoods in Chicago while focusing especially on the six neighborhoods selected for in-depth study (described in Box 4.1). The chapter examines the extent to which community organizations learned to work with each other for the first time and whether existing relationships were improved. Consistent with the research opportunities of the report, it holds up findings about the role of context, outlining patterns of experiences within neighborhoods that are sometimes described as “historically disinvested” and also those that might be characterized as “growing, with substantial Latino populations.” Finally, the chapter describes how these organizational relationships mattered — how, according to the program’s theory of “leverage,” NCP-supported networks have helped result in tangible investments and improvements to communities.

Key Points

- In many communities, partners with no prior working relationships were connected for the first time through NCP. Interviews also provide substantial evidence of enhanced relationships that developed as a result of NCP — cases where existing ties were deepened or where contentious relationships were improved.
- In neighborhoods with characteristics that bring to mind historically disinvested neighborhoods, groups that took part in NCP often started out mistrusting one another. NCP processes improved relationships in these neighborhoods, although the extent of improvement must be measured from this

¹Keyes, Schwartz, Vidal, and Bratt (1996).

Box 4.1

Six NCP Sites Selected for In-Depth Research

Humboldt Park (Cluster 3): This West Side neighborhood in Chicago has both large Latino and large African-American populations. The neighborhood is mostly Puerto Rican on the eastern side and African-American on the western side. For the past 40 years, it has been relatively stable in terms of income and population diversity, although participants express concerns about increasing population mobility and the dangers of gentrification. The lead agency for NCP is Bickerdike Redevelopment Corporation, which is a well-established community development corporation (CDC) that has a long history of housing and economic development but over the years has also engaged in community organizing, leadership development, and advocacy activities.

Little Village (Cluster 3): This primarily Mexican-American neighborhood is on Chicago's southwest side. It is a major "port of entry" for Mexican immigrants to the city and has been experiencing economic decline in recent decades. Little Village Community Development Corporation (LV CDC) serves as the lead agency for NCP. It was founded in the 1990s and, for the most part (despite its name), has engaged in more planning and organizing activities than in housing or specific economic development projects.

Englewood (Cluster 4): This primarily African-American neighborhood on Chicago's South Side has experienced significant population decline and concentrated poverty over the past 40 years. Teamwork Englewood serves as the lead agency and was newly created to spearhead the NCP planning and implementation process.

Quad Communities (Cluster 4): Comprising parts of four South Side areas — Douglas, Grand Boulevard, North Kenwood, and Oakland — within Chicago's 4th Ward, this is also a major site targeted by the city's Plan for Transformation; three former public housing developments have recently been demolished and are in the process of redevelopment. This high-poverty neighborhood has also experienced significant depopulation over the past four decades, but significant development activities have been under way in recent years. Quad Communities Development Corporation (QCDC) is a new organization created to act as the lead agency for NCP. It is tightly connected with the 4th Ward alderman's office and was established as a "broker" organization to catalyze collaborative relations and convene community organizations as part of the initiative.

(continued)

Box 4.1 (continued)

West Haven (Cluster 4): This low-income, largely African-American community just west of the central business district (Chicago’s “Loop”) has, since the 1980s, experienced a decline in low- and moderate-income families and an increase in high-income residents. It is the site of significant development activity over this time, including the construction of a major stadium (United Center) and, more recently, the demolition and redevelopment of one of the city’s large public housing complexes (Horner Homes) into a mixed-income development (Westhaven Park) as part of Chicago’s Plan for Transformation of public housing. The Near West Side Community Development Corporation (NWSCDC) — which engages in development, organizing, and service provision — is the lead agency for NCP.

Woodlawn (Cluster 4): This African-American community on the city’s South Side has also experienced significant population loss and concentrated poverty over the past 40 years. It lies just south of Hyde Park and houses the University of Chicago, which is one of the major institutional partners in NCP in Woodlawn. The lead agency for NCP was initially Woodlawn Preservation and Investment Corporation (WPIC), a “traditional” CDC, but initiative leadership was retooled to be driven by a steering committee operating as NCP Woodlawn, including other major Woodlawn community-based organizations, working under the guidance of Bishop Arthur Brazier, who serves as chair.

difficult starting place. Against stereotypes of “monolithic” Latino communities, both neighborhoods within the in-depth study also experienced internal divisions that NCP sometimes helped address.

- At the same time that NCP accomplished these improvements, most enhanced and deepened networks were intracommunity — not between lead agencies or with public or private actors operating beyond the neighborhood level. This finding reflects the emphasis of NCP as a community-based initiative and also underscores the ways in which it is difficult to build connections with citywide institutions.
- In many cases, enhanced or deepened networks were associated with an improved ability to carry out projects of significance to the community. Relationships allowed groups to attract new and additional resources over seed grants, even in service domains where it was sometimes difficult to do so.

The Formation of New Relationships

In approximately half of all interviews, lead agencies or community partners cited substantial new interorganizational relationships as having formed as a result of NCP — not simply instances where they “met” other groups for the first time but instances where these relationships helped them in their community work. Accounts of new relationships came not only from lead agencies but also from community partners at different distances from the initiative. Interviewees described new relationships forming in several ways, during both the planning and the implementation phase of NCP. These relationships included new ties both among community groups and, in some cases, between community groups and funders external to the neighborhood.

Planning processes themselves sometimes introduced groups to each other. For example, in Englewood, a shared complaint among groups interviewed was that they were not aware of actions taken by others and were sometimes unaware even of their existence. These groups looked to Teamwork Englewood to provide a space where they could learn about other groups’ efforts to improve their neighborhood, a function that was particularly well served during the planning period. Planning also brought new groups together in places such as Quad Communities, where one community partner talked about the value of learning about groups during planning that the interviewee knew previously only by reputation:²

You think about, you hear about people, but you don’t really know them, and I think through this whole planning process, we got to know people that we didn’t know. . . . Prior to the planning process, there was little integration. There was a whole lot of stuff here, but so little of it was integrated; so few things were connected.

In neighborhoods where there were divisions described within communities, planning sometimes introduced organizations to each other that might not have had the opportunity to interact otherwise. For example, in Little Village, some actors described tensions between eastern and western parts of the neighborhood — believing that western parts of the neighborhood were better represented by established organizations and that eastern sections were home to newer, Mexican-American immigrants. Although these new connections did not always continue to evolve in the implementation phase, some actors described NCP planning as spanning that bridge:

I’m from the community where most of those people aren’t, but they’re all new to me. I didn’t know Latinos Progresando. I didn’t know LVCDC that well be-

²As described in Appendix A, qualitative data are drawn primarily from transcribed interviews, which have been coded and analyzed according to predefined themes. To illustrate these themes, representative quotations are presented from staff, implementation partners, or stakeholders external to NCP. Interviews were conducted with the expectation that individuals would not be identifiable.

fore we started talking. I didn't know Service Central States or — you know, four years ago, I didn't know what it was. I certainly didn't know Universidad Popular.

Implementing projects also provided opportunities to forge new relationships; coming together for projects or special events could bring together disconnected actors. For example, in Auburn Gresham, the lead agencies worked toward creating a special services area in the business corridor. According to the lead agency, celebrations relating to the corridor had the effect of connecting different sectors of the community that had not worked extensively with each other.

In other cases, implementation sometimes brought together collaborations of actors who had not previously worked together. For example, in Englewood, the lead agency reported new relationships among churches that reached out to community youth who were repeatedly absent from school. In Humboldt Park, NCP helped form new relationships among groups that were part of the Community of Wellness, a health collaborative, and among members of several other types of collaboratives. For fledgling organizations, these connections were valued for the ways that they opened doors for underresourced groups. For example, in Little Village, a small group talked about how NCP connections helped find a location for a youth recreation facility:

I think [this location] felt like home because, with us leasing the space, not only were we helping ourselves, we were going to help the church at the same time. It was only like a perfect fit. When we met, we met with the church board, so they met with us. They wanted to see what our agenda was, what our mission was, 'cause obviously they wanted to see if they had that fit.

Unusually, this is an example of connections being made *across* neighborhoods; the founder of the fledgling organization was initially interested in working in Humboldt Park and, through NCP, began negotiating with NCP actors in Little Village, based on a referral.

Another important form of new relationship involves groups who connected to funders for the first time. Many of these relationships were facilitated by the Local Initiatives Support Corporation of Chicago (LISC/Chicago) or the MacArthur Foundation. For example, Atlantic Philanthropies funded comprehensive service projects around local intermediate schools in several communities, using NCP as a platform on which to plan for these interventions. Groups appreciated NCP's role in bringing these funds to their neighborhoods and in providing staff to facilitate the planning processes that triggered access to these funds. In places like Englewood, some actors reported new relationships with the Safer Foundation, a public safety philanthropy, as a result of participating in NCP. Some of the conferences organized by LISC/Chicago also provided an opportunity to advance new funding networks, as described by an actor in another neighborhood:

Well I think initially, about a year ago, we had someone come from the Knight Foundation . . . some really big institutions, like the Ford Foundation, Robert Wood [Johnson], and through those types of interactions, we've been able to introduce what our program is and what our program does. During this last two-day conference that we had with NCP, one of our partners . . . actually got to meet the [representative] from the Knight Foundation, and this particular [person] that he met was interested in funding him.

The Strengthening of Existing Relationships

In other cases, organizations may have already known each other, but their relationships improved as a result of working together on NCP. About half of all interviewees cited ways that NCP substantially improved ties among organizations — contributing to what groups saw as significant and potentially lasting improvements in their relationships. As was the case for reports of new relationships, evidence of enhanced relationships was presented by both lead agencies and community partners at different distances from the initiative.

In some cases, local relationships were described as close before NCP, but NCP was said to improve these ties. One example comes from Chicago Lawn, a diverse neighborhood on the southwest side of Chicago, where groups had previously been linked through organizing efforts. In that neighborhood, the lead agency described NCP as a platform that allowed these groups to become more aware of one another's efforts and to see the connections among them:

One of the questions everybody asks is “How does NCP allow you to do what you couldn't do earlier?” And sort of the quick, glib answer is, “It allows us to do in three years what probably would have taken us 10 years to do.” . . . Part of the thing that's really, really enhanced that is that we get — instead of an individual being part of the thing and seeing what unfolds, you've got a collection of folks who've been able to see everything that's unfolded around the table.

In other neighborhoods, NCP brought resources and a new impetus for collaboration. Humboldt Park, the African-American and Latino neighborhood on the West Side of Chicago, provides a good example of this. Groups on the eastern side of that community were accustomed to convening as part of a coalition before the start of NCP. However, the presence of seed grants and other resources that became available to partners through these meetings was seen as an added value to these existing partnerships. As one staff person at a community organization said:

Let me be blunt: Money does that. The availability of money and the possibility of our accessing a resource is a very good stimulus to collaboration. Otherwise we are balkanized, and we are protecting our turf. There is no natural tendency toward, in my view — let me say, in my opinion, there is no natural tendency for groups that have a defined territory and a defined agenda and staff and a budget

and a board and all that to collaborate unless there is a shared interest and a shared opportunity for gain.

The additional staffing provided by NCP also provided platforms for new taskforces to form, in different substantive or policy areas than those traditionally served by existing coalitions.

Improving Relationships in Historically Disinvested Neighborhoods

As described in Chapter 2, a major advantage of NCP research is that it is able to explore implementation dynamics in neighborhoods that have experienced historic patterns of disinvestment, as these constitute so many NCP neighborhoods. As described in Chapter 3, research found challenges to NCP posed by these settings — making NCP’s communication and consensus-building especially important. In many cases, community organizational dynamics in the traditionally disinvested neighborhoods were characterized by mistrust, especially for major institutions. These existed in other neighborhoods as well. However, such communities also sometimes saw greater competition for resources among organizations. Although seed grants were designed in some ways to form relationships among groups, several actors reflected on ways that seed grants could also become a source of jealousy or resentment. As one actor observed of this problem: “You’ve got a little, small pot of money, and you’ve got a lot of hands on the table saying, ‘You know, I should have this; I should have that; I should have this.’” One stark embodiment of this problem of competition, even among major actors with greater resources, was the fact that, in Woodlawn, two members of the lead agency collaborative competed for control of a large, distressed housing development, even as they worked together on other projects.

Historically disinvested neighborhoods also reported more problems with the capacity of local actors to carry out projects than occurred in other neighborhoods. For example, in Englewood, local groups were often organizations that had limited experience with external funding. One community partner described the overall organizational landscape as being part-time or volunteer and sometimes lacking the ability to apply for funding:

Sometimes they’re operating with no staff or one staff or part-time staff, and there’s no funds available. A lot of us [do] not have the knowledge that it takes to do proposals to get funding for the stuff that we are needing. We find that Teamwork Englewood has been very — beginning to help a lot of the organizations get to those areas. And I find that that’s necessary.

As another community partner recalled: “It takes a lot to get a grant without having the support of how to get the grant or where to get the grant from [in] the first place.”

In other cases, although some organizations were represented by extraordinarily committed individuals who had been taking on community projects for years on a volunteer basis,

other organizations in these communities were described as social service entrepreneurs with bad track records. One lead agency reflected on this problem:

They ask for a grant request, and then after I do some digging with them, they don't have a 501(c)(3), whether they're part of this church or that church. Really, they messed up their grant with the city two years ago, but they're trying to use LISC . . . to get some new money. And then I thought — because I know people downtown — after I call them, they'll say: "Oh, don't write it. They screwed up this grant last year . . ." or "They changed names. They used to be so-and-so. Now they're so-and-so."

Another specific challenge to NCP that is related to these neighborhoods' economic and demographic context involves fears of gentrification. While both the definition of gentrification and the process it embodies are contentious, the term generally refers to the inflow of higher-income residents to lower-income neighborhoods, resulting in the direct or indirect displacement of lower-income people of color.

Many actors in historically disinvested neighborhoods cited a fear of gentrification, even as others spoke about the benefits of creating a more mixed-income community. Both these hopes and these fears are supported by analysis of home buyers in many disinvested neighborhoods. For example, as the upper panel of Figure 4.1 suggests, for decades before the rollout of NCP, Woodlawn saw homes purchased primarily by low- and moderate-income buyers. As the lower panel of Figure 4.1 suggests, these home buyers were generally African-American. However, in the late 1990s and during the start of the NCP rollout period, even though the overall stock of residents was largely low-income and African-American, the proportion of annual loans to high-income buyers and to whites increased. Although the proportion of higher-income and white home buyers was low compared with the population, many saw this emerging dynamic as representing signs of incipient gentrification.

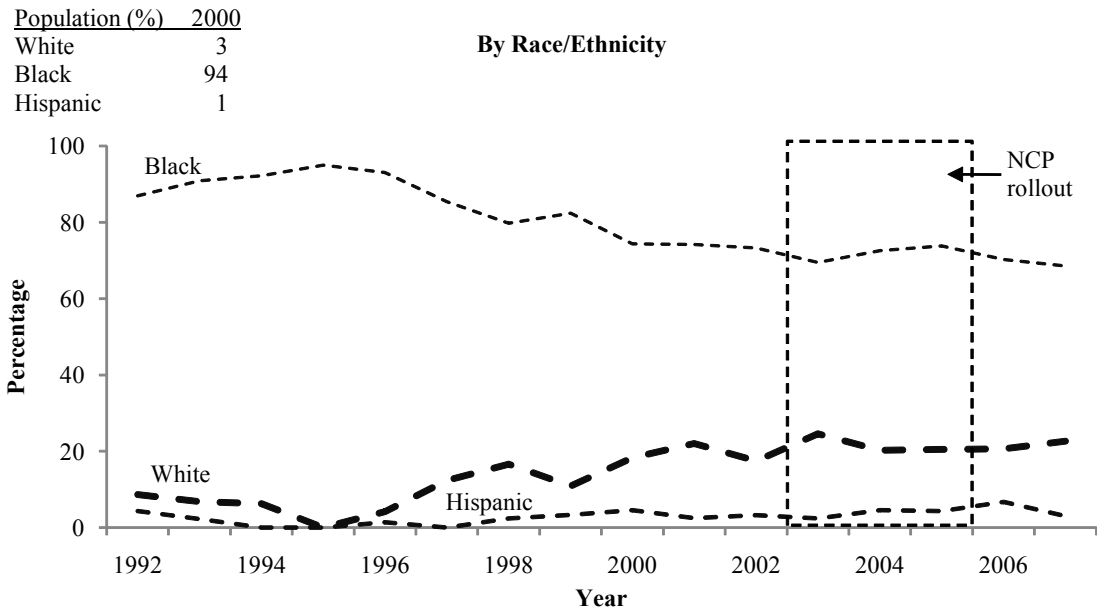
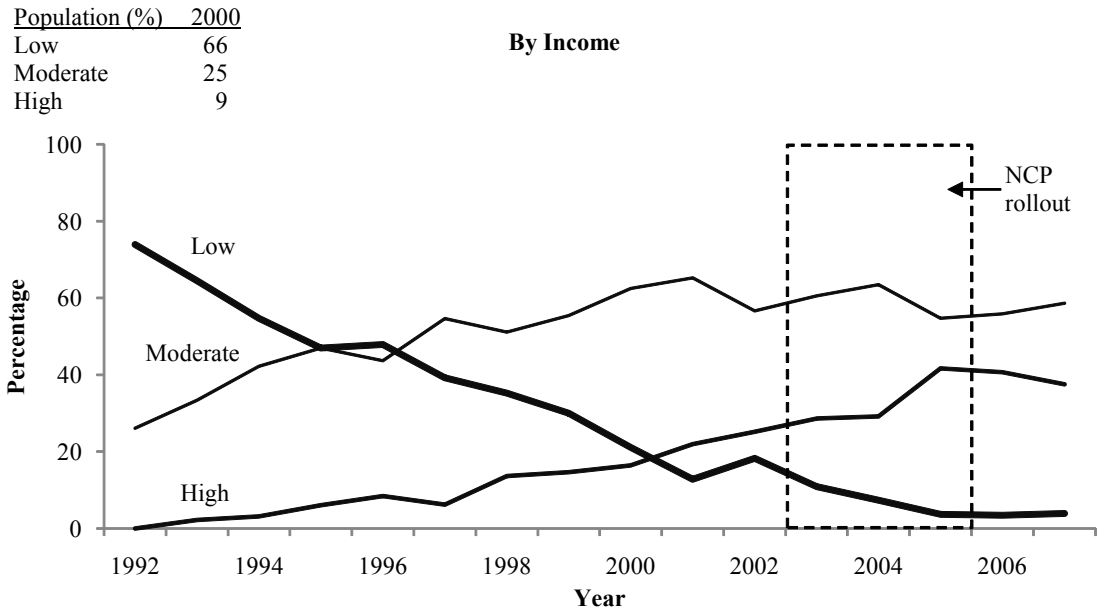
This context had especially strong implications for the housing development activities that were a major part of NCP investments in Woodlawn. For example, a large mixed-income housing development proposal supported by the lead agency and by LISC/Chicago became a point of contention. Efforts to redevelop a distressed housing development known as Grove Parc also became a flashpoint within NCP; even with many in the neighborhood acknowledging that it was crime-ridden and in need of change, some feared that redevelopment proposals would result in the displacement of low-income people from Woodlawn.

It is also worth noting that not every neighborhood that may be characterized as historically disinvested is the same, either in its economic context or in the community's response to it. An interesting contrast to Woodlawn's experiences may be found in Quad Communities. As the upper panel of Figure 4.2 describes, Quad Communities also saw a sharp increase in the proportion of home purchases by higher-income borrowers during the 1990s and into the rollout

The New Communities Program

Figure 4.1

Percentage of Home Purchase Loans, by Race/Ethnicity and Income of Borrower: Woodlawn (1992-2007)



(continued)

Figure 4.1 (continued)

SOURCE: MDRC analysis of data from Metro Chicago Information Center (MCIC). See Appendix A for specific details on data sources.

NOTES: The table within the income chart shows the percentage of the total population in various income categories. Income groups are defined according to U.S. Department of Housing and Urban Development (HUD) specifications in terms of their relationship to the Area Median Income (AMI) for the Chicago metropolitan area. The low-income group has income below 80 percent of AMI; the moderate-income group includes households with income between 80 percent and 120 percent of AMI; and the upper-income group includes households with income greater than 120 percent of AMI.

The period from 2003 to 2005 is generally referred to as the NCP "rollout period," when project activities focused on planning and early implementation.

period for NCP. As it did in Woodlawn, this dynamic might signal similar fears of gentrification to some community actors.

However, as shown in the lower panel of Figure 4.2, the proportion of white home buyers stayed approximately the same. Quad Communities is a place where higher-income African-American home buyers found properties and also where the local political structure supported this economic diversification within the neighborhood. Gentrification may be occurring in Quad Communities, but it is happening without the dimension of racial change that may be part of other formerly disinvested places.³ This element of context may be one factor contributing to the fact that interorganizational relationships in Quad Communities are not nearly as contentious as in other neighborhoods classified as being part of Cluster 4. (See Table 2.4 in Chapter 2.) As one resident who was familiar with both neighborhoods observed about the leadership in Quad Communities' support of bringing in a middle class to the neighborhood: "Quad Communities knows where it wants to go. Woodlawn hasn't decided yet."

Even in these difficult cases, NCP improved on relationships that had experienced tensions in the past. For example, in Woodlawn, after a difficult starting period, NCP shifted to become a more formal collaboration among three major organizational partners with long and complicated relations: The Woodlawn Organization, Woodlawn Preservation and Investment Corporation (WPIC), and the University of Chicago. Although there has been a history of collaboration among these groups, there has also been conflict. After a difficult starting period, interviewees reported improved relationships — even among these lead agencies.

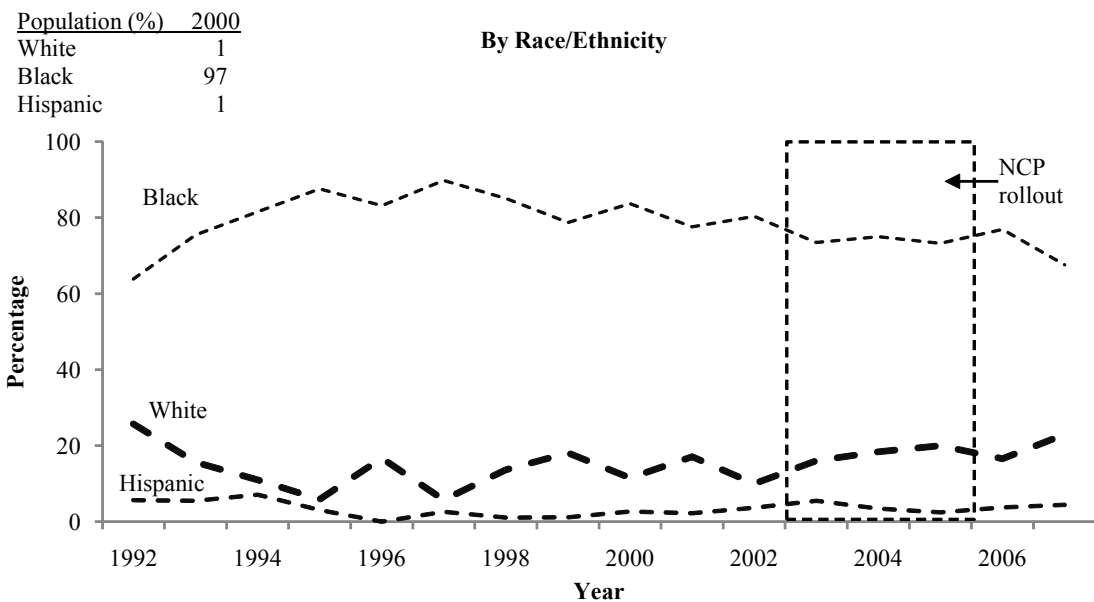
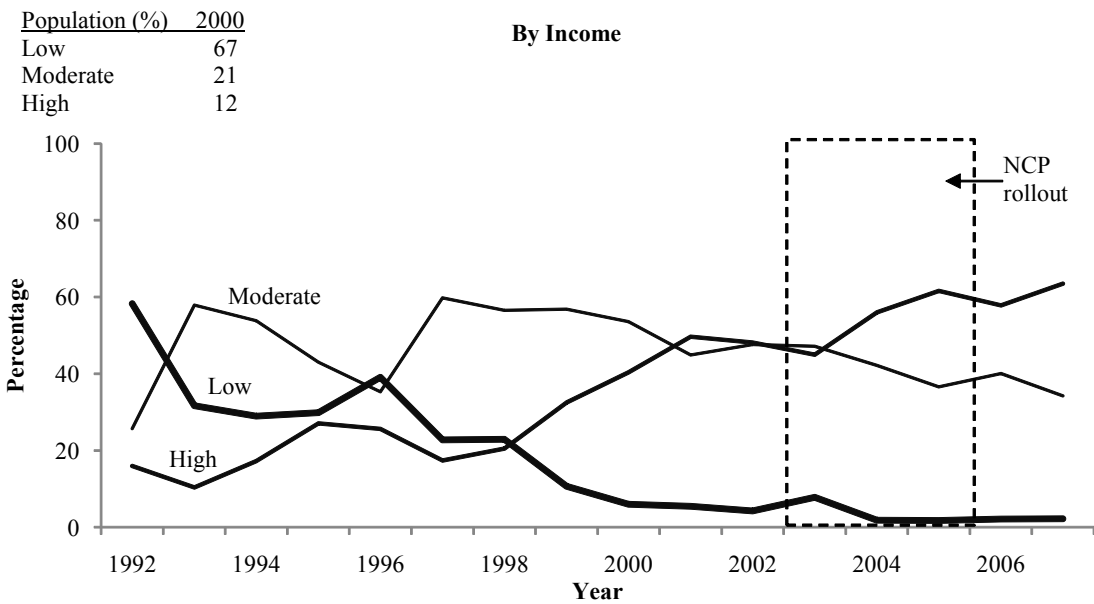
As a younger person whose family was coming up in Woodlawn, I was very suspicious of the university's role coming into this particular leadership position. I have a lot more appreciation for that now than [before]. . . . So I think this process has had a two-way street in terms of being in a relationship and understanding challenges and maybe even a way for increased public accountability of what the university says it's gonna do.

³For a detailed case study, see Patillo (2007).

The New Communities Program

Figure 4.2

Percentage of Home Purchase Loans, by Race/Ethnicity and Income of Borrower: Quad Communities (1992-2007)



(continued)

Figure 4.2 (continued)

SOURCE: MDRC analysis of data from Metro Chicago Information Center (MCIC). See Appendix A for specific details on data sources.

NOTES: The table within the income chart shows the percentage of the total population in various income categories. Income groups are defined according to U.S. Department of Housing and Urban Development (HUD) specifications in terms of their relationship to the Area Median Income (AMI) for the Chicago metropolitan area. The low-income group has income below 80 percent of AMI; the moderate-income group includes households with income between 80 percent and 120 percent of AMI; and the upper-income group includes households with income greater than 120 percent of AMI.

The period from 2003 to 2005 is generally referred to as the NCP "rollout period," when project activities focused on planning and early implementation.

In other situations within neighborhoods marked by historic patterns of disinvestment, interviewees reported that NCP allowed for the resolution of what might otherwise have become disputes within the community. For example, the community safety goals of the Cease Fire Program (a state-supported antiviolence initiative) were often shared by many NCP stakeholders across neighborhoods. However, depending on the neighborhood, the program itself was sometimes controversial for the strategies it employed to reach these safety goals. In one neighborhood, even though an organization had misgivings about accepting Cease Fire resources and might have preferred other ways of approaching its objectives, the group supported the application for the program because an NCP committee reported that it was interested in it. This support was made possible, in large part, because of an earlier alliance between the organization and the lead agency around a contentious housing project, which provided the foundation and rationale for the later alliance around Cease Fire. Similarly, in Woodlawn, some actors reported that NCP allowed a local housing developer the ability to discuss important safety issues related to the controversial distressed housing development.

Another example of NCP's allowing potential relationship pitfalls to be avoided occurred in Quad Communities, the predominantly African-American neighborhood on the South Side of Chicago. Although relationships there were not generally contentious, the rapid pace of change in the neighborhood posed opportunities for conflict. Several NCP partners, including the University of Chicago, helped bring a charter school to the neighborhood and worked with the state legislature to ensure that residents might have priority to attend the school. Although a neighborhood charter school was supported by multiple stakeholders, it also had the potential of raising tensions with other local public schools, given the possible diversion of resources and students. Seeing this potential for conflict, the lead agency worked to create an education collaborative that might avail itself of similar resources from the university. This collaborative both addressed education goals within the NCP plan and also helped avoid tensions that came from the introduction of a charter school run by the University of Chicago.

Even given these improvements in historically disinvested neighborhoods, research still encountered significant skepticism about the intentions of other actors, amid many reports that NCP had improved things. Although many organizations worked together through NCP, they often still harbored misgivings. One interviewee captured this dynamic in Woodlawn:

I guess NCP has made strange bedfellows . . . strange, strange bedfellows, because [the lead agencies] agree on some things and ardently disagree on others — I guess for the good of whatever it is that they're sitting at the table for, because they all have a lot at stake sitting at that table. . . . At times, they are at odds with each other in terms of their views upon how the community should look and act. Of course, most of the time I'm at odds with all three of them.

It is not surprising that mistrust would remain in neighborhoods, given long-standing patterns of relationships. However, this observation provides a realistic caveat about the extent to which a community initiative can completely transform organizational relationships, particularly in a few short years, even as it improves them.

Relationships in Growing, Immigrant Neighborhoods

Although divisions within neighborhoods was a theme of relationship-building within Cluster 4 neighborhoods, these tensions were not absent from other places, even if they did not exist to the same degree. As described in Chapter 2, statistical analysis of Chicago neighborhoods also identified those that have an often-substantial Latino population and that are also characterized as growing. These bring to mind growing, immigrant communities and involve four NCP neighborhoods, two of which are within the in-depth study: Humboldt Park and Little Village (Box 4.1). Contradicting the stereotype of immigrant communities as monolithic entities, NCP research identified divisions within community that NCP attempted to address. These divisions involved not only differences among racial/ethnic groups and the organizations that were sometimes associated with them but also other types of distinctions within the communities. In neighborhoods where racial/ethnic or class divisions existed — reflected also in some of the Cluster 3 neighborhoods — NCP served as an umbrella for bringing together organizations that might not have come together otherwise.

For example, some actors in Little Village described tensions between more recent immigrants and the second- and third-generation residents, who were more established. Experiences in Humboldt Park — also in Cluster 3 — provide another useful example of how NCP supported the local intermediary's efforts to bridge racial/ethnic tensions. Humboldt Park is largely Puerto Rican on the eastern side and African-American on the western side. Historical dynamics of mistrust between organizations and residents on the two sides of the neighborhood challenged the local intermediary's initial attempts to build bridges to the western part. Over time, the lead agency was able to span that bridge and engage residents and groups in that part of the neighborhood.

Limitations in Relationships

Although the preceding sections describe new and enhanced relationships through NCP, analysis also suggests some potential limitations in the form and extent of these ties. Some such limitations are likely related to the nature of community initiatives in general — and of how difficult it can be to develop new network patterns.⁴

First, there is stronger evidence of improved relationships in some sites than in others, with starting context playing a large role in the extent to which relationships formed or were enhanced. In the same way that the number of projects, grants, and leverage varied across communities, accounts of new or enhanced relationships also varied among neighborhoods. Among in-depth research sites (Box 4.1), one was able to capitalize on existing networks, and another was able to build on the political power and reputation of a well-regarded alderman to broker connections that did not exist before. In a third neighborhood, the lead agency availed itself of many relationships formed through its political and organizing leadership. In places where there were few organizations, such as West Haven, there was little evidence of relationships improving or of new ones being formed. In places where there were contentious relationships reported among groups, such as Englewood or Woodlawn, research still encountered significant skepticism about the intentions of other actors, even as many reported that NCP had improved things. Even as organizations worked together, they still harbored misgivings.

Second, most new and enhanced relationships were among local community organizations and not between groups in different neighborhoods or between local groups and public institutions. As might be expected from an initiative that emphasizes planning among community organizations, most of the new and enhanced relationships described by lead agencies and their partners were among and with local organizations, not with organizations in other neighborhoods, with government, or with other large institutions. In some cases, actors related this intracommunity orientation to criticisms about the focus of the initiative — emphasizing local action and the implementation of smaller projects — and not necessarily acting to connect broader, Chicago-wide policies to NCP's efforts.

Relationships That Brought Substantial New Resources

The very structure of NCP is meant to facilitate resources to communities through interorganizational relationships, inasmuch as seed grants are provided to partners who take part in planning processes and who work on parts of the community-approved plan. However, interviews provide evidence that, in several instances, NCP relationships helped facilitate significant new resources to neighborhoods, over and above seed grants. It is difficult to

⁴Burt (1992).

establish definitively what would have happened in NCP neighborhoods without the intervention. Evidence about relationships bringing new resources is strongest under two conditions. First, actors consistently describe NCP as being the impetus for their coming together, and they trace ways that these relationships would not have formed otherwise. Second, these actors also describe the NCP-sparked relationships as triggering large additional investments that would have been difficult to achieve otherwise.

Evidence about NCP relationships leading to new resources or investments takes several forms. First, some investments were facilitated directly through NCP, through the intervention of LISC/Chicago and the MacArthur Foundation. Second, seed grants were sometimes coordinated in ways that attracted new relationships and allowed new investments to occur. Third, new collaborations sometimes allowed smaller community groups to propose major new areas of work to outside public and private funders.

Some large investments were directly facilitated by NCP, through the actions of both LISC/Chicago and the MacArthur Foundation and through the relationships that formed through local actions. For example, a comprehensive intermediate school initiative, funded by Atlantic Philanthropies, was brought to many NCP neighborhoods as a result of actions by LISC/Chicago and MacArthur. Within each of the neighborhoods that proposed projects to Atlantic Philanthropies, a local planning process among education and social service stakeholders built directly on NCP planning and implementation efforts. Actors involved in developing the proposal to Atlantic Philanthropies had participated in earlier NCP planning, and the lead agency played a key role in the planning process. One actor in Chicago Lawn described the educational planning efforts in this way:

Because of the existence of those relationships, we're able to put together a real planning scene . . . in a matter of a week-and-a-half, because we've got existing relationships. And they came to the table with trust. So I think the relationship [pieced together] things much quicker than it would if we just started off and said, "Okay, let's get started now."

Other programs that were facilitated directly by NCP involved youth summer jobs that were funded by the State of Illinois, reported to help bring \$750,000 to some neighborhoods. LISC/Chicago was able to help sites access funding for the state jobs program, and lead agencies were able to employ these resources by tapping into a network of organizations that provided positions for local youth.

Finally, in some situations, new collaborations — attributed to NCP's planning and organizing — were able to make the case to funders that they had greater capacity for larger-scale achievement. For example, in Humboldt Park, collaboratives in the areas of health, youth development, workforce development, and safety were formed, and all attempted to attract new

funders interested in supporting larger efforts than could be accomplished traditionally through a single organization. An actor in Humboldt Park described how NCP led to this application:

One of our organizations turned in a grant to the Department of Labor Friday, and it's a million-dollar grant. And so we had to figure out, sort of, who the core partners were going to be. We pre-identified about five different organizations around the table and said, "This is work that you're already doing. We just want to help supplement this and figure out, sort of, this networking matrix." . . . And that was easy then, because it wasn't extra work for anybody. They saw how, okay, it's just going to help me exemplify what I'm doing or enhance what I'm doing or provide more services. It's not something I have to do extra. The only thing that we required of them at the onset was a memorandum of understanding. That was — okay, took a little bit of convincing, but much easier than asking someone to develop a program that they're not [already] doing.

Chapter 5 turns to a more extensive analysis of these additional investments catalyzed by the networks created through NCP planning and implementation.

Conclusion

NCP played a role in improving relationships among local organizations and in forming new relationships. In some limited but important cases, these relationships also extended beyond neighborhoods. Such "bridging" relationships created opportunities for community groups to connect to funders and other powerful actors that could support their local efforts. This finding is significant, inasmuch as NCP designers saw this form of community capacity-building to be an important outcome of the initiative. At the same time, context influenced both the nature and the extent of improvements, as neighborhoods that started out from a difficult place with relationships of mistrust saw modest improvements.

Given the current economic downturn, a major question for the second phase of MDRC's research in NCP is how these relationships will continue — whether the scarcity of investment and public resources and the resulting strain erodes relationships or whether groups band together to withstand these external shocks.

Chapter 5 explores the projects that resulted from the relationships that were created or improved by involvement in NCP.

Chapter 5

Implementing Projects Through NCP

The New Communities Program (NCP) uses a comprehensive approach to address urban problems and sustain the quality of life in Chicago neighborhoods. In efforts to do this, lead agencies (local intermediary organizations) direct planning processes that identified important neighborhood projects. However, it is one thing to engage stakeholders in developing plans; it is another to carry out these plans. As described in Chapters 3 and 4, many community initiatives struggle with the transition from planning to implementation. Some such initiatives have also been criticized for the limited scale of projects that are accomplished through them.

NCP identified several strategies for making sure that significant projects advanced past the planning stage. Instead of investing a single organization with the responsibility for implementation, NCP seeks to work with many different community partners. To create more substantial projects and direct greater resources toward neighborhoods, NCP promotes the concept of “leverage,” hoping that seed grants will attract additional funding for projects. The model also assumes that the networks that are formed through planning will help groups pool resources or attract additional funding streams. Ultimately, NCP believes that these coordinated and comprehensive investments and improvements will produce the most significant results for the community as a whole.

This chapter describes broadly how projects were completed under the auspices of NCP, thereby meeting the challenges of implementation. The chapter also discusses the comprehensiveness of projects reported through NCP and whether the initiative’s attempt to move community development organizations toward broader areas of work was successful. Because NCP assumes that the networks created through planning and implementation will catalyze additional investments, private or public, the chapter also asks what levels of leverage are reported by lead agencies. Finally, the chapter examines patterns of experiences across different types of lead agencies and communities.

The chapter draws both on qualitative data and lead-agency annual progress reports for all 14 communities.¹ The annual progress reports cover the years 2002 to 2008 and provide the raw data for a detailed analysis of projects — their domains of interventions, sources of funding, funding levels, reported leverage, and variation across NCP communities. While these reports offer the most comprehensive information on the flows of resources under the auspices of NCP,

¹Box 1.3 in Chapter 1 briefly describes the 14 NCP neighborhoods, and Box 4.1 in Chapter 4 presents the six neighborhoods that are the focus of in-depth research.

it should be noted that reporting varies among sites and also that, in most instances, research could not assess whether these projects would have occurred in the absence of NCP funding. It should also be noted that the chapter focuses on seed grants to support projects, rather than on the loans made by the Local Initiatives Support Corporation of Chicago (LISC/Chicago) to support housing and commercial real estate development, as these were described as involving a different internal process for distribution. Nonetheless, loans are still counted as leverage within projects, and these annual progress reports — coupled with interviews and field research — still provide evidence about the ways that certain significant projects emerged because of the relationships formed through NCP.

Key Points

- Lead agencies took different broad strategies to ensure that plans were implemented. Some strategies involved identifying projects that others could complete and supporting them through seed grants; others involved the creation of collaborations among several community organizations. Finally, lead agencies took it on themselves to complete some projects.
- NCP created a successful system for identifying and supporting projects in multiple domains. Compared with other comprehensive community initiatives (CCIs) in which implementation proved more challenging, approximately 750 projects have been reported during the observation period. Projects have spanned multiple domains (workforce and economic development, social services and education, and public space and the arts).
- While the initiative as a whole reported attracting approximately \$400 million in leverage, most grants did not report “leverage.” In many domains, institutions do not exist to complement these small project grants, and not every grant was designed to produce leverage. Some were used to build trust and relationships among community actors, while others were one-time small projects, such as a mural project. Another type of grant may set the stage for future action.
- On average, the NCP neighborhoods shown in Chapter 2 to be facing conditions commonly associated with historic disinvestment report relatively fewer projects. This is consistent with the observation of the challenges of operating NCP in more economically distressed neighborhoods.

Broad Strategies for Implementation

A major distinction among implementation approaches to NCP compared with typical CCIs relates to how other community actors continued to be involved after the planning process ended. By design, planning was a collective process, engaging multiple organizations to identify and prioritize neighborhood projects. In contrast, implementation required sometimes-difficult decisions about delegating these projects, as well as the challenges of actually implementing them. This challenge of implementation was especially acute, given the nature of community planning and the structure of seed grants. Planners were encouraged to be inclusive when groups proposed viable projects. However, this sometimes meant that plans had many activities — not always with a sense of prioritization among them — and while they often identified a potential “lead” actor, this did not always represent a clear commitment from an organization to carry the plans out.

Groups took different approaches to ensure that plans were completed. Some strategies involved identifying projects that others could complete and supporting them through seed grants. Other strategies involved the creation of collaborations among several community organizations. Finally, lead agencies took it upon themselves to complete some projects. This report calls these approaches “brokering,” “coordinating,” and “doing” strategies, respectively.

Brokering Strategies

Brokering strategies are efforts by the lead agency to bring resources to other community actors, whether through seed grants or other resources influenced by lead agencies. These strategies are one way that the role of “neighborhood intermediary” was envisioned within NCP as the initiative evolved from its predecessor, the New Communities Initiative (NCI; see Chapter 1). In most cases, the process around which brokering occurs is straightforward: A partner proposes a project either through the planning process or after it is completed, or a lead agency identifies a partner and solicits its involvement. Either the lead agency or the community partner submits an application to LISC/Chicago, which considers how the project carries out the vision within the plan and, if appropriate, makes the grant.

Although the lead agency in Quad Communities also embraced other ways of acting as an intermediary, some of its work in education embodies a brokering strategy. After LISC/Chicago and the MacArthur Foundation helped several lead agencies apply for a large grant from Atlantic Philanthropies, the lead agency in Quad Communities had a project coordinator who ensured that resources flowed to partner organizations, and various partners were

engaged and connected as necessary around specific services for the school. As staff described this arrangement:²

You've got the health facility folks; you've got the social service piece; you've got the after-school programming; you've got any of the partners that are coming in for mentoring and all those kinds of things. . . . [The] role is convening to make sure that all these pieces are going together.

Coordinating Strategies

Coordinating strategies involve facilitating the collective implementation of projects by multiple community groups. In many cases, this strategy is associated with an effort to develop the collective capacity of individual organizations or to bring major new resources into a project domain. One particularly clear statement of this form of intermediary practice was articulated by Teamwork Englewood, which viewed most of its early work as attempting to fulfill this role within a community where organizations did not always exist.

The approach we've taken is a collaborative approach in implementing projects so that while certain agencies may be seen as champions — which is a term that we use, and in the sports world that would be the go-to person in the community — even though an agency may be a champion, every project that is undertaken is broken up into pieces, and each participating group has a part of it. Certain projects may take outreach; certain projects may take project management; certain projects may take some promotion-resident engagement and actually working with individuals who are part of it.

As an example of this strategy, one truancy prevention project used local churches and their members to partner with five Chicago public schools to identify youth who had not attended class for some time. Teamwork Englewood asked five churches to search for leaders within their own congregations who had some experience volunteering for the church and who might be able to interact in a positive way with youth. Each school gave the coordinator of the project referrals about truant or absent students, and the coordinator, in turn, referred these to churches, whose members conducted outreach to the absent children on a part-time basis. Once connected with the youth, volunteers tried to address some of the underlying issues that might be the cause of absenteeism, working with the families to the extent possible instead of referring the students for detention or suspensions. In the program, Teamwork Englewood acted as fiscal agent and — in what staff described as a “monitoring” role — with the hope that one of the participating churches would eventually become able to form an organization that could receive

²As described in Appendix A, qualitative data are drawn primarily from transcribed interviews, which have been coded and analyzed according to predefined themes. To illustrate these themes, representative quotations are presented from staff, implementation partners, or stakeholders external to NCP. Interviews were conducted with the expectation that individuals would not be identifiable.

grants directly from Chicago Public Schools. Although this effort required an intense amount of coordination, lead-agency staff saw it as an explicit capacity-building effort in a neighborhood where few organizations are able to take on this type of service effort:

One, it, as I said, requires agencies to work together. But, two, it also helps to build a capacity of organizations and groups where eventually they won't need Teamwork Englewood. We would have left them in the state where they could implement projects on their own and receive grant resources on their own.

“Doing” Strategies

In contrast to brokering and coordinating, *doing strategies* see a lead agency carrying out elements of the plan and then communicating to residents and other organizations news about its progress and completion. Although the shift from NCI (NCP's predecessor) to the current initiative promoted a model by which community groups other than the lead agency would receive seed grants and take part in the completion of local plans, lead agencies also took a strong role in carrying out projects themselves. In some cases, “doing” was part of a more varied repertoire of action; in others, lead agencies employed this strategy nearly exclusively. Sometimes, relying exclusively on it emerged from leadership practices within the lead agency or was informed by the lack of capacity of other neighborhood groups to take on projects. One lead-agency representative described the rationale for this “doing” perspective as follows:

I think you can plan by committee. I don't think you can implement by committee. . . . The NCP is all about grassroots bottoms-up. That works wonderful when you're planning. But when you've got to implement and focus and do all these other things, you really then need someone who can drive the car, you know. You can have passengers in the back seat, but you need one entity that is clearly — “taking control” is too harsh of a phrase — but you need one entity in power . . . to lead the implementation.

In West Haven, the Near West Side CDC (community development corporation) took on a very direct role in implementation, itself completing 37 of 49 projects. An example of how this leadership orientation may have flowed to projects outside these domains is embodied in the development of a youth baseball group. Concerned about issues of gang activity in the neighborhood, the lead agency decided to engage at-risk youth in little-league baseball. In doing so, however, it relied on staff within the agency to coach and mentor children in the league, having decided that these skills were available in-house. Similarly, in Little Village, LVCDC decided early during the implementation process that it was more efficient to move quickly into project development itself, inasmuch as the small CDC was in need of building its capacity.

Projects Implemented Through NCP

Compared with other CCIs in which implementation proved more challenging, approximately 750 projects have been reported in the years since the launch of NCP (2003-2008). This total includes projects that were funded with seed grants, projects that were funded with other resources provided through LISC/Chicago, and projects that were funded entirely by other sources. In some cases — as in a multistage housing development initiative — multiple grants were used to fund different components of a project; in these instances, each grant was counted as an individual project. These examples do not include grants made exclusively for organizational capacity-building projects with lead agencies and their partners, which was another important direction of NCP investment, nor do they include direct funding to lead agencies. For the most part, the projects represent individual activities undertaken by lead agencies and their partners in different domains. Further evidence that NCP successfully generated project activity through LISC/Chicago grants includes the fact that efforts increased over time and peaked in 2007, as shown in Figure 5.1.

NCP Projects: Spanning Multiple Domains

As discussed in preceding chapters, NCP's goal was to promote *comprehensive* community development. Even though many organizations that took part in NCP were community development organizations, the overall emphasis of NCP was to build local capacity to support lead agencies and their partners to work in different domains. The data examined in this section suggest that NCP created a successful system for identifying and supporting projects in multiple substantive domains.

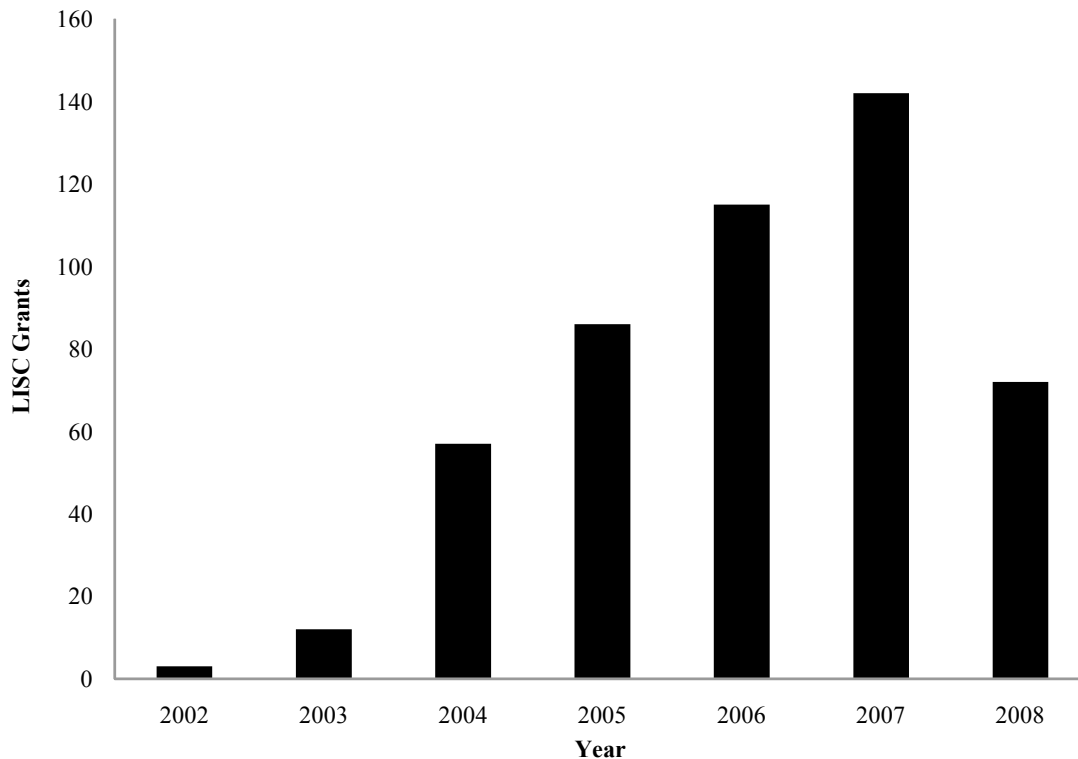
To assess the extent to which this goal of comprehensiveness was achieved, projects that are reported in lead-agency annual reports were coded into five domains, each including broad areas of local intervention reflected in the quality-of-life plans and each engaging different types of public and private institutions:³

³This effort of documenting broad investments is particularly challenging, as the quality-of-life plans for the 14 lead agencies have, on average, approximately 50 broad strategies for community improvement, each with important subcomponents. Furthermore, the strategies are extraordinarily varied. For example, NCP communities have implemented strategies that include income- and asset-building efforts to improve the economic security of households, anticrime initiatives to improve residents' safety on the streets, investments in arts and culture to enrich residents' lives, and retail and commercial efforts that would expand the variety of stores in the community to make shopping districts more attractive. In addition, projects address other issues, such as education, affordable housing, and youth programming. This diversity of strategies means that choices had to be made about the classification and analysis of investments. For example, some strategies involve the creation of new civic organizations or influencing citywide policies or local land-use regulations. Although these issues may have large potential implications for the redirection of resources, they raise issues of immediate comparability with targeted investments for, say, affordable housing production or preservation. Given
(continued)

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Figure 5.1

Number of LISC Grants, by Year (2002-2008)



SOURCE: MDRC analysis of lead-agency annual progress reports provided by LISC/Chicago.

NOTES: LISC grants are project support grants given by LISC/Chicago to NCP projects. Projects are counted in the year that NCP reports show that the LISC grant started. This figure shows 494 total LISC grants, excluding LISC grants in the annual reports that are missing grant dates.

- **Education and social services** include projects funded to improve local schools, tutoring and after-school initiatives, preschool programs, and other enrichment activities. Social services include such areas as youth development, efforts to address public safety, and public health projects.
- **Housing and commercial real estate development** include activities leading toward brick-and-mortar developments of affordable or mixed-income housing and commercial real estate projects. They also include efforts to

the multiple ways to characterize projects and investments of such a large and complex initiative, the basic goal in this section has been to classify project investments in a way that has relevance to broader policy literature.

educate homeowners and such predevelopment activities as work with architects or planners.

- **Public spaces, community image, and the arts** encompass beautification projects, such as neighborhood cleanups and mural work; efforts to promote positive community image through street fairs or other celebratory events; and community arts projects.
- **Public policy and organizing** projects include campaigns to build power with local organizations or residents in an explicit effort to influence policy change or gain resources from public or private actors.
- **Economic and workforce development** projects include efforts to conduct job training, readiness, or placement efforts with local residents; efforts to improve financial literacy; or efforts to promote asset-building. On the economic development side, this category also includes local efforts aimed at attracting new businesses, supporting existing small businesses, or retaining local industries.

Figure 5.2 shows that most NCP projects were reported in the domain coded as education and social services: 280 projects. There were 189 projects coded as economic and workforce development; 136 projects supported efforts related to improving public spaces, community image, or the arts; and 118 projects centered on housing and commercial real estate activities.

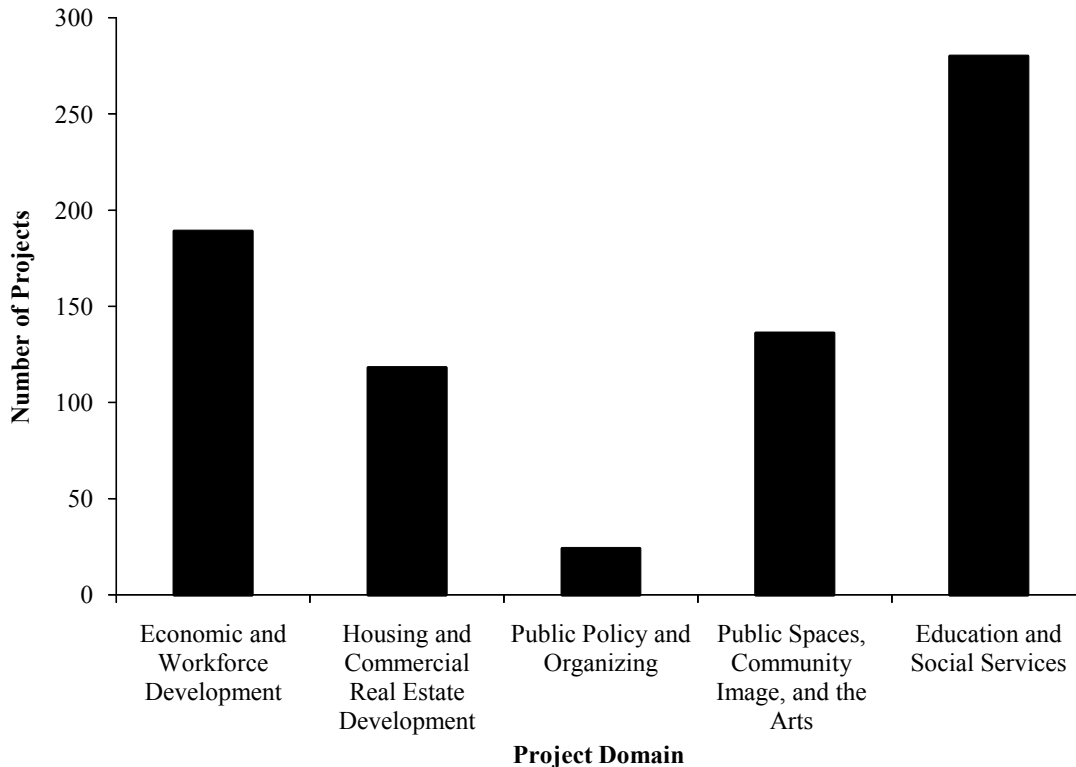
This distribution of projects suggests that the initiative, as intended by design, helped move most groups beyond the housing development focus into other domains of activities. It should also be noted that some projects are difficult to categorize as representing work in only one domain because they include either components or strategic elements of other domains.

Consistent with the distribution of projects, resources that were directed to lead agencies and partners were also spread across domains other than housing and commercial real estate. As shown in Figure 5.3, grants through LISC/Chicago included approximately \$4.3 million both in economic and workforce development and in education and social services; approximately \$1.35 million in public spaces, community image, and the arts; and \$1.25 million in housing and commercial real estate development. Although the *number* of projects in social services and education was much higher than the number of projects in economic and workforce development, the higher volume of grants in this domain reflects the inclusion of funding

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Figure 5.2

Number of NCP Projects, by Domain, Totaled Across Neighborhoods (2002-2008)



SOURCE: MDRC analysis of lead-agency annual progress reports provided by LISC/Chicago.

NOTE: This analysis includes NCP projects reported to have received support grants from LISC/Chicago, non-LISC investments, other kinds of support, and projects that do not list any funding or support.

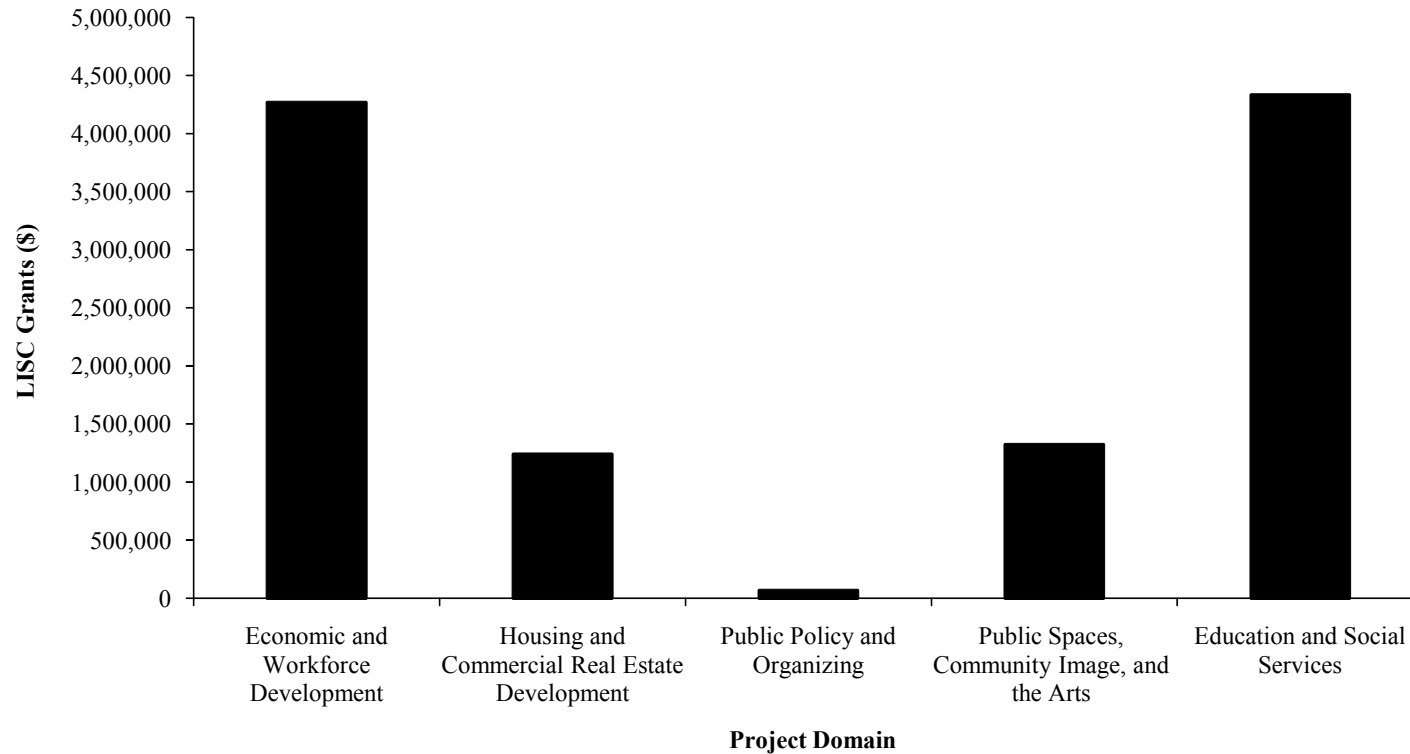
for the Centers for Working Families — a separate asset-building, financial literacy, and job training initiative that was included in many NCP reports, as several centers were colocated in lead agencies or were implemented by their community partners.

The domain that involved the fewest reported projects is public policy and organizing — explicit efforts to change public policy. Quality-of-life planning processes sometimes identified these efforts as part of a comprehensive strategy to benefit neighborhoods. Although NCP itself may be viewed as an effort to build the collective strength of neighborhood organizations, these relationships have largely focused on implementing projects. Some significant exceptions include work by the Greater Southwest Development Corporation and the Southwest

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Figure 5.3

LISC Grant Amounts, by Project Domain, Totaled Across Neighborhoods (2002-2008)



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SOURCE: MDRC analysis of lead-agency annual progress reports provided by LISC/Chicago.

NOTE: This analysis includes the total amount of LISC project support grants given by LISC/Chicago to NCP projects but does not include LISC loans, non-LISC investments, or other kinds of support.

Organizing Project to promote legislation to prevent predatory lending and to expunge minor, nonviolent offenses from the records of ex-offenders. While public policy efforts are themselves difficult to plan and execute, some lead agencies and community partners identified this as an area for which NCP might develop cross-site efforts, so as to facilitate coalitions around policies of import to Chicago neighborhoods.

Leveraging New Resources from NCP

Part of NCP's model — and a consistent interest of funders and intermediaries — is the strategic application of resources to attract, or “leverage,” additional investments in key projects. Seed grants provided by LISC/Chicago might contribute only a fraction of the total cost of implementing projects, and so leveraging additional resources is an important route for achieving the broader community change goals envisioned by NCP. Given this assumption, lower-than-anticipated levels of leverage could potentially undermine the goals of NCP.

Figure 5.4 presents data on the additional resources attracted to NCP projects by lead agencies and their partners, as reported on their annual progress reports submitted to LISC/Chicago over the period 2002-2008.⁴ Housing and commercial real estate development far exceeded other domains in terms of total investments leveraged: \$268 million in non-LISC resources, for a total of \$300 million. That is, in contrast to the greater balance of projects and LISC/Chicago grants across domains, housing and commercial real estate development activities leveraged far greater resources. In this domain, smaller grants for predevelopment activities — such as marketing, planning, architectural work, and community involvement — appear to be associated with much larger subsequent investments, especially in the form of acquisition or construction loans or in the form of public investments, such as Low Income Housing Tax Credits. In contrast, other domains may not have institutions set up to attract public or private resources to add to initial investments at such a scale.

Over all grants, lead agencies reported 200 times the total investment in housing and commercial real estate than was provided in seed grants. Lead agencies also reported an overall leverage ratio of approximately 12:1 for social service projects, as \$4.3 million in grants was associated with \$57 million in total resources. A ratio of approximately 7:1 was reported for economic and workforce development programs, which reported \$33 million in total resources.

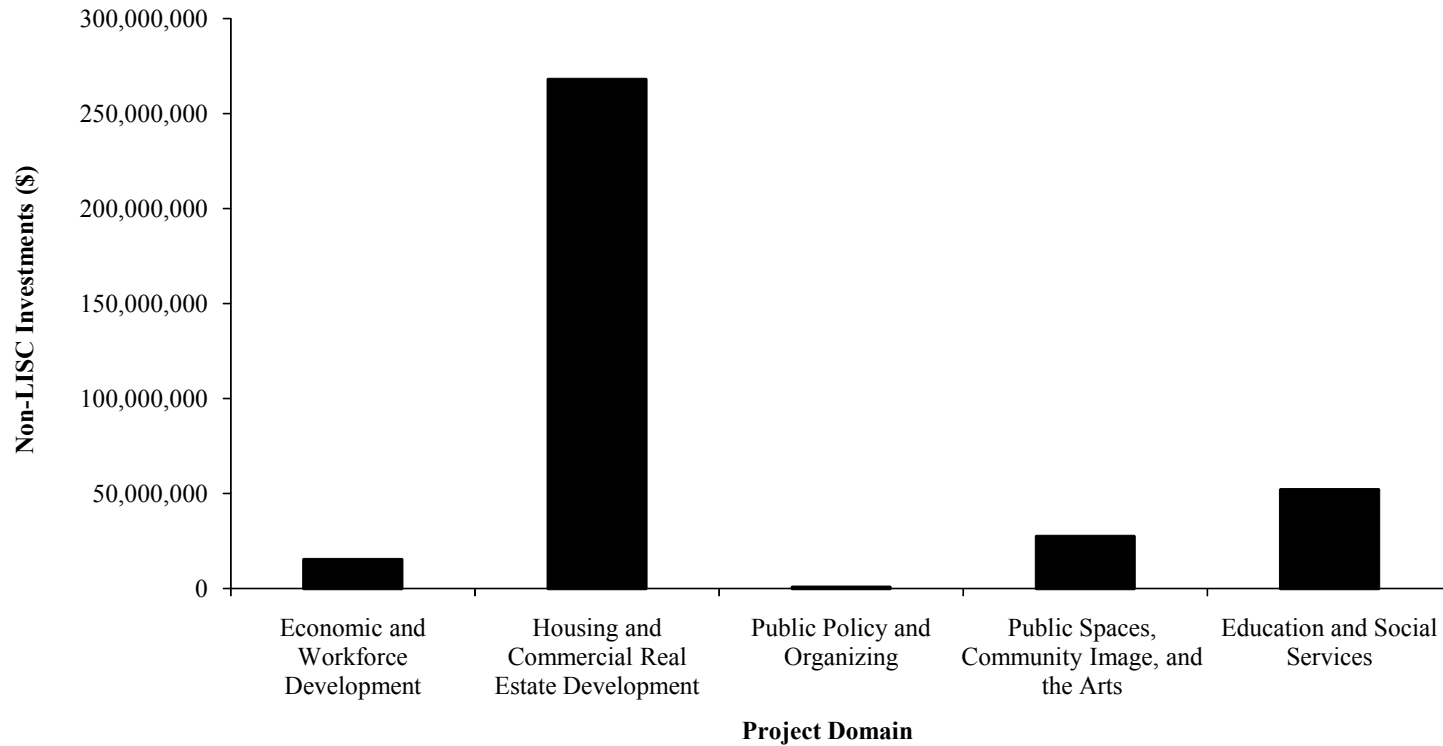
In many instances, grants and projects were sequenced in a way that attracted new partners, especially public or private investment partners. These cases provide stronger evidence of

⁴As noted in this chapter's opening, it is unclear whether these projects might have occurred in the absence of NCP. In the case of some important projects, in-depth research was able to capture dynamics by which actors felt that NCP had led to these additional investments. Leverage is notoriously difficult to standardize within the community development field, despite some efforts to do so by funders.

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Figure 5.4

Non-LISC Investment Amounts, by Project Domain, Totaled Across Neighborhoods (2002-2008)



SOURCE: MDRC analysis of lead-agency annual progress reports provided by LISC/Chicago.

NOTE: This analysis includes the total amount of non-LISC investment to NCP projects but does not include LISC project support grants, LISC loans, or other kinds of support.

NCP leverage than situations where the sequence of events does not appear to have linked new development to NCP processes — for example, large housing projects that were reported under the auspices of NCP but for which the data directly attributing them to NCP’s relationship-building and seed grant efforts are scarce. One often-cited example of NCP’s working successfully within the initiative was work toward creating a new commercial corridor in Quad Communities. Focused on that corridor, seed grants supported arts and beautification projects; cleanup projects targeted vacant lots; and technical assistance projects involving small businesses helped attract loans. The sum of this activity was used to help attract the interest of a large commercial real estate developer that was willing to work with Quad Communities Development Corporation (QCDC) on the form of development, and seed grants supported a trip to an annual retailers convention to attract tenants.

Although housing and commercial real estate was the area in which the most leverage was recorded, leverage was also reported in connection with business development, education, health, youth development, and other forms of social services. Following are some examples of these efforts in areas other than housing:

- A seed grant for technical assistance to small businesses so they could apply for loans in a new commercial corridor in Quad Communities. This was reported to bring in \$12.75 million to the neighborhood.
- The Centers for Working Families, which sponsored tax counseling projects to assist families to apply for the Earned Income Tax Credit. These projects were reported to bring approximately \$1 million of additional income to some neighborhoods reporting them.
- Administration by lead agencies of summer jobs programs funded by the State of Illinois, which paid stipends for youth to work at local community organizations. These were reported to bring over \$750,000 to neighborhoods that were able to access these funds.
- A streetscape beautification project along 63rd Street. This project reported \$600,000 in private donations from the Islamic community in Chicago Lawn and surrounding neighborhoods.
- Lead agencies coordinating the Grow Your Own Teacher initiatives, an effort to recruit and train residents in low-income neighborhoods to teach, and live, in those neighborhoods. These efforts were reported to bring close to \$6 million into Little Village.

While leverage is an important part of the initiative’s theory of action, not every grant appears to be designed to produce leverage. Some grants were used to build trust and relation-

ships among community actors; others were one-time small projects, such as a mural. Another type of grant is one that may not report leverage immediately but may set the stage for future action. For example, a one-time grant for architectural services may eventually lead to a new housing development. A grant for a pilot youth program may be used to convince a future funder of the need to support an expansion. Coordinated small grants may have this effect over time; for example, in Quad Communities, many beautification projects were coordinated in an attempt to attract investors to revitalize a commercial corridor.

Another example of a seed grant's snowballing unexpectedly occurred in Englewood. Its lead agency, Teamwork Englewood, provided an NCP grant to a small organization to set up an organic urban garden project through which it could provide job training, nutrition education, and general life skills to homeless and low-income individuals, many of whom were ex-offenders. The project grew beyond expectation; beginning with the reclamation of an empty lot as public green space, the urban garden project enrolled trainees to learn agricultural skills, good work habits, and teamwork. It hired some graduates from the program to start additional farming businesses in the community and started a Mobile Food Cart Network in an effort to create new employment opportunities and get fresh food to more residents. The project also started a farmers' market to supply fresh produce from the garden to neighborhood residents (many of whom lacked easy access to high-quality, fresh produce at affordable prices), and it partnered with a local high school to engage students to help operate the market and learn entrepreneurial skills in the process.

The varied uses of seed grants and their unexpected consequences raise a caution against assessing all NCP projects as being too small to make a difference within communities; indeed, the initiative's theory of action suggests that varied improvements will be important for relationships and broader community outcomes. However, it is also worth noting that the majority of projects did not attract additional funding. Of the nearly 500 projects supported by LISC/Chicago, 208 reported leverage of some sort. Figure 5.5 describes the overall proportion of LISC/Chicago grants and the leverage that they attracted. As shown, 58 percent of the projects did not report any leverage.

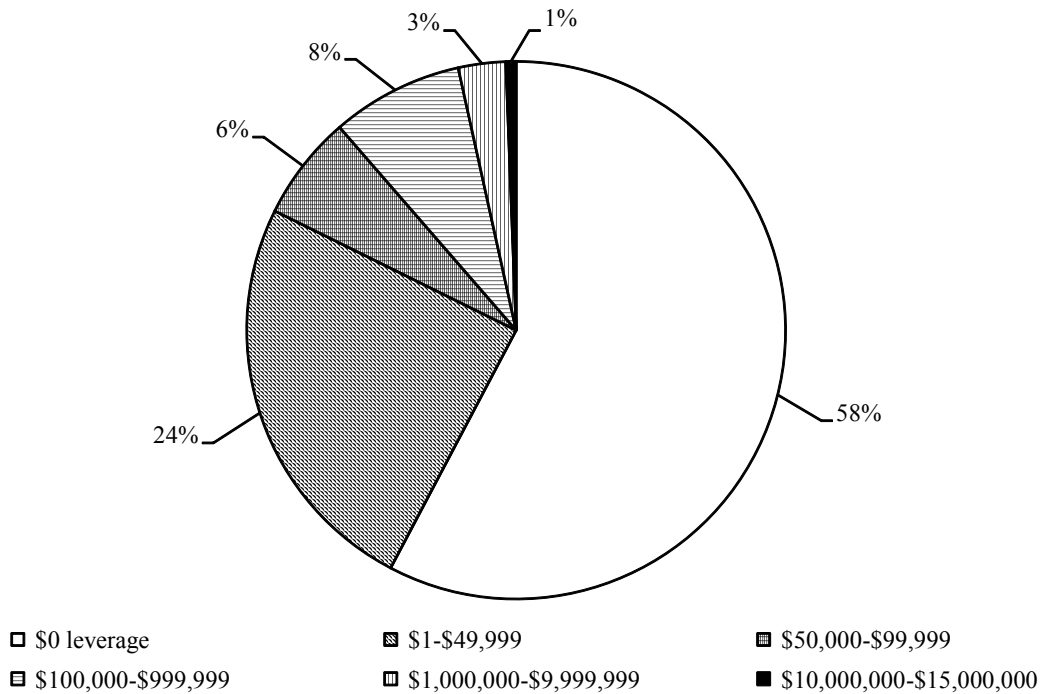
Variations in Projects Across Communities

The number of projects reported across NCP and the scale of resources reported leveraged through these projects provide evidence that, overall, NCP transitioned successfully into implementation. This analysis also suggests that a number of large investments were reported to be attracted by NCP efforts. However, the number of projects and the scale of resources leveraged by them were not distributed equally among NCP neighborhoods.

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Figure 5.5

Percentage and Amount of Non-LISC Investments (2002-2008)



SOURCE: MDRC analysis of lead-agency annual progress reports provided by LISC/Chicago.

NOTES: This analysis includes nearly 500 NCP projects with LISC grants of \$1 or greater and non-LISC investments ranging from \$0 to \$15 million. LISC grants are project support grants given by LISC/Chicago to NCP projects. Non-LISC investments serve as indicators of additional dollars leveraged by NCP neighborhoods. Percentages may not add to 100 percent because of rounding.

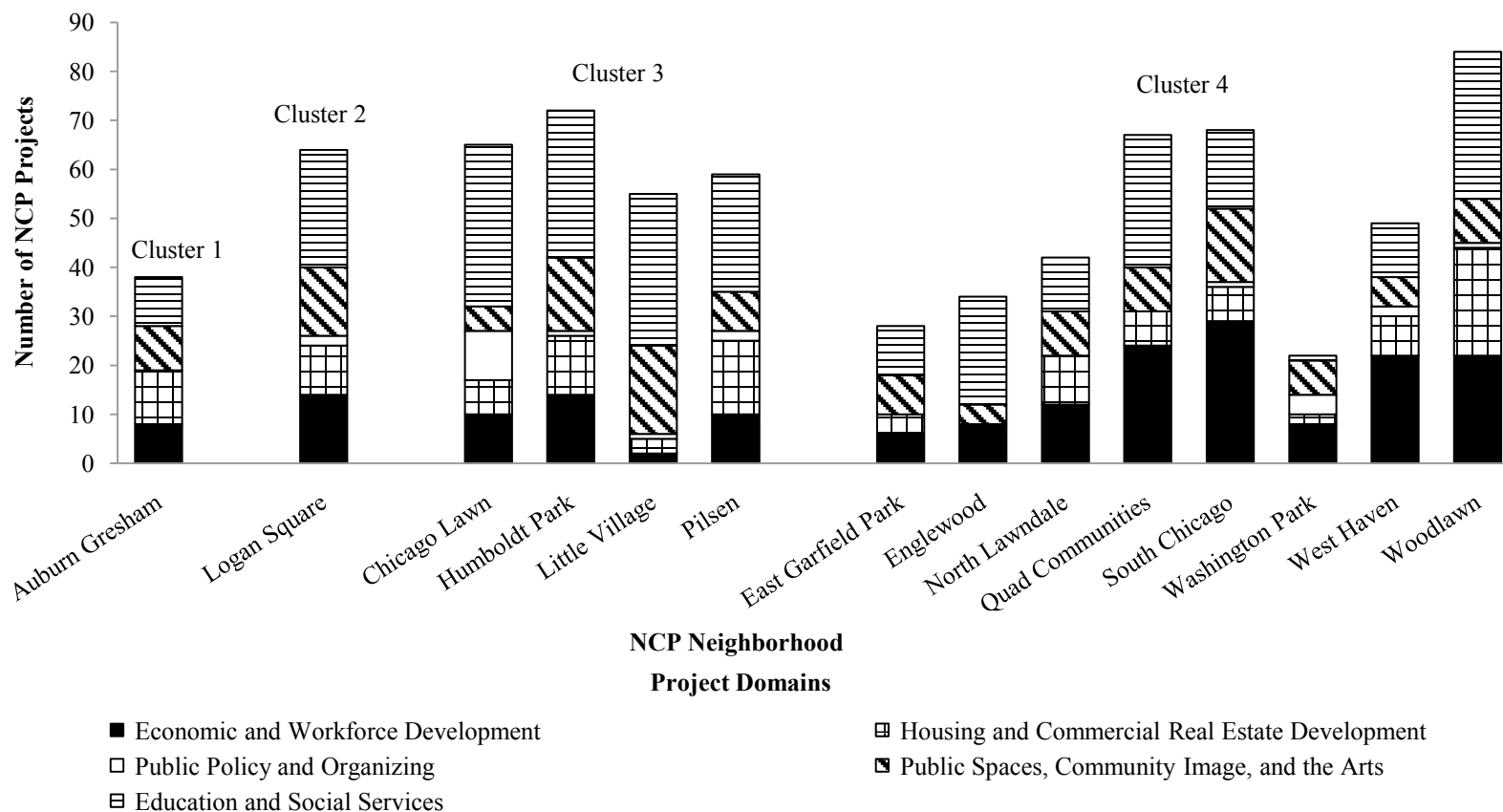
Projects and Scale of Investments in NCP Neighborhoods

The distribution of number and types of NCP projects, by neighborhood, is represented in Figure 5.6. Six groups reported over 60 projects, with the highest being 84, in Woodlawn. Washington Park, which changed its lead agency during the course of the implementation phase, reported the lowest number of projects (22), and three other groups reported fewer than 40 projects. In general, however, each lead agency used the planning process to address a host of neighborhood problems. This finding is reflected by the fact that each group reported projects in different domains.

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Figure 5.6

Number of NCP Projects, by Domain, Totaled Across Neighborhoods (2002-2008)



SOURCE: MDRC analysis of lead-agency annual progress reports provided by LISC/Chicago.

NOTES: NCP project totals, by domain, are: 189 economic and workforce development projects; 118 housing and commercial real estate development projects; 24 public policy and organizing projects; 136 public spaces, community image, and the arts projects; 30 education and social services projects.

Cluster analysis, a statistical procedure, is used to group Chicago neighborhoods. Appendix A provides details on the clustering methodology.

Variation was even more marked in terms of grants to neighborhoods and the total resources that were reported to support NCP projects. Figure 5.7 shows that six communities have received approximately \$1 million or more in grants. Three have received approximately \$350,000 or less. Figure 5.8 reports total investments, by neighborhood, including LISC seed grants, reported leverage by seed grants, and additional grants not tied to seed grants. According to reports, major leveraged investments were concentrated in a few communities, notably, in Humboldt Park, Pilsen, Quad Communities, and Woodlawn. Quad Communities reported over \$144 million in total investments through NCP; Pilsen reported over \$68 million; Humboldt Park, over \$44 million; and Woodlawn, over \$37 million. Although large leveraged projects in these neighborhoods were reported in social services, health, and education, these places reported considerable leverage in housing and commercial real estate investments.

Project Outcomes in Historically Disinvested Neighborhoods and in Growing, Latino Neighborhoods

Chapter 4 describes in detail some of the challenges faced by traditionally disinvested neighborhoods participating in NCP, including the lack of potential program partners and issues of mistrust. This observation about the difficulty of work within disinvested neighborhoods is supported by the reporting of NCP organizations across the initiative. When examining outcomes among neighborhoods, those in Cluster 4 have, on average, fewer projects than the other neighborhoods, across all domains (Figure 5.6). Among these neighborhoods, the number of projects varied greatly, from 22 in Washington Park (the fewest of any neighborhood) to 84 in Woodlawn (the most of any neighborhood, although many real estate projects independent of NCP were reported in Woodlawn). Cluster 4 neighborhoods average 49 projects, compared with 63 projects in Cluster 3 — the neighborhoods that could be characterized as growing and Latino.⁵

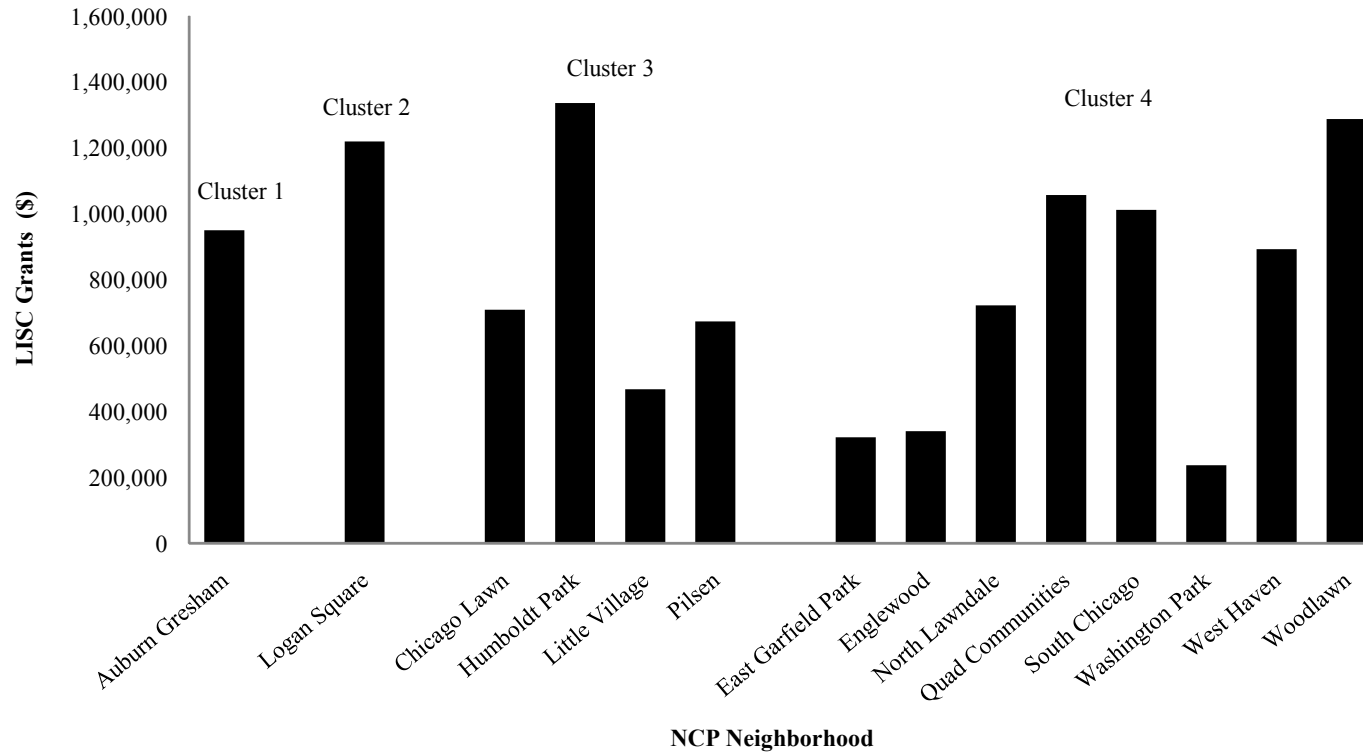
In terms of the amount of total resources reported leveraged through NCP, the story is quite different. Both Quad Communities and Woodlawn — two Cluster 4 neighborhoods — reported substantial total investments, largely through projects in housing and commercial real estate development (Figure 5.8). In part, developers were encouraged by recent trends that suggested that these neighborhoods were ripe for investment. Whether larger investment decisions continue through the economic downturn remains to be seen, along with the role of increased or decreased public funding in these neighborhoods during the recession.

⁵Clusters 1 and 2 each have only one NCP neighborhood (Table 2.4 in Chapter 2).

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Figure 5.7

LISC Grants, by NCP Neighborhood (2002-2008)



SOURCE: MDRC analysis of lead-agency annual progress reports provided by LISC/Chicago.

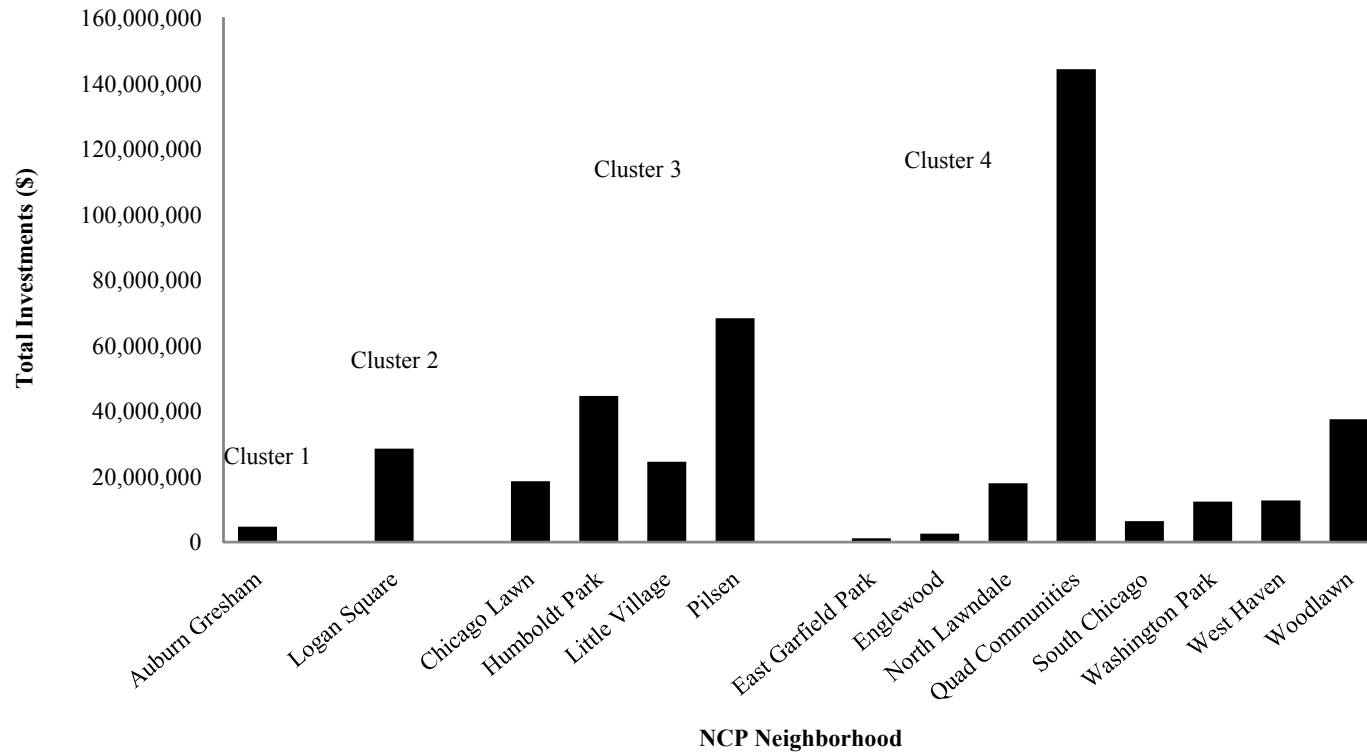
NOTES: This analysis includes the total amount of LISC project support grants given by LISC/Chicago to NCP neighborhoods but does not include LISC loans, non-LISC investments, or other kinds of support.

Cluster analysis, a statistical procedure, is used to group Chicago neighborhoods. Appendix A provides details on the clustering methodology.

The New Communities Program

Figure 5.8

Total Investments, by NCP Neighborhood (2002-2008)



SOURCE: MDRC analysis of lead-agency annual progress reports provided by LISC/Chicago.

NOTES: This analysis includes LISC project support grants given by LISC/Chicago and non-LISC investments to NCP neighborhoods but does not include LISC loans.

Cluster analysis, a statistical procedure, is used to group Chicago neighborhoods. Appendix A provides details on the clustering methodology.

Conclusion

This chapter shows that local NCP partnerships successfully managed to move beyond the planning stage, something that distinguishes this comprehensive community initiative from some other CCIs in which implementation proved more challenging. Additionally, sometimes substantial investments were leveraged as a result of the NCP grants, but the chapter also notes limitations to the concept of seed grants. Most of them did not produce additional leverage, even if not every grant was designed to do so. Some were meant to promote relationships and communication among community groups.

At the same time, Chapter 6 describes how many community partners sometimes felt that the most significant improvements in relationships occurred when major additional resources could be brought to new community problems — when seed grants produced substantial leverage. This finding may make it important for NCP actors to consider how to target grant resources across the initiative so as to produce leverage, especially when the current economic climate makes the major source of leverage to date — housing and commercial real estate development loans — more scarce. An additional question during the downturn is whether neighborhoods keep their focus on broad community improvement or shift back to an exclusive focus on housing development — whether they retain NCP values of inclusiveness and comprehensiveness.

Managing implementation in NCP was more difficult in some neighborhoods than others. Although this chapter highlights issues of context — with neighborhoods identified in Chapter 2 to be facing conditions commonly associated with disinvestment — Chapter 6 addresses also how *strategy* on the part of lead agencies played a role in both the projects that were created as a result of NCP and the relationships that the initiative built.

Chapter 6

Learning from NCP: Insights About Strategy and Context

Many comprehensive community initiatives (CCIs) support single neighborhoods. Others support neighborhoods in different cities and are managed by their own foundations or intermediaries. In these multi-city initiatives, variation in terms of both setting and structure is so different as to make systematic comparison almost impossible. Consequently, formal evaluations of CCIs generally rely on individual case studies and take a thematic, rather than an explanatory, approach to understanding implementation. In contrast, an advantage of the New Communities Program (NCP) for research is that it is located in a single city and shares a funder and a managing structure. Chicago neighborhoods are different from each other, but they share a citywide political and economic context. With so many communities and partners involved in the work, the research has a much greater opportunity than most evaluations to compare and contrast strategies, processes, and outcomes across a range of neighborhoods and organizations.

Chapters 4 and 5 provide evidence of organizational networks growing through NCP and of projects being completed through these relationships. This chapter focuses on the differences in networks and projects among the six neighborhoods chosen for in-depth study. Some NCP neighborhoods were able to build significant new relationships and enhance older ones, bringing new resources to the community that otherwise might not have been available. Among the in-depth NCP research sites (Box 4.1 in Chapter 4), these neighborhoods include Humboldt Park and Quad Communities. Others encountered challenges due to patterns of mistrust among organizations — among the in-depth sites, Woodlawn and Englewood. The challenges and accomplishments of these communities in planning for and implementing NCP are described in Chapters 3 through 5.

One pattern of experience within NCP that has not yet been explicitly described in this report emerged in Little Village and in West Haven, where research found relatively little evidence of new relationship-building or of NCP's leading directly to new projects, even though efforts by the lead agencies in these neighborhoods produced some significant projects themselves. Although context played a role in both of these agencies' approaches to NCP — as there were sometimes fewer partners with which the agencies might work — the approach that both lead agencies took also appears to have made a difference in the relative lack of new partnerships and funding that was developed directly through NCP.

Taking advantage of this variation, the chapter identifies potential factors associated with project and relationship-building outcomes. It especially examines strategies that proved to be more effective in historically disinvested neighborhoods. Such neighborhoods represent the majority of NCP sites, and they represent an important setting for CCIs across the country.

Although this type of qualitative comparison is by no means definitive, by comparing experiences within NCP, the chapter examines factors that may be associated with greater success within the model and, by extension, within comprehensive planning and development initiatives more broadly.

Key Points

- One factor that helped influence NCP outcomes was how well lead agencies used multiple and complementary implementation strategies. Sites that used only a single approach were less able to build networks and complete projects. In contrast, lead agencies that were able to ensure that grants went out to many community groups — while also coordinating projects among the groups and completing some projects themselves — appear to have been at an advantage.
- Another factor that influenced progress was organizational learning and change. Interviews found evidence of organizational learning throughout NCP, marked most dramatically in agencies that were newly created to enact the initiative but also in more established groups. Lead agencies that were able to learn or that underwent significant changes were better able to form relationships and implement projects.
- In neighborhoods marked by historic disinvestment, balancing consensus and capacity-building with concrete action aimed at implementation may be particularly important. In these neighborhoods, the Local Initiatives Support Corporation of Chicago (LISC/Chicago), acting as the managing intermediary, has been called on to play a much more active role to enforce accountability and bring mistrustful groups together.
- Both community development corporations (CDCs) and planning groups appear able to work successfully within the NCP model. In fact, housing development itself did not always come into play during NCP planning processes, raising some issues about how sustainable the initiative may be for CDCs if resources for planning falter.

The Challenges of Taking a Single Approach to Implementation

Chapters 3 through 5 describe challenges that the lead agencies faced in ensuring that plans become a reality. Because NCP is a model in which multiple community organizations are charged with implementation, lead agencies may try to encourage action through seed grants

and other strategies, but they lack the direct authority to ensure that plans are accomplished. Chapter 5 identifies three broad strategies that lead agencies employ during implementation, describing the approaches as “brokering,” “coordinating,” and “doing.” *Brokering strategies* are efforts by the lead agency to bring resources to other community actors to complete projects, usually through seed grants. *Coordinating strategies* bring together many community groups in order to take on projects together. And *doing strategies* involve the lead agency alone in carrying out a project that is identified in the plan.

Taking a single approach to implementation creates challenges. This was the case when a lead agency attempted primarily to carry out projects alone, and it was also the case when a lead agency tried only to “coordinate” efforts among multiple groups.

In NCP neighborhoods where lead agencies tended to carry out projects themselves, leaving little room to involve other actors, fewer projects were completed, and there is less evidence of enhanced and improved relationships. This observation supports the basic premise of NCP’s design: that projects need to be shared among community partners. Within in-depth research sites, the two organizations acting as lead agencies in Little Village and West Haven had fewer local organizational partners, and so they relied on strategies that continued to put them in the lead when implementing projects. In these two neighborhoods, relatively few projects were carried out by groups other than the lead agency — only about one-third of projects overall. Although some grants were reported as being directed to partners, these groups were not actively sought out by the lead agencies. In Little Village, for example, efforts at both school reform and youth safety remained with Little Village Community Development Corporation (LVCDC) in the lead; and in identifying the need for youth recreation activities in West Haven, the lead agency took its own staff members to form a baseball team.

For some community partners that had positive relationships with the lead agency, this arrangement was not problematic; for others, however, it generated some confusion or resentment. As a community partner in Little Village put it:¹

I know I got invited to a meeting a couple weeks back to actually look at implementation . . . and so we just had our hands full, and so it’s — I didn’t approach them and say, “Hey, [name of lead agency], we want to do this project. It’s in your plan. Can we do it? Is there a possibility of getting NCP funds to actually implement it?” I didn’t do that, and it would have been helpful if they came and somebody met with me and said: “Hey, there’s this project. It’s on our plan, and you said you’d do it. We’re happy to provide you funds.”

¹As described in Appendix A, qualitative data are drawn primarily from transcribed interviews, which have been coded and analyzed according to predefined themes. To illustrate these themes, representative quotations are presented from staff, implementation partners, or stakeholders external to NCP. Interviews were conducted with the expectation that individuals would not be identifiable.

Not engaging other partners in the implementation of projects through grants appears to have straightforward consequences, as there is less opportunity for the collective action and relationship-building envisioned by the NCP model. However, challenges were also observed when a group focused exclusively on forming new collaborations among community organizations. This approach became time-consuming and resulted in fewer projects being completed. Although lead agencies that took this approach may have hoped to improve relationships, sometimes a lack of visible progress also resulted in mistrust. For example, for some time, the lead agency in Englewood devoted considerable energies to forming collaboratives among organizations that had limited capacity — taking on a “coordinating” role, in which its goal was to increase the ability of the collective to carry out work. Teamwork Englewood took this approach in establishing a truancy prevention initiative that involved multiple actors in implementation. The strategy was developed as a conscious way of modeling and building the collective capacity of small organizations. However, it was also extremely effort-intensive, especially for a lead agency that was staffed by only two people.

As a result, while Teamwork Englewood focused on this coordinating strategy, other actors felt less involved with NCP’s implementation. Some of them were interested primarily in securing resources, even start-up resources, for their own organization. As one participant who was very positive about the planning process expressed:

I never got a lead or anything, but maybe I didn’t ask right. *Maybe*. I’m not trying to shed blame on them. Maybe it was me. Maybe I didn’t know the right questions to ask or maybe I didn’t know the right time to go. Or maybe I missed the meeting.

After LISC/Chicago intervened in Englewood and a new executive director was chosen who valued other approaches — especially identifying projects that could be supported by seed grants — groups reported greater satisfaction with progress within the plan, and the number of grants and projects increased.

The Advantages of Taking Multiple Approaches to Implementation

In contrast to the challenges of taking a single approach to implementation, NCP lead agencies that were able to employ multiple strategies in implementing projects found themselves at an advantage within the initiative. NCP implementation is designed to rely on a network of local groups to implement projects, so it is not surprising that groups that were able to “broker” projects to different groups ensured that more got done. A finding that was not entirely anticipated by the NCP model is that “brokering,” “coordinating,” and “doing” strategies appear to complement one another. Lead agencies that were able to ensure that grants

went out to many community groups — while also coordinating projects among the groups and completing some projects themselves — appear to have been at an advantage.

For example, in Humboldt Park, the designation of Bickerdike Redevelopment Corporation as lead agency was first met with anger by some community partners, many of whom initially felt that another organization was more suited to the role. Over time, NCP gained acceptance by the coalition of community organizations on the eastern side of the neighborhood. One factor that helped this acceptance was seed grants; community partners acknowledged that the lead agency's brokering of grants to partners helped strengthen the existing coalition by bringing new resources to it. However, seed grants were also seen as small and unsustainable by many partners. As a result, partners consistently cited two other aspects of the lead agency's work that appeared to have complemented its extensive brokering role. Many groups valued Bickerdike's reputation as a CDC and its ability to carry out affordable housing development in a neighborhood at risk of gentrification. As one community partner said about the production of La Estancia, a housing development:

Oh, it was a very important — it was important because it, first, it gave somewhat of a legitimacy that NCP was doing, and, at the same time, it gave Bickerdike a tremendous amount of leverage, which was key. In fact, that was very important to the whole process.

According to community partners, another aspect of Bickerdike's work that helped legitimize NCP was its ability to form new collaboratives that could access additional funding for community needs. Community partners consistently said that what distinguished NCP from previous efforts there was the Greater Humboldt Park Community of Wellness — the health-focused collaborative that brought new resources to the neighborhood. In other words, while the efficient use of seed grants in Humboldt Park helped enhance organizational relationships, Bickerdike's ability to coordinate collaboratives that drew down new funding sources helped organizations feel that coming together would bring new opportunities to address a different set of community problems.

The experience of the lead agency in Quad Communities — a new intermediary formed within the alderman's office — also suggests how combining “brokering” with “doing” strategies can help build legitimacy and credibility. Quad Communities Development Corporation (QCDC) was an organization whose successful brokering of seed grants and other resources and relationships helped catalyze action and create new partnerships. However, the agency also believed that a gap existed among local organizations that were able to take on commercial real estate development, creating both a need and an opportunity for QCDC to fill this role itself, with unexpectedly positive results. Calling this challenging but unexpected development “a blessing in disguise,” QCDC reflected on ways in which addressing these

commercial-corridor issues provided an opportunity to demonstrate its credibility as an actor independent of the alderman's office:

What happened with commercial retail is there wasn't anyone to partner with or to give it to, so it automatically fell to us because we [are] committed to doing this in this plan, and so it actually fell to us by default. What that did was to give QCDC an identity, and that's something that we didn't have where all of our sister organizations had. So it ended up being a blessing in disguise because now [we] have something to go out and promote.

In these ways, being a "doer" gave QCDC the credibility to continue in its brokering and coordinating roles, as other organizations were less questioning of its unusual identity.

Strategies for Working in Historically Disinvested Neighborhoods

As discussed throughout the report, statistical analysis identified patterns of variation among Chicago communities, with one group (in Cluster 4) recalling neighborhoods that have experienced historic patterns of disinvestment. These represent many of NCP's neighborhoods, and previous chapters noted some of the challenges of working in these settings — issues of mistrust, especially of larger institutional actors; problems of communication; and, in some cases, limitations in the capacity of local partner organizations. Many of these challenges are familiar to those doing community development work. In contrast to previous discussions, however, this section explores some issues of strategy that may help respond to such challenges, as represented by LISC/Chicago's strategies and by those of the lead agencies themselves.

Balancing Consensus-Building with Project Implementation

In Englewood and Woodlawn — two sites that are part of the in-depth implementation research — the lead agencies initially took very different approaches to the challenges of mistrust and coordination. Teamwork Englewood at first tried to distance itself from large institutions, even the ones that founded it, and worked almost exclusively with smaller community groups in order to build their capacity to work with one another and implement projects. Woodlawn Preservation and Investment Corporation (WPIC) tried to take the lead on many projects itself, in order to move the NCP plan forward. Over time, both groups took on elements of each other's strategies, resulting in the improvement of local relationships and the ability to complete projects.

Teamwork Englewood was a new organization that was formed for NCP, and initially it was associated with the community development wings of a local bank and a local hospital. However, its founders tried to distinguish NCP in Englewood from these major institutions. Teamwork Englewood took an approach to planning and implementation that was especially

inclusive of resident leadership and of small, informal neighborhood and service organizations. Smaller groups, in particular, valued this planning process as one of the best-run efforts in which they had participated during their long involvement with work in Englewood.

As noted above, Teamwork Englewood took a very intentional approach to creating new collaborations among small organizations, so as to build their capacity to receive external funding after the initiative was completed. However, the effort involved in creating these collaborations was intensive, and many of the organizations had capacity problems that prevented them from receiving seed grants and implementing projects. As a result, after a planning process that was described as very strong by LISC/Chicago and community partners in Englewood, some partners reported a hiatus within the neighborhood as the process transitioned to implementation. After a new executive director was hired, Teamwork Englewood took a different approach to implementation, one that still practiced the formation of new collaborations among community groups but that also sought to work with groups that were able to carry out projects without the same needs for capacity-building. Although the agency was in transition at the time that data collection concluded, partners were optimistic about this balance between capacity-building and implementation.

Woodlawn Preservation and Investment Corporation (WPIC) was initially selected as lead agency for NCP in Woodlawn, with less formal involvement of two other powerful local stakeholders: The Woodlawn Organization (TWO) and the University of Chicago. In contrast to Englewood, which took the approach of distancing NCP from the bank that helped found it, Woodlawn's planning and implementation process was visibly identified with these major institutions. After a planning process that was described as contentious by some actors (see Chapter 3) — with some of them feeling excluded from decision-making and actively organizing against the initiative until their demands were met — groups increasingly felt that their demands were heard and incorporated into the plan.

Responding to this sense, and to LISC/Chicago's perception that change was needed in committee structure, NCP regrouped to become a more formal collaboration among the University of Chicago, TWO, and WPIC. The executive committee of NCP in Woodlawn was also expanded; other committees were disbanded; and Bishop Arthur Brazier, a powerful figure in local and citywide politics, assumed leadership of the executive committee. As a result, actors reported greater clarity and transparency in grant-making decisions, and they also described growing opportunities for interaction between more established, more powerful actors in the community and emerging leadership. A community partner presented one representative view of this process:

Bishop Brazier called a bunch of people and said, "Look, we want to restart it." He said, "I personally think this is a great opportunity for the community that we just cannot afford to miss, and so I want to set up three committees: the steering

committee, the education committee, the strategic planning committee. And I want them to meet right regularly and want to have good people on them.” And the people that he chose, that I could see from who was sittin’ around the room, [were] great. I thought it was very impressive. . . . I can’t speak highly enough about how that meeting was run, as compared to all previous meetings that I’d been to.

In sum, while Englewood and Woodlawn initially took different approaches to their intermediary role — with Englewood avoiding the association with major local institutions and with Woodlawn relying on it — both of them made adjustments that appear to have balanced the goals of project implementation and greater coordination among stakeholders. As a result, community stakeholders reported greater commitment to the collaborative processes and greater satisfaction with the projects being completed.

Although the relationship between these findings and economic context is indirect, it does call to mind quantitative analyses of historical levels of investment in these neighborhoods. Figure 6.1 shows that residents in Cluster 4 neighborhoods (which bring to mind some qualities of disinvested neighborhoods) have experienced long periods in which relatively little investment has taken place, especially in the commercial realm. Presenting patterns of small business lending over the period 1996-2006, the figure shows how these neighborhoods fared relative to other neighborhoods in Chicago, falling among the lowest levels of investment. In this context, neighborhood residents and the organizations that work for them may be both skeptical about the possibility of progress and mistrustful about its nature. One practitioner reflected on this dynamic:

There is this tenacity about what this community can be . . . this attitude that says, “If you don’t want to do it right, we are just fine with the vacant lots. We will let them sit and sit until it is done right.” And so I think that has a lot to do with one of the reasons it has taken as long as it has. But once people are in your corner, you are very clear about where the boundaries are and what they will and won’t do.

In such an environment, it may be especially important to ensure both that progress is visible and that it has community support and buy-in. While there is sometimes tension between these two goals, they are not mutually exclusive. Finding the right balance — while also understanding which actors most want to see progress and which actors want input — may be an important set of skills for work in neighborhoods where mistrust predominates.

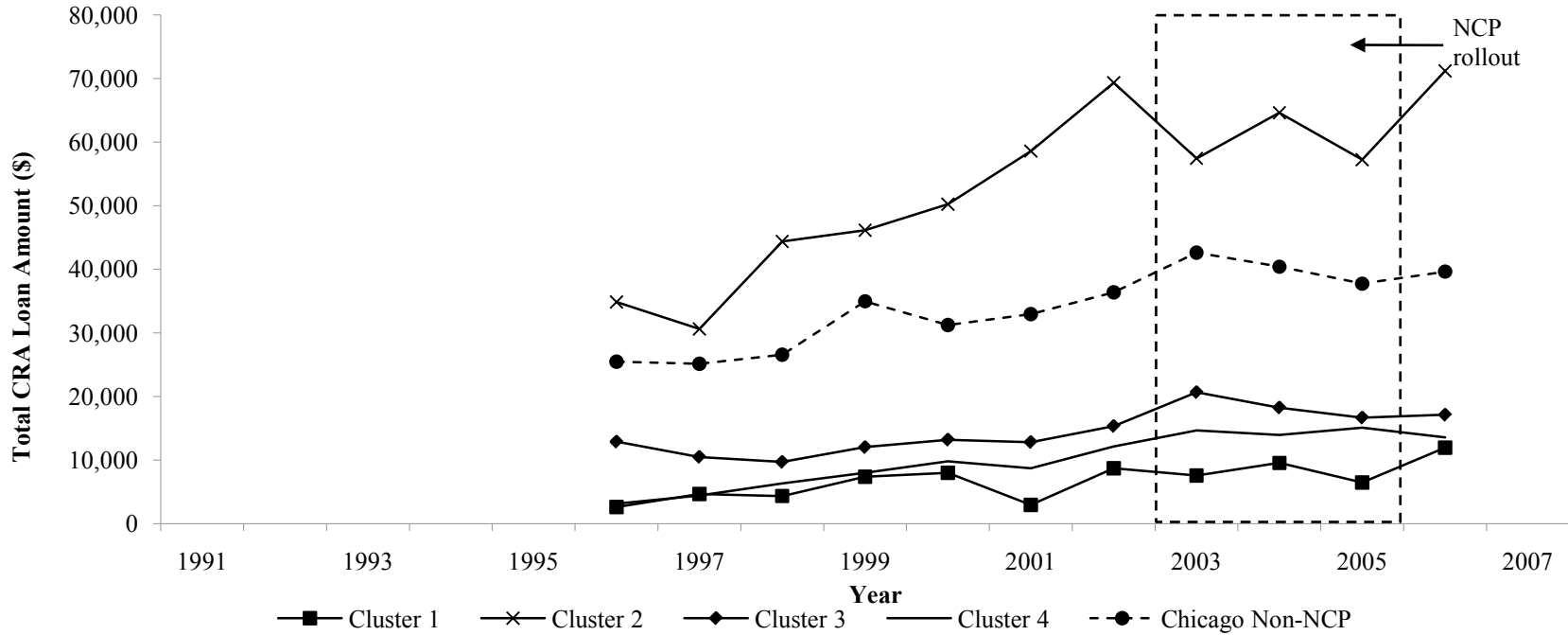
LISC/Chicago’s More Intensive Mediating and Accountability Role

In several historically disinvested neighborhoods, LISC/Chicago played a major role in changing the structure for planning and implementing NCP, or it provoked a shift in leadership. In South Chicago and Washington Park, the lead agency shifted from the auspices of one

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Figure 6.1

Total CRA Loan Amounts per Square Mile of Commercial Land Use Area, in Thousands (2000 Dollars), by Cluster and the Balance of Chicago (1996-2006)



SOURCE: MDRC analysis of data from Metro Chicago Information Center (MCIC). See Appendix A for specific details on data sources.

NOTES: The period from 2003 to 2005 is generally referred to as the NCP "rollout period," when project activities focused on planning and early implementation.

This analysis includes only Community Reinvestment Act (CRA) loans in amounts up to \$1 million to businesses with annual revenues less than \$1 million. CRA loan amounts have been normalized to 2000 dollars.

The line graphs display annual data on outcome measures for NCP neighborhoods aggregated to the cluster level and for the non-NCP balance of Chicago.

organization to another. In Woodlawn, the lead agency became a more formal collaboration among the University of Chicago, The Woodlawn Organization, and Woodlawn Preservation and Investment Corporation. As a result of these changes, partners and lead agencies in the neighborhoods reported a more inclusive and more effective process.

Although the structure of the lead agency did not shift in Englewood — another traditionally disinvested neighborhood — the organization’s executive director changed twice over the course of the initiative. As described above, Teamwork Englewood’s second director was seen as conducting excellent work during the planning period. However, other stakeholders saw the agency as not being able to manage the transition to implementation; interviews suggest that the organization was focused extensively on “coordinating” strategies aimed at community-capacity building, in a way that sometimes hindered its ability to move projects quickly. After a new director was appointed, actors reflected that implementation efforts accelerated — an observation that is borne out in the analysis of projects for that neighborhood. As one stakeholder observed:

I think now that we have a new executive director who is focused on implementation, and he’s also focused on prioritizing the plan into, okay, these are the short-term ones that can be done right away. These are longer-term ones which need extensive planning. And these are intermediate that we could work toward.

Organizational Learning and NCP Outcomes

Several NCP lead agencies built their capacity as intermediaries over the course of the initiative. Inasmuch as some of them were respected as conveners from the beginning of the effort, it is sometimes difficult to assess how they grew into this function. At the same time, research observed significant examples of organizational learning, or better practice of NCP’s intermediary work, even within groups that were higher-capacity at the beginning of the initiative. In some ways, this is an important outcome in itself, as NCP hoped to build the capacity of local intermediaries. However, both of these types of shifts were associated with better NCP outcomes, either increasing the number of projects or leading to better relationships.

For example, Quad Communities Development Corporation started an organization “from scratch” as a credible convener and learned to take a leadership role in a neighborhood in which there was little interaction among community organizations. In addition to its significant role as a “broker” intermediary, it evolved to play a significant lead role in shaping and catalyzing commercial real estate projects in the neighborhood. Another lead agency, Bickerdike Redevelopment Corporation in Humboldt Park, learned to build greater bridges between the Puerto Rican, eastern part of the neighborhood and the African-American, western part. It also learned to mount significant new collaborations and to do it with less intensive work.

Similarly, Bickerdike and its partners initially spent a great deal of time mounting a significant collaboration, the Community of Wellness, to address many aspects of health in Humboldt Park and to generate new sources of funding. As described in Chapter 3, this meant reengaging partners whose involvement had dropped off, finding new sources of funding, and creating new structures for different groups to collaborate on new projects. Although the work of building the Community of Wellness was intensive, it was seen by the lead agency to “pay off” as a recognizable model that could be applied to other areas, such as public safety. In this way, significant collaborations were able to form with less effort:

That’s also how we’re doing the prisoner reentry with the community-based model that was developed last year. The committee came together; everybody was asked who wanted to step up and lead the initiative; presentations were given; the community committee then decided to vote on who they felt they wanted to lead this initiative; and then the rest of the committee members pretty much backed them up, and they’re putting themselves within the model where they fit, looking to develop that even more, and then look for broad funding, same thing with the Community of Wellness. I think the difference is that people now see grants, and they don’t just see them as, “Oh, I can apply for this.” It’s, “The safety committee can apply for this; the reentry committee, the Community of Wellness,” and so they’re thinking of it as a community thing versus an individual thing.

In contrast, some lead agencies within in-depth research sites seemed to engage NCP without significantly changing either their approach or their strategy over time. These two organizations were also ones in which there appeared to be less progress in improving community relationships and less evidence that NCP collaborations had attracted new resources. For example, according to multiple observers, the Near West Side CDC (NWSCDC) continued its traditional leadership role in the neighborhood, consulting but not actively engaging other stakeholders in the implementation of projects. NWSCDC is today largely associated with its leadership role in organizing the community response to the planned development of a major sports arena that was slated for the late 1980s and is now the home of the Chicago Bulls. In the same leadership mode, NWSCDC has played largely a “doing” role, taking responsibility for the lion’s share of NCP-funded projects itself and with its own staff, while keeping in touch with its network of community actors through a range of communications strategies and periodic meetings. It has spent less effort “brokering” resources among a broad range of community actors and, until recently, has continued to focus its relational work largely on traditional partners and constituents. These strategies have contributed to relatively fewer new projects emerging in the neighborhood.

Similarly, Little Village Community Development Corporation (LVCDC) appeared to be very concerned with building its own capacity to implement projects over time, although later in data collection there was a shift in emphasis to involve other organizations in implemen-

tation. In part because LVDC was a relatively new organization — concerned about establishing credibility to carry out projects — it often took on an approach to implementation that kept projects within its own purview. Toward the end of data collection in Little Village, however, the lead agency developed increasingly intentional efforts to engage other stakeholders in implementation, describing this change in approach as follows:

Over the past two years, we've looked a lot at leadership and how leadership is perceived within the organization and how folks that we consider leaders are perceived, and so we figured out that we have a lot more work to do in terms of really developing leaders that are out there doing the work.

Over the period of data collection in Little Village, these reflections on the meaning of leadership appeared to pay off, in the sense that more community organizations were brought into the initiative. This lead agency's dynamic of improvement provides further evidence of the importance of organizational learning within NCP.

Questions About NCP's Sustainability

Although community development corporations (CDCs) were able to “do” NCP, questions remain about the initiative's sustainability. As described in Chapter 1, part of NCP's goal is to encourage CDCs to work differently — to mobilize more stakeholders in their work and to take on broader issues than housing and commercial real estate development. *In large part, both CDCs and other organizations were able to carry out NCP.* For example, the lead agencies in higher-performing sites that were studied in depth include both a CDC (Bickerdike Redevelopment Corporation) and a planning agency (Quad Communities Development Corporation). Against CDC detractors who believe that comprehensive community development is not feasible by housing development groups, this observation provides limited evidence that both groups may be able to take it on.

Although there is evidence that both CDCs and community planning and organizing groups advanced their roles as intermediaries over the course of the initiative, there is more mixed evidence that development activities *themselves* shifted to become more participatory and more shaped by multiple stakeholders. That is, interviews suggest that housing and commercial real estate development processes continued during NCP as they might have without NCP except that they were sometimes helped by the greater visibility that NCP provided. For example, in Humboldt Park, NCP helped mobilize affordable housing proponents against abutters who were concerned about the location of a development, and they facilitated the development of a community land trust in the western part of the neighborhood. In these cases, these projects were planned before NCP and were included in the NCP plan, and they were actively supported by NCP partners.

In other instances, however, development projects were not always embraced by other NCP stakeholders. In these cases, projects were included as part of the neighborhood's plan, but they were not necessarily shaped by the plan. For example, planning did not engage local stakeholders about the range of incomes that would be served by the development, its scale or design, the use of community space, or its relationship to other local organizations. This dynamic was observed in neighborhoods like Woodlawn, where two housing development projects remained very controversial over the course of the initiative, and in neighborhoods like North Lawndale, where NCP sometimes became a forum to protest the development activities of the lead agency. Even when development activities were a part of the plan and supported by other NCP stakeholders, some actors reflected that there was little connection between "NCP" — meaning the staff funded by the initiative and who were charged with organizing and managing it — and other staff at the organization, especially the development department. One practitioner said of this dynamic:

You know, you could ask probably many of our staff up here and downstairs — and we have monthly meetings and things like that — who probably aren't sure what NCP is. Because it's not in the fabric of what [this organization] has done over 30-some-odd years.

It may not be necessary for NCP to have development decisions be guided directly by community planning processes, although in cases like Woodlawn, where housing development became controversial, the developments served as a point of tension among stakeholders and made it more difficult to build trust among partners. However, any lack of direct coordination between planning and development may have implications for the sustainability of NCP after funding ends. If NCP is seen as a "stand-alone" project that is not used to help guide the core activities of community development organizations, groups may cease to act as intermediaries after it ends unless some other way is found for collaborations and collaborative processes to continue.

In the community development field as a whole, there is little evidence that community development organizations will change the way they conduct core practices without support or other incentives.² NCP is not primarily an organizational change initiative, since it relies on existing networks of community organizations, building on their existing capacities rather than forcing them to take on new ones. Further exploration of the sustainability of organizational learning and potential limits to organizational change will be a subject of future evaluation reports.

²Greenberg (2004).

Conclusion

NCP offers several insights about the role of strategy and context within community initiatives. While NCP designers developed the role of “brokering” grants to different local partners as a major component of their strategy for implementation, research also found there to be an important role for the creation of collaborations and even a role for groups to take on projects themselves — as long as “doing” did not become the exclusive strategy. Within neighborhoods marked by historic disinvestment, balancing consensus-building and action on projects was important, and the initiative may have to play a very strong role in mediating among interests and enforcing accountability. Finally, supporting the general literature on organizational learning, an ability to reflect on and improve practice was seen to be an important component of successful work within NCP.

These findings are based on qualitative comparison of a limited number of cases and are by no means exhaustive or conclusive about any factor. However, the variation within cases of the same “type” points to another potentially important finding. Both a CDC (Bickerdike) and a planning and organizing group (Quad Communities) were among the most successful at NCP, with housing development activities sometimes becoming contentious within NCP and sometimes being relationship-building. Some historically disinvested neighborhoods found challenges to NCP implementation. However, one, Quad Communities, played a significant role as a “broker” intermediary and evolved to play a significant lead role in shaping and catalyzing commercial real estate projects in the neighborhood. This finding suggests the importance of context within initiatives like NCP and also that the NCP model is flexible enough to respond to these varied conditions and to work effectively within different settings.

The foregoing observations are also drawn from a period with an economic climate that was very different from the current one. Given the recent economic crisis, the initiative may be tested in far different ways and with different implications for project development and relationship-building outcomes. Chapter 7 describes how these neighborhoods in Chicago are changing in the new economic climate and what future research may need to assess.

Chapter 7

Lessons for the Field and a Look Ahead

In May 2007, the MacArthur Foundation announced another five years of support for the New Communities Program (NCP). Now, as the Local Initiatives Support Corporation of Chicago (LISC/Chicago) and local intermediaries look ahead and make strategic decisions about the next few years of program operations, they do so with the recognition that the world around them has changed since the initiative began. Given the downturn in the economy and its growing implications for low-income families and neighborhoods, this chapter begins by examining more recent neighborhood-quality trajectories for the different types of NCP communities.

Reflecting on the implications of this changing environment for NCP, the chapter continues with a discussion of NCP's structure and management and draws some emerging lessons for the field. This section offers several insights for funders, program designers, and managers engaged in community initiatives and place-based policy. These lessons also set the stage for future potential areas of inquiry in the next phase of the evaluation — a discussion that concludes this interim evaluation report.

Community Conditions in Recent Years

The quality-of-life indicators examined in Chapter 2 point to generally positive trends for NCP neighborhoods during the early years of the initiative. From 2003 to 2005, although there were variations in both levels and rates of change, neighborhood safety was on the rise; housing market activity was generally growing; and commercial vitality was also increasing. Like the rest of the country, Chicago and its neighborhoods are now contending with severe economic shocks: rising cases of foreclosures, plummeting home prices, and increased unemployment. These different challenges are interrelated and exacerbate each other. For example, even as the financial crisis that is related to mortgage-backed investments has contributed to layoffs and business closures, these layoffs aggravate the housing crisis, as they result in more foreclosed homes. While it is too early to assess the full effects of current economic conditions on NCP neighborhoods, it is possible to consider more recent data to see how the different types of neighborhoods changed in the years following the initiative's rollout.

The NCP evaluation groups Chicago neighborhoods according to several dimensions of the local economic and social context.¹ Since the grouping exercise includes all Chicago

¹Appendix A presents the details of the neighborhood classification method.

neighborhoods, each cluster includes both NCP and non-NCP neighborhoods, which provides potentially useful points of comparison during this period.² The trajectories defined by all the NCP neighborhoods in one cluster can be compared with the trajectories defined by the non-NCP neighborhoods in the same cluster, permitting one to examine whether trends in the NCP neighborhoods follow broader patterns. If that is found to be true, it would underscore the role of larger forces in shaping those trends.³ At the same time, for reasons described in Chapter 1, such comparisons should not be used to support any causal links between NCP and the observed patterns of change.

The analyses presented here focus on the two clusters that include the majority of the NCP neighborhoods:

- **Cluster 3.** Another 15 Chicago neighborhoods are grouped in this cluster. These are predominantly Latino neighborhoods, with greater income diversity, and they have been growing and seeing modest housing investments. The four NCP neighborhoods in this cluster are Chicago Lawn, Humboldt Park, Little Village, and Pilsen.
- **Cluster 4.** A total of 22 Chicago neighborhoods are grouped in this cluster. The populations of these neighborhoods are predominately black and lower-income, and the neighborhoods have experienced significant population loss and relatively weak housing investment — conditions commonly associated with historic disinvestment. Eight of the 14 NCP neighborhoods are in this cluster: East Garfield Park, Englewood, North Lawndale, Quad Communities, South Chicago, Washington Park, West Haven, and Woodlawn.

Given the economic crisis and its implications for community well-being, the following analysis considers recent trends in foreclosures, other housing market activity, and crime rates (safety) for these two clusters of neighborhoods.

Foreclosures

Many neighborhoods across Chicago are seeing rapid increases in foreclosures. Much of this increased foreclosure activity is concentrated in lower-income communities of color, and extensive research spearheaded by the Woodstock Institute has also shown several of the NCP

²Appendix Table C.1 shows the cluster membership of NCP and non-NCP neighborhoods in Chicago.

³The graphs in this chapter (Figures 7.1 through 7.5) present “aggregate” trends for the NCP and non-NCP neighborhoods. The aggregate measures were calculated as the unweighted average of values (for example, of rates or percentages) for the neighborhoods in each cluster.

neighborhoods to be among the hardest-hit in Chicago.⁴ The evaluation's longitudinal database enables it to monitor the extent to which foreclosures pose a problem for NCP neighborhoods. Focusing on the years leading up to NCP and the early rollout period (discussed in Chapter 2), NCP neighborhoods experienced considerable declines in foreclosure from 2003 to 2005, although the declines were also preceded by several years of climbing foreclosure rates.

What do more recent data describe about the levels of foreclosures in NCP neighborhoods? The upper panel of Figure 7.1 presents aggregate annual foreclosure rates for single-family homes per 1,000 owner-occupied dwellings for the neighborhoods in Cluster 3 — the predominantly Latino neighborhoods, with greater income diversity and population growth. The lower panel shows the same for the neighborhoods in Cluster 4 — those characterized by conditions associated with historic patterns of disinvestment. The left side of each panel shows the annual aggregate foreclosure rates for the NCP neighborhoods within each cluster; the right side of each panel shows the same for the non-NCP neighborhoods in the two clusters.⁵

Consistent with the broader national trend, neighborhoods in both Cluster 3 and Cluster 4 show growing foreclosure rates in the recent, two-year period, 2006-2007. While the NCP neighborhoods in Clusters 3 and 4 experienced different rates of foreclosures, both groups are beginning to see increases. While some care must be taken when examining annual data, in the years 2006 and 2007, foreclosures for the NCP neighborhoods in Cluster 4 jumped from 19.5 to 27.7 per 1,000 owner-occupied dwelling units. Starting from a lower base, the aggregate foreclosure rate for the Cluster 3 NCP neighborhoods grew from 4.0 to 9.0 foreclosures per 1,000 owner-occupied dwellings in 2007. By point of comparison, non-NCP neighborhoods in each of these clusters also reflect increasing foreclosures, starting in 2006.

With the foreclosure crisis still evolving at the time of this writing, there is reason to expect that, for the next few years, this problem will continue to deepen in NCP neighborhoods, with the historically disinvested neighborhoods being particularly vulnerable. Along with monitoring longer-term trends through 2011, the evaluation will attempt to understand how the NCP lead agencies are confronting this crisis in their communities.

Other Housing Market Activity

Akin to national and citywide growth patterns, most NCP neighborhoods — regardless of their starting contexts — were experiencing climbing home sales and aggregate home purchase loan amounts in the years leading up to NCP and its early rollout period (2003-2005).

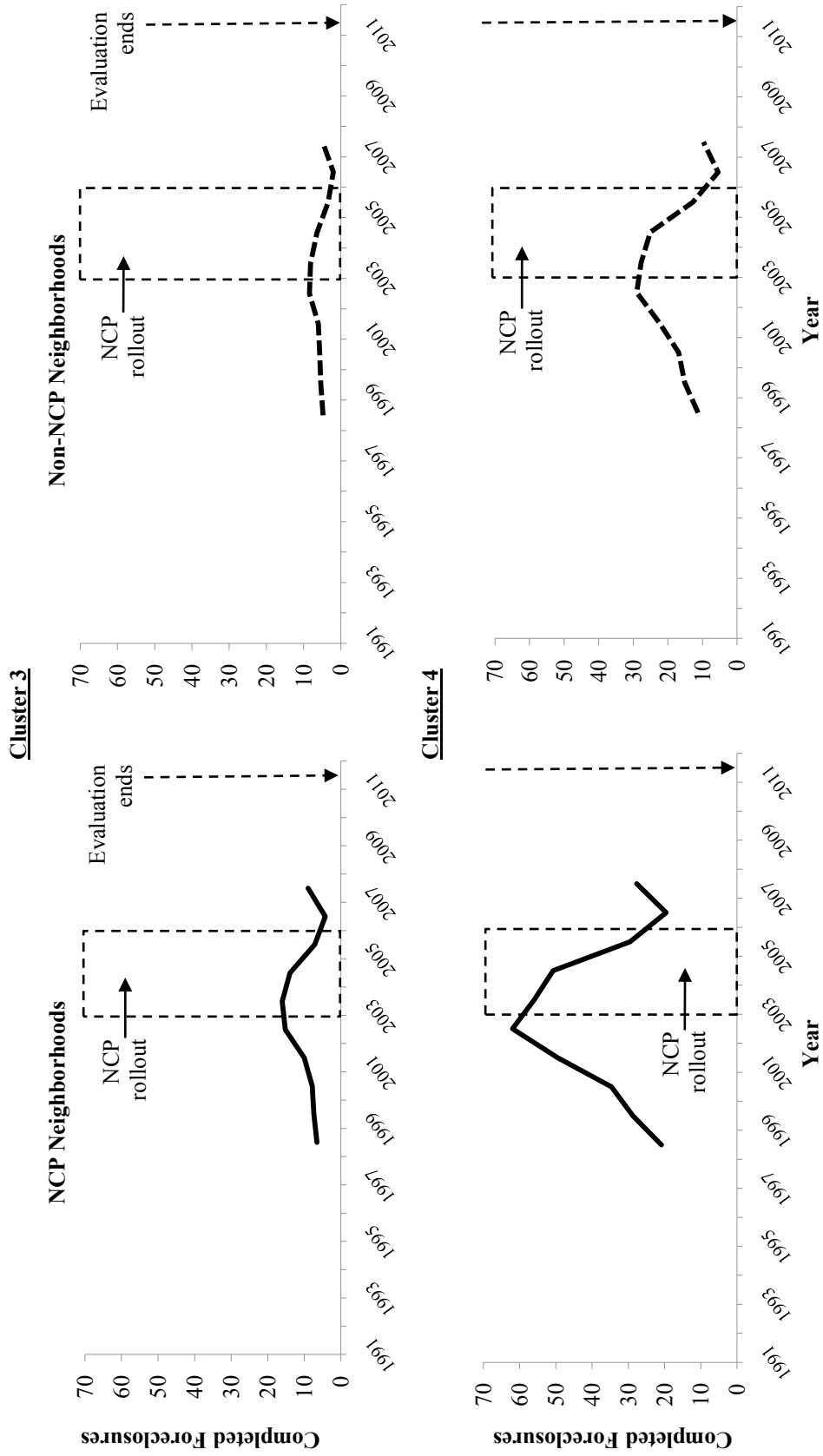
⁴There is also some early evidence that the foreclosure problem is beginning to spread to less distressed neighborhoods and the Chicago suburbs, as reported by the Woodstock Institute (2008).

⁵This format is used for all the graphs in this chapter with the exception of Figure 7.3.

The New Communities Program

Figure 7.1

Completed Foreclosures per 1,000 Owner-Occupied Dwelling Units, NCP and Non-NCP Neighborhoods, Clusters 3 and 4 (1998-2007)



(continued)

Figure 7.1 (continued)

SOURCE: MDRC analysis of data from Metro Chicago Information Center (MCIC). See Appendix A for specific details on data sources.

NOTES: The period from 2003 to 2005 is generally referred to as the NCP "rollout period," when project activities focused on planning and early implementation. NCP research grouped Chicago neighborhoods according to several dimensions of neighborhood economic and social context. Appendix A provides details on the clustering methodology. The resulting five clusters include both NCP and non-NCP neighborhoods. Clusters 3 and 4, presented above, include 12 of the 14 NCP neighborhoods.

Cluster 3 includes four NCP neighborhoods and 10 non-NCP neighborhoods. The NCP neighborhoods in this cluster are Chicago Lawn, Humboldt Park, Little Village, and Pilsen.

Cluster 4 includes eight NCP neighborhoods and 14 non-NCP neighborhoods. The NCP neighborhoods in this cluster are East Garfield Park, Englewood, North Lawndale, Quad Communities, South Chicago, Washington Park, West Haven, and Woodlawn. See Appendix Table C.1 for a list of the non-NCP neighborhoods in these two clusters.

This figure presents "aggregate" trends for the NCP neighborhoods within each cluster and the non-NCP neighborhoods within each cluster. Aggregate measures were calculated as the unweighted average of values for the neighborhoods in each cluster.

Given the tremendous national market at this time, it is not surprising that all NCP neighborhoods shared this growth.

Figure 7.2 allows a scan of more recent trends for the two neighborhood clusters considered for this analysis, each representing somewhat different housing markets. As shown in earlier chapters, many of the black, historically disinvested neighborhoods (Cluster 4) — as well as predominantly Latino and more moderate-income neighborhoods (Cluster 3) — saw rising rates of home mortgage lending and higher sales prices. Now, many of the same neighborhoods are facing high rates of foreclosure. Looking at the home purchase capital flowing into NCP communities, Figure 7.2 shows that the Cluster 3 NCP neighborhoods experienced signs of positive growth in the early part of the rollout period but began to register a small drop in the average annual home loan amounts per 1,000 dwellings around 2005. In contrast, the NCP neighborhoods in Cluster 4 continued to see an overall pattern of increasing investment activity through 2006, the last year for which data are available.

The non-NCP neighborhoods in these two clusters also shared this boom in housing market growth and closely track the experiences of their NCP peers. The Cluster 3 non-NCP neighborhoods also register a small drop in the total amount of home purchase capital flowing into those neighborhoods. The Cluster 4 non-NCP neighborhoods, like their NCP peers, continue to see positive growth in this indicator. Longer-term data are needed to assess whether these divergent patterns for Clusters 3 and 4 — which reflect different housing markets — persist over time.

At the same time, as noted throughout the report, changes in the composition of different income groups purchasing homes permit a deeper exploration of these patterns of change. Using federal Home Mortgage Disclosure Act (HMDA) data, Figure 7.3 presents the income composition of buyers of owner-occupied properties using mortgages in the NCP neighborhoods aggregated in these two clusters.⁶ A *low-income borrower* is defined as one whose income is below 80 percent of Area Median Income (AMI); a *moderate-income borrower* has income between 80 percent and 120 percent of AMI; and an *upper-income borrower* is one with income greater than 120 percent of AMI. Recent home investment patterns in the Cluster 3 and 4 NCP neighborhoods show them experiencing declines in the share of borrowers who are low-income. This downward trajectory was in effect before the start of NCP, and it continued through 2006. Further, both NCP clusters continued to see steady growth of high-income borrowers. Together, these patterns are quite striking and suggest the reality of pressures represented by gentrification.

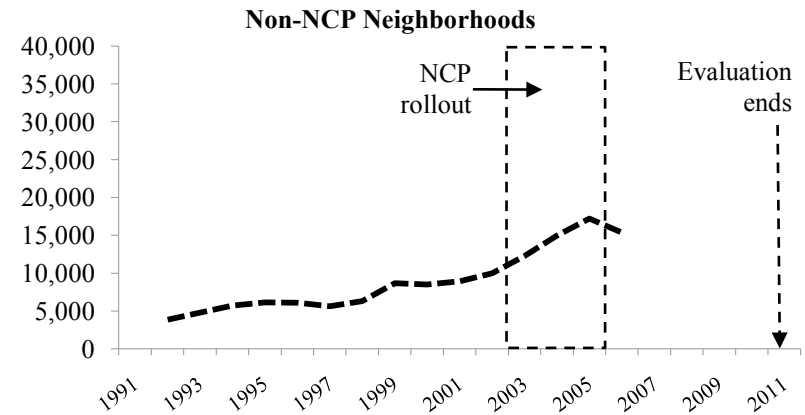
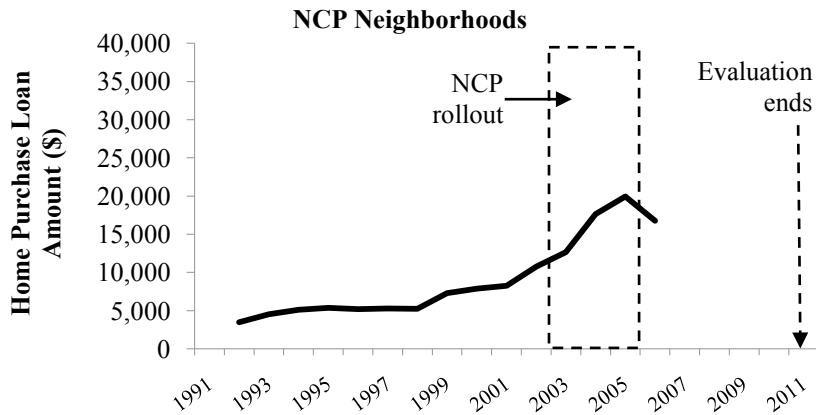
⁶Non-owner-occupied properties are excluded because these types of borrowers may or may not live in the community and because their income levels may not reflect neighborhood trends.

The New Communities Program

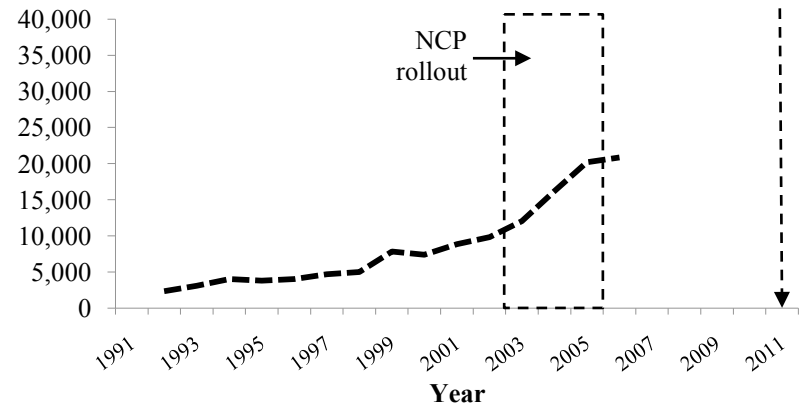
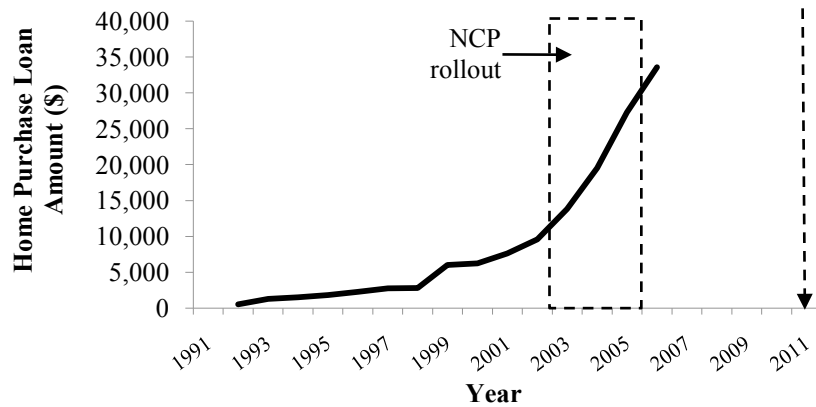
Figure 7.2

Home Purchase Loan Amounts per 1,000 Owner-Occupied Dwelling Units, in Thousands (2005 Dollars), NCP and Non-NCP Neighborhoods, Clusters 3 and 4 (1992-2006)

Cluster 3



Cluster 4



(continued)

Figure 7.2 (continued)

SOURCE: MDRC analysis of data from Metro Chicago Information Center (MCIC). See Appendix A for specific details on data sources.

NOTES: The period from 2003 to 2005 is generally referred to as the NCP "rollout period," when project activities focused on planning and early implementation. Home purchase loan amounts have been normalized to 2005 dollars. NCP research grouped Chicago neighborhoods according to several dimensions of neighborhood economic and social context. Appendix A provides details on the clustering methodology. The resulting five clusters include both NCP and Non-NCP neighborhoods. Clusters 3 and 4, presented above, include 12 of the 14 NCP neighborhoods.

Cluster 3 includes four NCP neighborhoods and 10 non-NCP neighborhoods. The NCP neighborhoods in this cluster are Chicago Lawn, Humboldt Park, Little Village, and Pilsen.

Cluster 4 includes eight NCP neighborhoods and 14 non-NCP neighborhoods. The NCP neighborhoods in this cluster are East Garfield Park, Englewood, North Lawndale, Quad Communities, South Chicago, Washington Park, West Haven, and Woodlawn. See Appendix Table C.1 for a list of the non-NCP neighborhoods in these two clusters.

This figure presents "aggregate" trends for the NCP neighborhoods within each cluster and the non-NCP neighborhoods within each cluster. Aggregate measures were calculated as the unweighted average of values for the neighborhoods in each cluster.

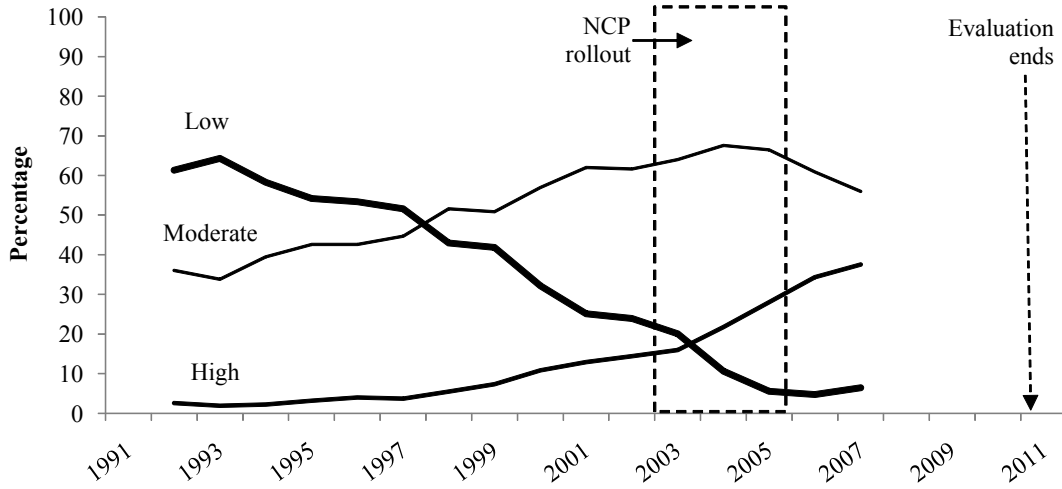
The New Communities Program

Figure 7.3

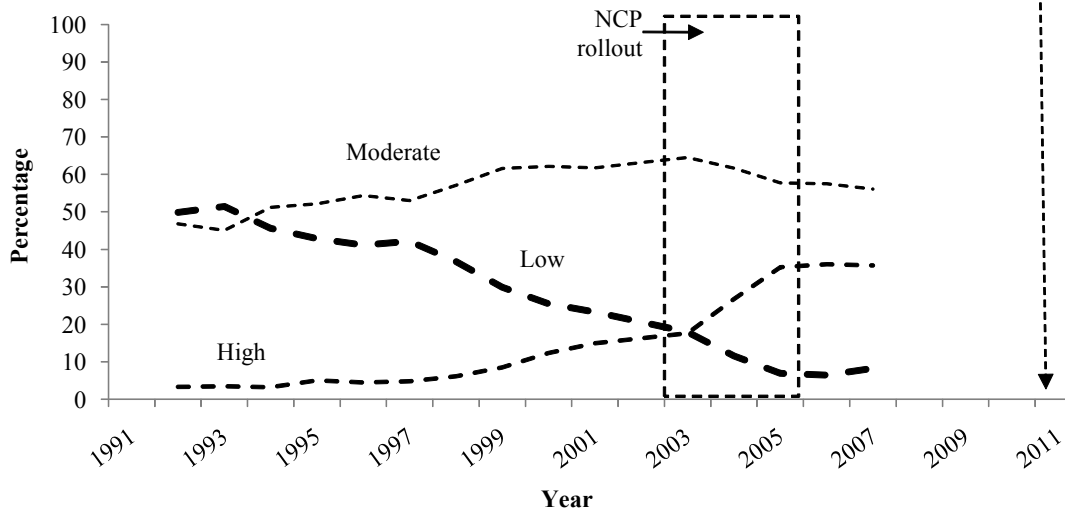
Percentage of Home Purchase Loans, by Income of Borrower, NCP and Non-NCP Neighborhoods, Clusters 3 and 4 (1992-2007)

Cluster 3

NCP Neighborhoods



Non-NCP Neighborhoods

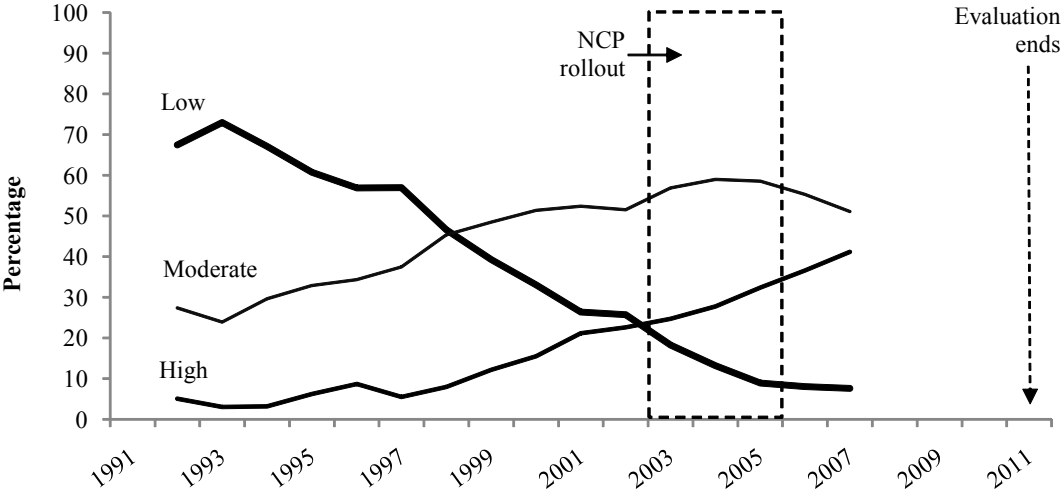


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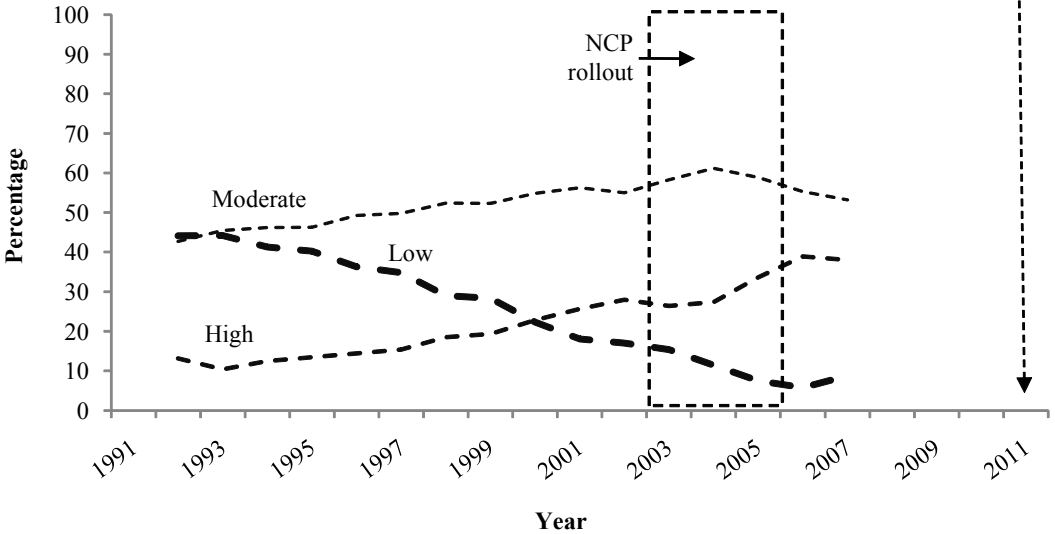
Figure 7.3 (continued)

Cluster 4

NCP Neighborhoods



Non-NCP Neighborhoods



(continued)

Figure 7.3 (continued)

SOURCE: MDRC analysis of data from Metro Chicago Information Center (MCIC). See Appendix A for specific details on data sources.

NOTES: The period from 2003 to 2005 is generally referred to as the NCP "rollout period," when project activities focused on planning and early implementation.

Income groups are defined according to U.S. Department of Housing and Urban Development (HUD) specifications in terms of their relationship to the Area Median Income (AMI) for the Chicago metropolitan area. The low-income group has income below 80 percent of AMI; the moderate-income group includes households with income between 80 percent and 120 percent of AMI; and the upper-income group includes households with income greater than 120 percent of AMI.

NCP research grouped Chicago neighborhoods according to several dimensions of neighborhood economic and social context. Appendix A provides details on the clustering methodology. The resulting five clusters include both NCP and Non-NCP neighborhoods.

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This figure presents "aggregate" trends for the NCP neighborhoods and the non-NCP neighborhoods within clusters. Aggregate measures were calculated as the unweighted average of values for the neighborhoods in each cluster.

Safety

Like the rest of the nation, the decline in crime in Chicago during the 1990s was extremely widespread, and virtually every neighborhood in the city benefited as violent crime and property crime dropped to unprecedented lows.⁷ Several NCP neighborhoods continued to experience this favorable trend into the NCP rollout period. However, a large portion of the NCP neighborhoods were burdened with high crime rates. Moreover, fears concerning the recent economic crisis are increasingly focused on the possible spillover effects of foreclosures and joblessness on neighborhood safety and crime.

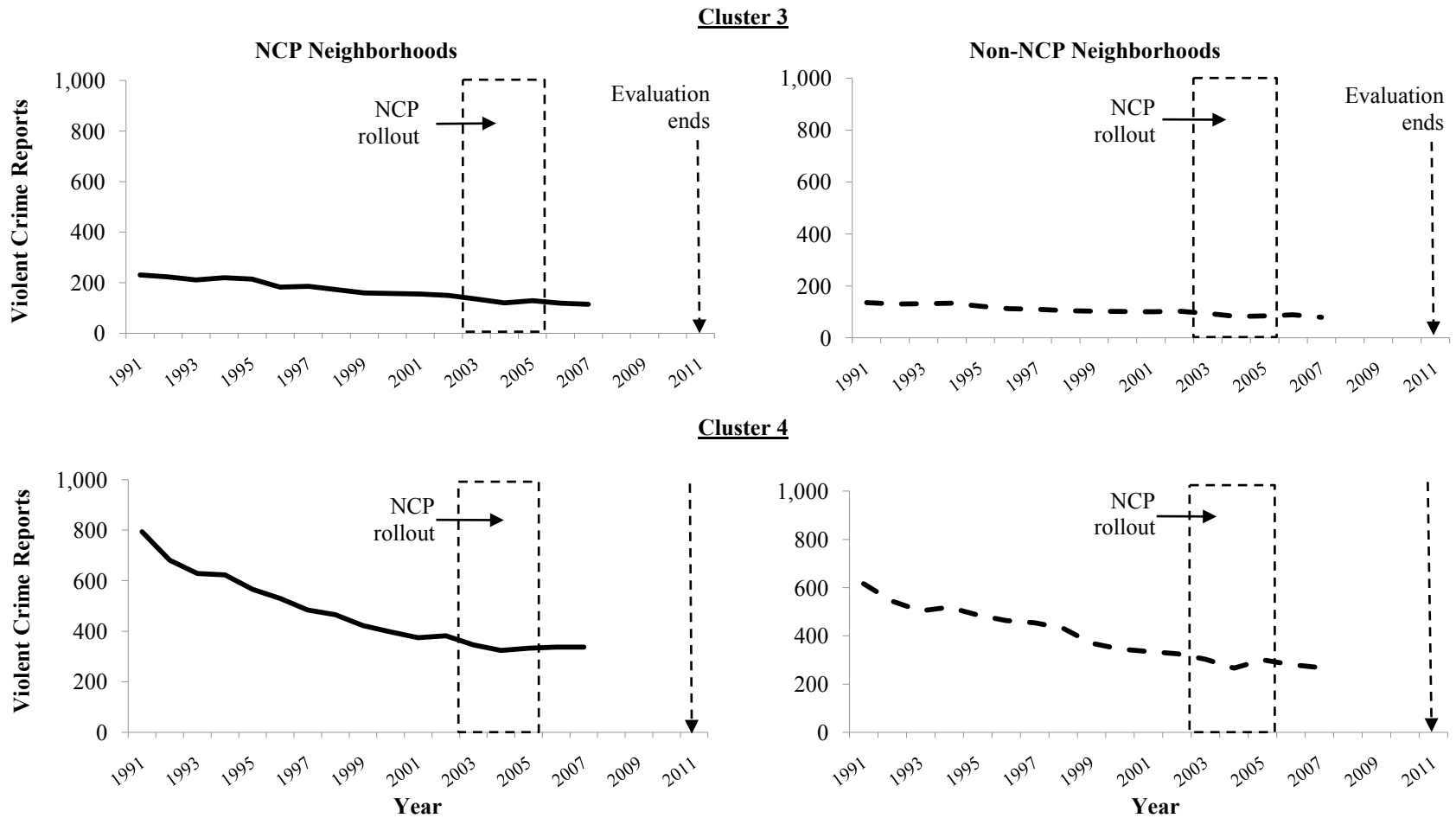
Figures 7.4 and 7.5 consider aggregate violent crime and property crime trends for the NCP clusters and their non-NCP peers. As shown in the upper panels of these figures, the NCP neighborhoods that are characterized by growing, predominantly Latino communities (Cluster 3 neighborhoods) continued to see crime reductions in more recent years. At the end of the NCP rollout period in 2005, the aggregate average violent crime rate reported was 129 per 10,000 residents, and this declined to 115 per 10,000 residents by the end of 2007 — the last point for which data were available at the time of the writing. Particular care must be taken when examining annual crime rates, however, as they are prone to considerable annual fluctuations; yet

⁷See Skogan (2006).

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Figure 7.4

Violent Crime Reports per 10,000 Residents,
NCP and Non-NCP Neighborhoods, Clusters 3 and 4 (1991-2007)



(continued)

Figure 7.4 (continued)

SOURCE: MDRC analysis of data from Metro Chicago Information Center (MCIC). See Appendix A for specific details on data sources.

NOTES: The period from 2003 to 2005 is generally referred to as the NCP "rollout period," when project activities focused on planning and early implementation. NCP research grouped Chicago neighborhoods according to several dimensions of neighborhood economic and social context. Appendix A provides details on the clustering methodology. The resulting five clusters include both NCP and non-NCP neighborhoods. Clusters 3 and 4, presented above, include 12 of the 14 NCP neighborhoods.

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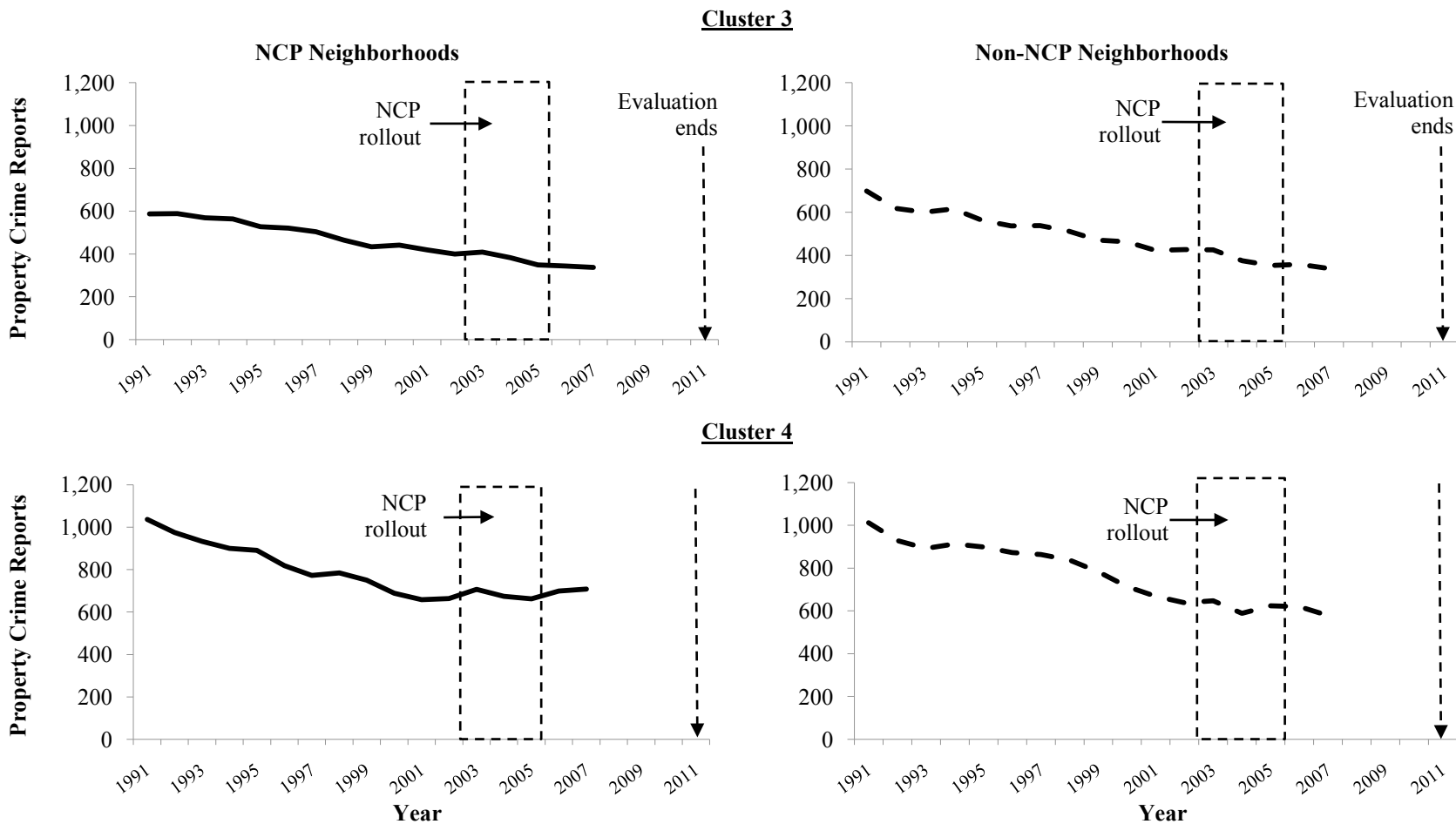
Cluster 4 includes eight NCP neighborhoods and 14 non-NCP neighborhoods. The NCP neighborhoods in this cluster are East Garfield Park, Englewood, North Lawndale, Quad Communities, South Chicago, Washington Park, West Haven, and Woodlawn. See Appendix Table C.1 for a list of the non-NCP neighborhoods in these two clusters.

This figure presents "aggregate" trends for the NCP neighborhoods within each cluster and the non-NCP neighborhoods within each cluster. Aggregate measures were calculated as the unweighted average of values for the neighborhoods in each cluster.

The New Communities Program

Figure 7.5

Property Crime Reports per 10,000 Residents,
NCP and Non-NCP Neighborhoods, Clusters 3 and 4 (1991-2007)



(continued)

Figure 7.5 (continued)

SOURCE: MDRC analysis of data from Metro Chicago Information Center (MCIC). See Appendix A for specific details on data sources.

NOTES: The period from 2003 to 2005 is generally referred to as the NCP "rollout period," when project activities focused on planning and early implementation. NCP research grouped Chicago neighborhoods according to several dimensions of neighborhood economic and social context. Appendix A provides details on the clustering methodology. The resulting five clusters include both NCP and Non-NCP neighborhoods. Clusters 3 and 4, presented above, include 12 of the 14 NCP neighborhoods.

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This figure presents "aggregate" trends for the NCP neighborhoods within each cluster and the non-NCP neighborhoods within each cluster. Aggregate measures were calculated as the unweighted average of values for the neighborhoods in each cluster.

the data suggest a small but steady decline in violent crime. Similar small but ongoing declines are also evident for property crime (the upper panel of Figure 7.5).

The NCP neighborhoods grouped in Cluster 4 — the group including the historically disinvested communities with relatively low levels of housing investment — had among the highest crime rates in the initiative. The lower panels of Figures 7.4 and 7.5 present the aggregate violent and property crime trajectories for the neighborhoods in this cluster. Not only is the extent of crime not uniform across these two sets of clusters but the aggregate crime trends for Cluster 4 neighborhoods (NCP and non-NCP) stayed relatively unchanged from 2005 to 2007. While the crime rates for the Cluster 3 neighborhoods appear to register small declines, care must be taken when interpreting these annual crime rates, as noted.

As with the other neighborhood-quality measures examined here, there are few noticeable differences in the pattern of recent crime trends between NCP and non-NCP neighborhoods in Clusters 3 and 4. The NCP neighborhoods do not appear to be experiencing particularly distinctive crime trajectories.

The crime data present a mixed picture as NCP heads into its final years of operation. At the start of the initiative, the NCP neighborhoods reflected markedly different contexts with respect to community safety, and these gaps continue to hold in more recent years. With the growing economic crisis, it is unclear how neighborhood crime levels will change in concert with rising foreclosures and the resulting vacancy and abandonment predicted for some neighborhoods. The longer-term evaluation will monitor how these and other neighborhood conditions change in subsequent years. With NCP operating in neighborhoods reflecting varying degrees of disinvestment and revitalization challenges, understanding the problems, strategies, and quality-of-life trajectories across the varying neighborhood contexts will be an important dimension of the continuing evaluation.

Lessons for the Field

The current recession and its effects on communities make the lessons emerging from NCP particularly salient for the field. As described in Chapter 1, NCP provides a flexible model that is meant to be responsive to different neighborhood environments and also to changing neighborhood circumstances. Although the extent to which NCP is able to adapt to the recession will become a topic for future inquiry, described below, this section explores aspects of NCP's structure and management that may be especially important for the design of the current wave of community initiatives. NCP's experiences are particularly relevant to community initiatives that rely heavily on partnerships among neighborhood organizations or that emphasize coordinated and comprehensive action in varying contexts.

Lessons Related to NCP's Structure

NCP's structure draws on past experience about the limitations of comprehensive community initiatives (CCIs) and community development work. To avoid conflict between funders and implementers, in the NCP model, the Local Initiatives Support Corporation of Chicago (LISC/Chicago) is the manager of grants and the direct contact with local organizations. To address the critical issue of implementation — the fact that many CCIs were unable to complete projects — NCP recognized that successfully implementing a variety of projects needed to draw on more than a single organization. Accordingly, it vested local agencies (“lead agencies”) with the responsibility for identifying other capable actors and ensuring that they complete the projects identified in plans, largely through seed grant support. Several insights for funders, program designers, and managers emerge from these experiences.

NCP's experiences suggest that *intermediary structures can be a good way to promote comprehensive community action by many different local groups*. As described in Chapter 1, in contrast with other community development initiatives, NCP does not rely on local agencies to implement different types of projects on their own. In contrast, the NCP strategy supports projects by many different local actors, relying on these networks to delegate responsibility for implementation. However, unlike some other CCIs, which relied on collaboratives for implementation, NCP architects decided to invest initiative management within a single agency charged with reaching out to community partners, so as to achieve organizational efficiencies without alienating other local groups. It also relied on LISC/Chicago as “managing intermediary” both to facilitate grants and to promote accountability through the initiative. The variety and number of projects implemented through NCP demonstrates that its intermediary structure, which relies on many local organizations, can support comprehensive revitalization activities. It is possible that NCP's overall success in acting through intermediaries built on the existing strengths of LISC/Chicago and local Chicago organizational networks.

Although intermediary structures worked to promote comprehensive work in many different contexts, this does not mean that NCP “works” the same in all contexts. Accordingly, *governance of community initiatives should take into consideration barriers of mistrust between organizations of different capacities and orientations*. As described throughout the report, NCP's comprehensive community planning is a vehicle that allowed different groups to become involved and rally behind initiatives, especially when given opportunities to access major new funding sources as a result of their participation. However, in many historically disinvested neighborhoods, mistrust sometimes derailed implementation efforts. In these situations, mediation by LISC/Chicago and the full engagement of respected local leadership were sometimes required to ensure that groups could continue to come together after planning. That is, while comprehensive community planning may work across different kinds of neighborhoods, as was

the case in NCP, initiative management should still consider the contexts in which it operates, especially patterns of trust among local organizations.

Another important finding of this report, described in Chapter 5, is that seed grants did not leverage additional resources in the majority of cases. However, in some important instances, LISC/Chicago worked to foster connections between NCP sites and actors in the private, public, and nonprofit sectors who were well positioned to provide additional resources or leverage political influence to support NCP activities. Much of this brokering work occurred within the philanthropic sector and was aided by the MacArthur Foundation. For example, LISC/Chicago worked with Atlantic Philanthropies to bring comprehensive intermediate-school and extended-day services to NCP neighborhoods. Such brokering actions often resulted in substantial new resources to neighborhoods and represented an approach that many NCP participants wished to see LISC/Chicago and the MacArthur Foundation pursue more actively. One implication of this finding is that *funders and initiative managers may be able to help leverage additional resources by engaging the public, private, and foundation sectors and by informing public policy.*

Lessons Related to NCP's Management

As a well-managed initiative, NCP provides several insights related to selecting and creating organizations to implement initiatives, maximizing the performance of local partners, and removing local actors when necessary. Related to selection of implementing organizations, NCP's designers chose to go beyond traditional community development corporations (CDCs) and also select other community organizations to implement NCP. Lead agencies that were able to build trust among groups and attract significant new resources included both CDCs and agencies without a history of housing development, showing that *different organizations, working in different contexts, can take on the NCP approach.* This evidence of successful implementation by both types of groups counters CDC detractors who believe that comprehensive community development is not feasible by housing development groups. It is especially significant that neither type of group appears to have been at an advantage within NCP, given LISC/Chicago's history in working primarily with CDCs. However, housing development activity was a significant point of conflict within NCP, especially when residents and developers disagreed about plans. This conflict had the potential to upset NCP's trust-building processes, indicating that managers should be especially attentive to selecting CDCs that have a history of working well with other local groups in their development activities.

Also related to the selection of organizational partners and start-up, at the beginning of NCP, designers identified two neighborhoods where there were no partners deemed able to carry out the initiative, and a new intermediary needed to be created. One of these organizations, Quad Communities Development Corporation (QCDC), was among the most successful

within the initiative in supporting relationships and attracting additional resources to the neighborhood, even though it had many political advantages that distinguished it from other lead agencies. Establishing both of these new intermediaries took a considerable amount of energy on LISC/Chicago's part, just as managing local planning and implementation with a staff of only two people was challenging for the agencies. This experience suggests that *for neighborhoods where no convening organizations exist, managers should consider creating and supporting new intermediaries.*

Overall, LISC/Chicago was an active manager within the initiative. After site selection, planning, and start-up, it played a major role in ensuring technical assistance to groups, either directly or through consultants. Although this role was particularly intense during planning, it did not end after that point. One situation in which LISC/Chicago was called on to act more directly during implementation involved organizations that were not able to transition from planning to project development. In these places, operating NCP was sometimes the most challenging, and LISC/Chicago intervened in several neighborhoods to transfer the designation of lead agency from an organization that was not seen to be performing adequately to a newer organization. In other places, LISC/Chicago intervened to enforce accountability or support choices by the lead agencies. After LISC/Chicago intervened in two places, lead agencies that shifted in leadership or in structure were better able to form relationships and implement projects. These experiences all suggest that, *after planning and start-up, managers of community initiatives should be empowered both to remove poorly performing partners and also to mediate among local interests.*

Topics for Future Research

The foregoing insights about NCP's structure and management form an important foundation for the next stages of NCP research. Along with the recent economic crisis and the growing concerns about neighborhood well-being, potential areas of future investigation include:

- **Understanding the relationship between capacity, resilience, and investments.** This report identifies lead-agency strategies to leverage additional resources to neighborhoods — for example, coordinating grants to attract commercial investment in Quad Communities or forming collaboratives to apply for larger social service grants in Humboldt Park. However, the current funding and economic climate calls into question whether these broad strategies — particularly if relying on small seed grants — will continue to be sustainable or effective. Accordingly, the next phase of research will explore the ways that the NCP platform responds to efforts by the MacArthur Foundation and LISC/Chicago to create new investments in neighborhoods. Using community studies, the evaluation will examine how NCP builds and sus-

tains partnerships to “move to scale” within neighborhoods and how accountability regarding service and development projects is maintained.

- **NCP’s interaction with public policy.** This report also notes that the smallest number of NCP projects involved efforts to influence public policy or the actions of powerful institutions, such as banks. Although actions by NCP sometimes had the effect of brokering specific public resources to neighborhoods, several lead agencies, as well as LISC/Chicago and the MacArthur Foundation, felt this is an area of emerging importance, especially in the current economic climate. Accordingly, future research will examine the extent to which strategies within NCP neighborhoods interact with broader, cross-neighborhood, citywide, or regional policies and the efforts by NCP actors to inform these policies. These efforts may likely combine an “outside game” (involving neighborhoods organizing for change) and also an “inside game” (involving politically powerful actors, including LISC/Chicago and the MacArthur Foundation, who have embedded political relationships). Research will document the results of these efforts and will also consider how, if at all, NCP’s policy influence becomes institutionalized and sustainable over time.
- **Exploring the reach of NCP action and change.** This line of inquiry will continue to describe trajectories of projects and investments within NCP but to locate them within NCP areas. This interest in the reach of NCP action and change is motivated by a central premise in community initiatives: that spatially concentrated urban problems might be responsive to place-based strategies. In examining this topic, the evaluation will explore descriptive questions about the spatial patterns of NCP investments. For example, it may address how NCP activity is concentrated within selected Chicago neighborhoods and how these investments are colocated with other major public and private investments. In addition, the research will explore the pattern of relationships between concentrated investments and quality-of-life measures within certain neighborhoods.
- **Neighborhood change.** Going beyond NCP operations and potential outcomes, the evaluation’s longitudinal neighborhood indicators database is well suited for developing a deeper understanding of the pathways of neighborhood change. NCP aspires to contribute to varied improvements, in housing, safety, and education. These components of neighborhood change interact with and reinforce each other. Quantitative data obtained for this evaluation offer the opportunity to trace neighborhood conditions and examine how community change indicators may “lead” and which may “lag” one another.

Such analyses will provide empirically grounded insights to help understand what are mainly causes and what are mainly effects within community change dynamics. In light of the economic downturn, the leads-and-lags framework can be applied to map out the pathways between external shocks and indicators of neighborhood quality.

* * *

In conclusion, as is highlighted in Chapter 1, NCP was designed to respond to a variety of issues that challenge both community development efforts and comprehensive community initiatives. As a result, its designers made critical choices about the initiative's structure and implementation to improve on these types of interventions. As discussed in this report, insights from the interim evaluation period offer important lessons for practice and policy. Looking forward, the funders and operators of NCP worry about the negative forces that are beginning to affect their communities and whether the NCP "platform" that they have put in place will endure the test of the harsher and evolving economic climate. The initiative's response to changing threats and opportunities will be the focus of ongoing evaluation activities.

Appendix A

Data Sources and Methods

Introduction

The research for the evaluation of the New Communities Program (NCP) provides a great opportunity to compare and contrast strategies, processes, and outcomes across a range of neighborhoods and organizations. In order to capitalize on that opportunity, the evaluation enlists qualitative and quantitative research methods. Moreover, a team of researchers was assembled, including experts at Chapin Hall at the University of Chicago, at Wayne State University, and at Metro Chicago Information Center (MCIC).

The combination of field observations and interviews with lead-agency documentation provides a comprehensive and rich analysis of NCP strategies and program outcomes. Meanwhile, the analysis of quantitative, quality-of-life indicators for the NCP neighborhoods and the city of Chicago, for close to 20 years, supports careful exploration of neighborhood well-being and change. This appendix details the qualitative and quantitative methods and the issues relevant to this interim evaluation report.

Neighborhood Geography

As a place-based initiative, NCP targets 14 communities for comprehensive community development. These target communities — also referred to as “NCP planning areas” — are the focus of the qualitative and quantitative investigations. The local initiatives defined the boundaries of these 14 NCP planning areas. In several instances, these areas coincide with the Community Areas defined by the City of Chicago in the 1920s, which continue to be used in city planning and administration and are often familiar to Chicago residents. Thus, it is important to note instances of NCP boundary definitions that do not directly correspond to the city-defined Community Areas. Consider three variations:

- **The NCP planning area comprises multiple Community Areas.** In this instance, the NCP initiative defined a planning area that comprises several entire Community Areas. The Humboldt Park NCP planning area provides a good example because its boundaries encompass all of the Humboldt Park Community Area and the West Town Community Area. Logan Square and Woodlawn are the other two NCP neighborhoods that fall into this group.
- **The NCP planning area is a “subsection” of a Community Area.** In this instance, the NCP initiatives defined a planning area that represents a portion of a Community Area that is completely contained within it. The South Chicago NCP planning area is a good example; its boundaries define an area that is roughly one-third of the larger South Chicago Community Area. Two pieces of the South Chicago Community Area — one to the west of the NCP planning area and the other to the east — are not included in the NCP neigh-

borhood. This group includes Little Village, Lower West Side, Near West Side, South Chicago, and South Lawndale.

- **The NCP planning area spans pieces of multiple Community Areas.** For NCP neighborhoods in this group, the boundaries of the planning area cross several Community Areas but include only portions of each; some portion of the city’s Community Area may remain outside the NCP area. For example, the Auburn Gresham planning area includes portions of three Community Areas: Auburn Gresham, Chatham, and Greater Grand Crossing. The remaining NCP communities fall into this group.

The boundaries of both the NCP and the Chicago planning areas are shown on the city map in Chapter 1 (Figure 1.1). Data corresponding to the NCP planning areas were assembled by Metro Chicago Information Center (MCIC).

At the same time, in order to interpret and contextualize conditions in the NCP communities, the analyses also enlist comparisons. Therefore, geographic areas outside the NCP initiative are also examined. These “non-NCP” areas include the balance of Chicago Community Areas completely outside the NCP planning areas. They also include the non-NCP “slices” within Community Areas where NCP encompasses some other portion of the larger neighborhood. This method permits the use of the non-NCP areas for comparative analysis. The remainder of a Community Area in which NCP encompasses some portion is denoted as “non-NCP.” For example, as shown in Appendix Table C.1, “Auburn Gresham NCP” represents the geography associated with the NCP planning area. “Auburn Gresham (non-NCP)” represents the portion of the Community Area that is outside the NCP planning area.

As demonstrated above, the NCP planning areas and the Chicago Community Areas often have the same name, and the terms “planning area” and “neighborhood” are used interchangeably in this report. Therefore, readers should be careful to appreciate the definition of these areas for the purposes of the NCP evaluation.

Qualitative Methods

The qualitative component of the NCP evaluation draws on broad and multifaceted efforts of data collection and analysis. While interviews represent the primary data collection method, observations and documentary analysis were also employed. In order to balance the breadth and depth of this data collection, a two-tiered sampling strategy was enlisted.

The first tier of sampling encompasses all 14 sites in the initiative. Data collection for this sample focuses on NCP activities and processes and draws primarily on targeted key-informant interviews, conducted in person. Interview respondents include all lead agencies and

involve multiple staff within each organization — the executive director, program director, and other project staff. Respondents also include the program officers from the Local Initiatives Support Corporation of Chicago (LISC/Chicago) who were working with these communities. During the course of the study, two rounds of interviews (at a minimum) were conducted at each site, starting in June 2006 and resulting in over 120 interviews.

This key-informant interviewing was complemented by an analysis of NCP reporting documents. These data were intended primarily to capture project implementation. Specifically, data were collected from lead-agency progress reports, submitted to LISC/Chicago annually from 2002 through 2008, and were coded based on project domain (housing, safety, and the arts). These data also include funding levels and reported leverage, forming the basis for the analysis in Chapter 5.

The second tier of sampling focuses on the six in-depth study sites.¹ This sampling strategy sought to capture a diversity of perspectives about NCP, so as to permit more valid interpretations of dynamics within these neighborhoods. Potential interviewees were identified based on their having participated at some point in the planning process or on having been identified as knowledgeable observers of their communities. Lead-agency staff and LISC/Chicago program officers were consulted for suggestions about the individuals and organizations most involved in the initiative as well as those who had contrasting perspectives on its progress.

After this universe of potential interviewees had been established, organizations were grouped into three categories: (1) those involved in the NCP planning process and also in its implementation (either having received funding or having been actively involved in an ongoing workgroup or other forum or activity during the implementation phase); (2) those involved in the planning process but not (at the time of selection) involved in the implementation process; and (3) those not involved in NCP at all. Within each in-depth case, the interviewed organizations and individuals represented these categories. To complement this information, data were also collected through the observation of selected community-specific meetings and events.

Interview data were coded and analyzed using NVivo 7.² Codes were developed based on a set of deductively defined themes informed by evaluation research questions, and they were refined based on early analysis of interview data. Each interview was initially double-coded by two researchers to ensure intercoder reliability, and then each was reviewed by the qualitative research team in order to clarify coding application rules and refine the codebook to

¹Box 1.3 in Chapter 1 briefly describes the 14 NCP neighborhoods, and Box 4.1 in Chapter 4 presents the six neighborhoods that are the focus of in-depth research.

²NVivo is a software application for qualitative data analysis and is designed to classify, sort, and analyze complex relationships in text-based data.

ensure greater clarity and uniformity of use. Once coding was substantially uniform across coders, a sample of interviews was double-coded and regularly reviewed to monitor ongoing intercoder reliability. NVivo queries were used to develop comparisons of NCP processes by organizational and neighborhood type.

Quantitative Methods

Data and Measures

A major component of the evaluation measures long-term trends in the neighborhood conditions of the NCP communities, focusing on a series of quality-of-life indicators. Three domains of quality-of-life are examined: safety, housing market activity, and commercial vitality. Measures of violent and property crime are employed to capture community safety. A series of housing market data — including the volume and values of home sales as well as the rate of home ownership — measures neighborhood housing market activity. Small-business lending is examined as a proxy for neighborhood commercial vitality. Finally, the study also draws on measures of population characteristics. MCIC was the primary provider of raw quantitative data used in this report, collecting and assembling data sets from multiple data sources. The analyses in this report consider the starting context for the initiative (2003-2005, in Chapter 2), as NCP planning and implementation were getting under way, as well as how conditions have changed in the NCP targeted neighborhoods over time (through 2007, in Chapter 7). The following sections detail the measures employed for tracking neighborhood conditions. Later sections discuss methods for assembling these data for the NCP neighborhoods and the remainder of the city. The final section briefly reviews analyses employed to group Chicago neighborhoods based on some of these neighborhood measures.

Population

Total Population

The U.S. Census defines “population” as all people, both children and adults, living in a given geographic area. The decennial census provides total counts of residents every ten years. For a number of measures and indicators in this report, the total number of residents in each neighborhood is calculated, based on 1990 and 2000 Census measures. Easy Analytic Software, Inc. (EASI), provides annually updated total population estimates for intervening years and recent years (1991-1999 and 2001-2007).

Source: United States Census (1990, 2000).

Years reported: 1990, 2000

Population, by Race/Ethnicity

This series of indicators captures the presence of various racial/ethnic groups within the neighborhood, as a percentage of the total population. The decennial census provides total counts of residents according to their reported race/ethnicity: American Indian/Alaskan Native, Asian/Pacific Islander, Non-Hispanic Black, Non-Hispanic White, Hispanic, Multiracial (as of the 2000 Census) and Other, by census tract. For this report, separate counts are reported for non-Hispanic black, non-Hispanic white, and Hispanic categories, for each neighborhood. A final count is calculated as the sum of residents reporting American Indian/Alaskan Native, Asian/Pacific Islander, and Multiracial categories and reported as Other. The series of racial/ethnic composition indicators (for example, Percentage Black, Percentage White, Percentage Hispanic, Percentage Other) for each neighborhood is calculated as the count of residents in each racial/ethnic category divided by the total population.

Sources: United States Census (1990, 2000)

Years reported: 1990, 2000

Racial/Ethnic Diversity (H-Index)

This indicator represents the extent of racial/ethnic diversity among the residents in the neighborhood. For this investigation, the entropy index (H)³ is used to measure how evenly the households are distributed across groups within a neighborhood. Widely used as a measure of racial/ethnic and economic residential segregation, the index assumes a maximum value of 100 when each of the four groups (Hispanic, non-Hispanic white, non-Hispanic black, and other) is equally represented in the neighborhood. It assumes a minimum value of zero when only one group is represented. The H-index is invariant to which particular groups are associated with the proportions observed in any given neighborhood; that is, a neighborhood dominated by only two racial/ethnic groups will have the same value for H regardless of which two groups this happens to be.

³Galster, Booza, Cutsinger (2009).

The formula for entropy of racial/ethnic groups within a neighborhood is:

$$H_i^* = \frac{H_i}{\ln M} = - \frac{\sum_{m=1}^M \pi_{im} \ln \pi_{im}}{\ln M}$$

where:

π_{im} = Proportion of individuals in category m ($m = 1, 2, \dots, M$) in tract i

π_m = Proportion of individuals in category m ($m = 1, 2, \dots, M$) in the whole metropolitan area

M = Number of groups (four in this application)

(See “Population, by Race/Ethnicity,” above, for details on these categories.)

Population, by Income

This series of measures captures the presence of various income groups within the neighborhood, as a percentage of the total population. Measures of neighborhood income composition were used in the grouping of Chicago neighborhoods as well as in the examination of incoming home buyers. The decennial census provides total counts of residents according to their reported income. For this report, separate counts are reported for three income group categories, for each neighborhood. Income groups are defined according to specifications of the U.S. Department of Housing and Urban Development (HUD) in terms of their relationship to the Chicago metropolitan Area Median Income (AMI): The *low-income group* has income below 80 percent of AMI; the *moderate-income group* includes households with income between 80 percent and 120 percent of AMI; and the *upper-income group* includes households with income greater than 120 percent of AMI. The series of income composition measures (for example, Percentage Low-Income, Percentage Moderate Income, Percentage High-Income) for each neighborhood is calculated as the count of residents in each income category divided by the total population.

Sources: United States Census (1990, 2000)

Years reported: 1990, 2000

Safety

Violent Crime Rate

This indicator measures the total number of violent crimes reported per 10,000 residents, per year. Violent crimes include murder and nonnegligent manslaughter, forcible rape, robbery, and aggravated assault. The violent crime rate for a neighborhood is calculated as the total number of violent crimes divided by the total population, multiplied by 10,000.

Sources: Uniform Crime Reports (1997-2007); United States Census (1990, 2000)

Years reported: 1991-2007

Property Crime Rate

This indicator measures the total number of property crimes reported per 10,000 residents, per year. Property crimes include burglary, larceny, theft, and arson. The property crime rate for a neighborhood is calculated as the total number of property crimes divided by the total population, multiplied by 10,000.

Sources: Uniform Crime Reports (1991-2007); United States Census (1990, 2000)

Years reported: 1991-2007

Housing Market Activity

Percentage Renter

Also referred to as “housing tenure,” this indicator measures the number of rental housing units divided by the total number of occupied housing units. (For all the housing measures in this report, the total number of occupied housing units includes single-family homes, family buildings with one to four units, condominiums, cooperatives, and townhouses.) The number of rental units is assembled from census data as the difference between the total number of housing units and the total number of owner-occupied housing units.

Source: United States Census (2000)

Year reported: 2000

Home Sales

This indicator measures the rate of annual home sales per 1,000 owner-occupied housing units in the neighborhood. Home sales data include both housing-unit and land parcel sales (excluding all foreclosure and other “nonmarket” sales). The home sales rate for a neighbor-

hood is calculated as the total number of home and land parcel sales divided by the total number of owner-occupied dwellings of one to four units multiplied by 1,000.

Sources: Cook County Recorder of Deeds records processed by RW Ventures; United States Census (1990, 2000)

Years reported: 1990-2005

Home Purchase Loan Originations

This measure represents the amount of conventional loans that were originated for financing the purchase of a home in the neighborhood. For this measure, loans include those that the bank approved and that the applicant chose to accept. Data on home purchase loans are available in accordance with the federal Home Mortgage Disclosure Act (HMDA). The rate of home purchase loan originations for a neighborhood is calculated as the total number of originated home purchase loans divided by the total of occupied dwelling units.

Sources: Federal Financial Institutions Examination Council; United States Census (1990, 2000)

Years reported: 2000-2005

Home Purchase Loan Amount

This indicator measures the total annual dollar amounts of home purchase loans per 1,000 owner-occupied housing units in the neighborhood. Data on home purchase loan amounts are available in accordance with the federal Home Mortgage Disclosure Act (HMDA) and include originated, owner-occupied, nonbusiness home purchase loans. The total home purchase loan amount for a neighborhood is calculated as the total dollar amount of home purchase loans divided by the total number of occupied dwelling units and multiplied by 1,000. All values are adjusted to 2005 dollar values.

Sources: Federal Financial Institutions Examination Council; United States Census (1990, 2000)

Years reported: 1992-2006

Median Home Purchase Loan Amount

This indicator measures the median annual dollar amount of home purchase loans in the neighborhood. Data on home purchase loan amounts are available in accordance with the federal Home Mortgage Disclosure Act (HMDA) and include originated, owner-occupied, nonbusiness home purchase loans. The median home purchase loan amount for a neighborhood is calculated as the average of the median dollar amount of home purchase loans for the census

tracts within each neighborhood, using a population-weighting formula described below in the section “Aggregation and Weighting.” All values are adjusted to 2005 dollar values.

Sources: Federal Financial Institutions Examination Council; United States Census (1990, 2000)

Years reported: 2000-2005

Completed Foreclosures

This indicator measures the annual rate of residential foreclosures per 1,000 owner-occupied housing units in the neighborhood. Collected by Record Information Services, data on foreclosures include filed and completed foreclosures of occupied housing units. As filed foreclosures signal only the beginning of the foreclosure process, this indicator includes only counts of completed foreclosures. The foreclosure rate for a neighborhood is calculated as the total number of completed foreclosures divided by the total number of occupied housing units and multiplied by 1,000.

Sources: Record Information Services; United States Census (1990, 2000)

Years reported: 1998-2007

Commercial Vitality

CRA Loan Amounts

This indicator measures the total annual amount of small business lending in the neighborhood, given its land area zoned for commercial use. For this indicator, loans reported under Community Reinvestment Act (CRA) regulations are included. Data on CRA loans are available through the Federal Financial Institutions Examination Council and include the aggregate number and amount of loans in each of three loan-size categories (\$100,000 or less, \$100,000 to \$250,000, and \$250,000 through \$1 million) as well as the aggregate number and amount of loans made to businesses with gross annual revenues of \$1 million or less. For this indicator, the annual total dollar amount of CRA loans to businesses with gross revenues of \$1 million or less was calculated for each neighborhood. All values are adjusted to 2000 dollar values.

The Chicago Metropolitan Agency on Planning provides detailed records on land zoned for commercial and residential construction in 2000. For this indicator, the total land area (in square miles) zoned for commercial use was calculated for each neighborhood. Finally, this indicator was calculated as the total loan amount divided by the total commercial land area.

Source: Federal Financial Institutions Examination Council

Years reported: 1996-2006

Population Inflows

Racial/Ethnic Composition of Home Loan Borrowers

This series of indicators captures the presence of various racial/ethnic groups within the home buyers in the neighborhood, each year, as a percentage of the all home buyers. Data on home purchase lending is used to measure the racial/ethnic composition of home buyers. Data are available in accordance with the federal Home Mortgage Disclosure Act (HMDA) and include originated, owner-occupied, nonbusiness home purchase loans, including information on the race/ethnicity of the applicant. This series of indicators (for example, Percentage Black, Percentage White, Percentage Hispanic, Percentage Other) for each neighborhood is calculated as the total count of loans in each racial/ethnic category divided by the total count of loans.

Source: Federal Financial Institutions Examination Council

Years reported: 1992-2007

Income Composition of Home Loan Borrowers

This series of indicators captures the presence of various income groups within the home buyers in the neighborhood, each year, as a percentage of the all home buyers. Data on home purchase lending are used to measure income composition. They are available in accordance with the federal Home Mortgage Disclosure Act (HMDA) and include originated, owner-occupied, nonbusiness home purchase loans, including information on the household income of the applicant. Income groups are defined according to HUD specifications in terms of their relationship to the Chicago metropolitan Area Median Income (AMI): The *low-income group* has income below 80 percent of AMI; the *moderate-income group* includes households with income between 80 percent and 120 percent of AMI; and the *upper-income group* includes households with income greater than 120 percent of AMI. This series of income composition indicators (for example, Percentage Low-Income, Percentage Moderate-Income, Percentage High-Income) for each neighborhood is calculated as the total count of loans in each income category divided by the total count of loans.

Source: Federal Financial Institutions Examination Council

Years reported: 1992-2007

Aggregation and Weighting (for NCP Areas and for Clusters)

All the quality-of-life indicators in this report are presented at the aggregate level (NCP planning area and Chicago Community Area). For example, the total number of violent crimes reported in a neighborhood is calculated as the sum of the reported crimes in the census tracts within it. This aggregation method is used to sum all the quality-of-life indicators, except for the

Average Median Home Purchase Loan Amount. In this instance, aggregating census tract data to the neighborhood level uses a population-weighting formula. Specifically, the weighted mean of the census tract values is calculated where census tract values are assigned a weight based on the number of people within the neighborhood who are in each census tract. These neighborhood-level measures are then used directly in the construction of indicators discussed in the preceding section.

As noted above in the section “Neighborhood Geography,” the boundaries of NCP planning areas do not always correspond directly to the boundaries of Chicago Community Areas; the planning areas sometimes cut across the community areas. Similarly, the NCP planning area boundaries also, at times, cut across census tract boundaries. In such instances, only a portion of that census tract is included in the NCP planning area (along with other intact census tracts). Inasmuch as census tract data are aggregated to the planning area, these partial tracts are included using a technique that weights them based on the portion of the total tract population that is included in the NCP planning area. Thus, because of the unique neighborhood boundaries of a number of NCP planning areas, the absolute values for the quality-of-life indicators presented in this report may not match up with publicly available data on these communities.

Finally, the analysis of time-series data on some neighborhood indicators (such as crime) presents particular challenges due to frequent volatility. Although this volatility can produce visually striking patterns over short periods of time, drawing inferences about patterns of change from such inspection could be misleading. Recognizing this challenge, this report calculates and presents three-year averages of annual measures. These averages are calculated as the sum of rates or ratios for three years divided by three. In order to accurately gauge change amid this volatility, average annual percentage change is estimated using a regression procedure that takes into account a series of annual data over the three-year period 2003-2005. Specifically, regressions of log-transformed measures are used such that all change estimates are calculated and presented as percentages. Separate linear regressions are estimated for each of the NCP neighborhoods and for the entire city of Chicago.

Neighborhood Groupings

In order to create the neighborhood groupings introduced in Chapter 2, a statistical procedure called “cluster analysis” was used because it is particularly well suited to considering multiple measures simultaneously. This technique is widely used to sort cases (people, things, events, neighborhoods, and so on) into groups, or clusters, so that the degree of association is stronger among members of the same cluster and weaker among members of different clusters. That is, the groups are distinct from one another, and neighborhood “sisters” are as similar as possible to one another.

This methodology was applied to classify all Chicago neighborhoods. More than 20 variables measuring neighborhood economic and demographic characteristics were included.⁴ Economic measures were included because the NCP initiative is focused on the economic stabilization and revitalization of neighborhoods and because economic context is a significant factor in the implementation of comprehensive initiatives. At the same time, NCP also concerns itself with the distinct pressures facing some neighborhoods as a result of housing market dynamics (such as rapid development and investments) that may threaten the economic and racial/ethnic diversity of neighborhoods. Therefore, the final set of cluster variables includes, for each neighborhood, data on the racial/ethnic and economic composition of the resident population, the flow of incoming residents (home buyers), and the housing market. Measures were assembled for the period 2000-2005, in order to capture the “starting context” for NCP lead agencies, as they initiated planning and moved into early implementation.

In general, a good cluster solution is one in which each cluster is very different from other clusters (“between-cluster heterogeneity”) and in which units in each cluster are as similar as possible (“within-cluster homogeneity”). Therefore, the relatively limited statistical diagnostics available for cluster analysis were calculated and examined, and they confirm that the resulting five clusters of neighborhoods largely differ from one another.

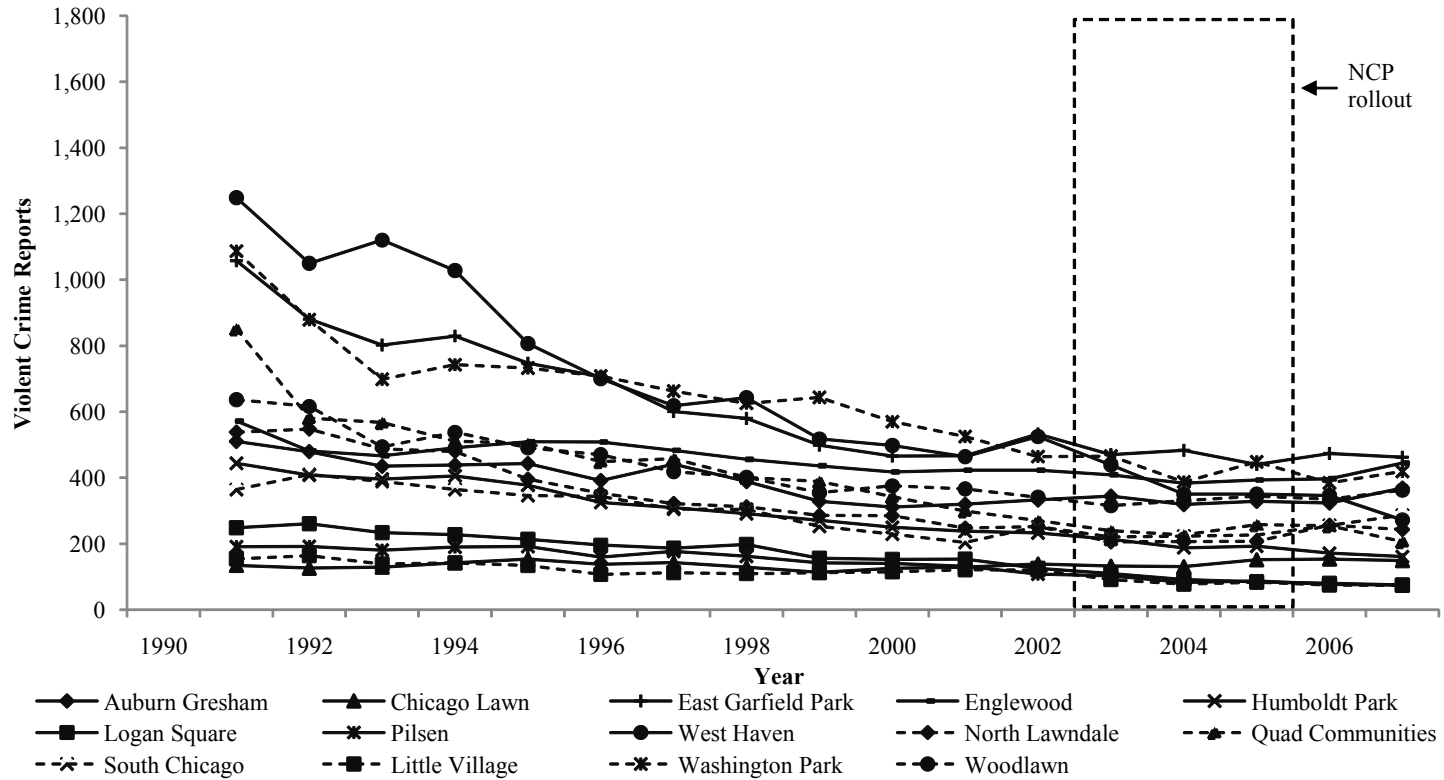
Due to the nature of this technique, one should not interpret a neighborhood’s membership in a particular cluster as meaning that the neighborhood is highly “representative” of the larger group. Rather, membership within a particular group simply means that the neighborhood is more like its sisters on several cluster variables than it is like the neighborhoods falling into the other groups. Of course, no classification method is perfect, and some cases are a tighter fit with their assigned categories than others. Therefore, a series of tests was conducted to assess the “goodness of fit” of neighborhoods with their groups (including an examination of the extent to which neighborhoods differ from their cluster, on average, as well as sensitivity tests comparing findings before and after the exclusion of a potentially “outlier” neighborhood). These tests provide further confidence in the five clusters; nonetheless, such sensitivity testing will be used throughout any further analyses based on these groupings.

⁴Contact the authors for more detailed information on this analysis.

Appendix B

Supplementary Figures for Chapter 2

The New Communities Program
 Appendix Figure B.1
 Violent Crime Reports per 10,000 Residents, NCP Neighborhoods (1991-2007)



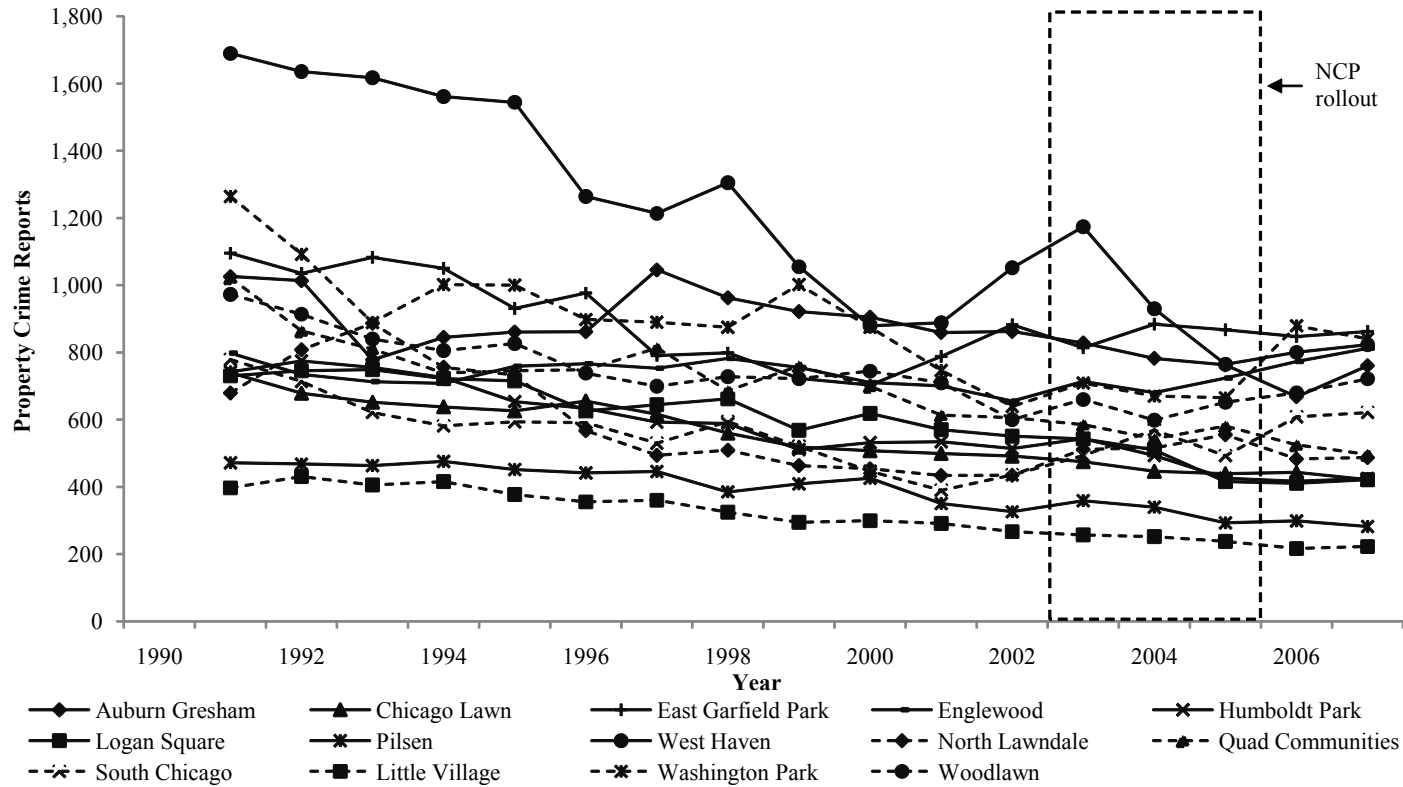
SOURCE: MDRC analysis of data from Metro Chicago Information Center (MCIC). See Appendix A for specific details on data sources.

NOTE: The period from 2003 to 2005 is generally referred to as the NCP "rollout period," when project activities focused on planning and early implementation.

The New Communities Program

Appendix Figure B.2

Property Crime Reports per 10,000 Residents, NCP Neighborhoods (1991-2007)



154

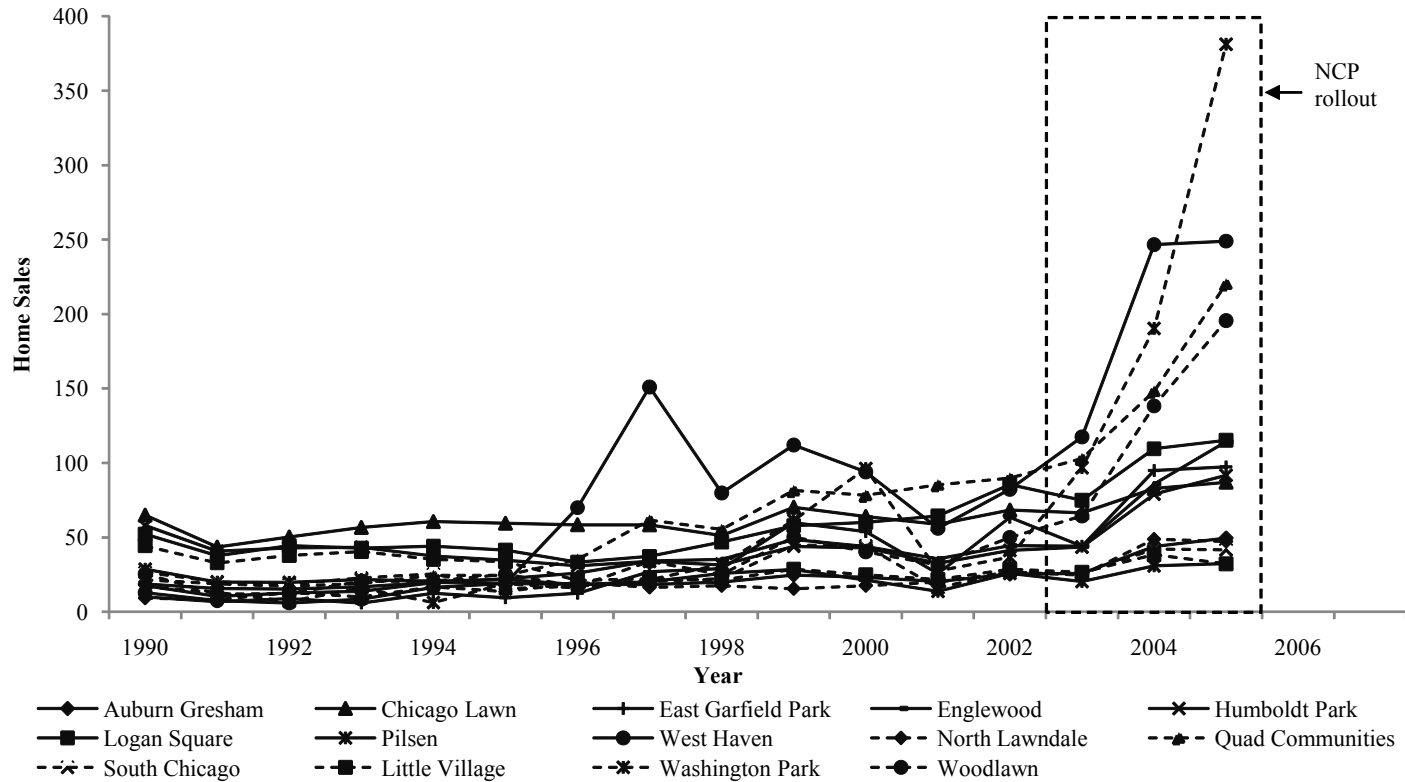
SOURCE: MDRC analysis of data from Metro Chicago Information Center (MCIC). See Appendix A for specific details on data sources.

NOTE: The period from 2003 to 2005 is generally referred to as the NCP "rollout period," when project activities focused on planning and early implementation.

The New Communities Program

Appendix Figure B.3

Home Sales per 1,000 Owner-Occupied Dwelling Units, NCP Neighborhoods (1990-2005)



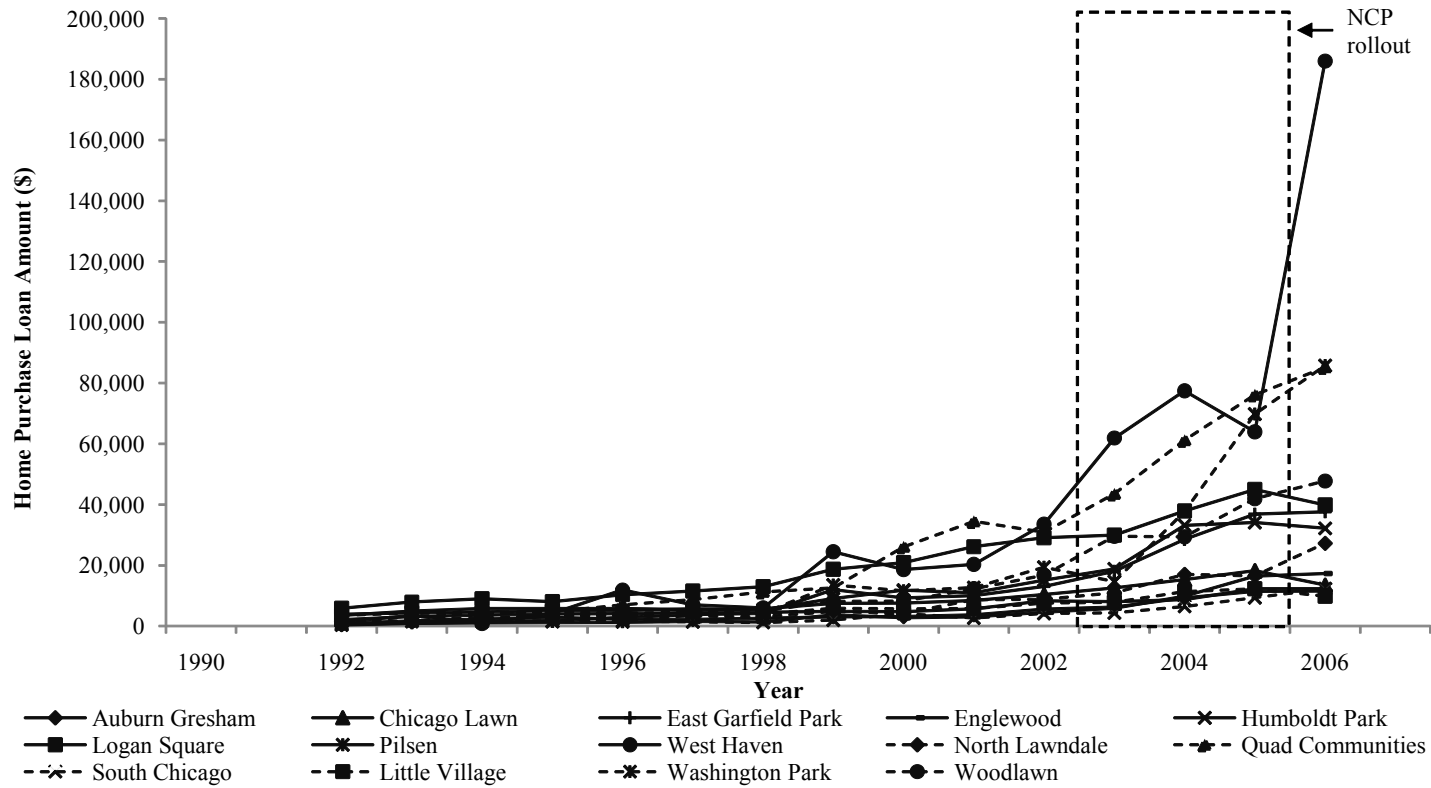
SOURCE: MDRC analysis of data from Metro Chicago Information Center (MCIC). See Appendix A for specific details on data sources.

NOTE: The period from 2003 to 2005 is generally referred to as the NCP "rollout period," when project activities focused on planning and early implementation.

The New Communities Program

Appendix Figure B.4

Home Purchase Loan Amounts per 1,000 Owner-Occupied Dwelling Units, in Thousands (2005 Dollars),
NCP Neighborhoods (1992-2006)



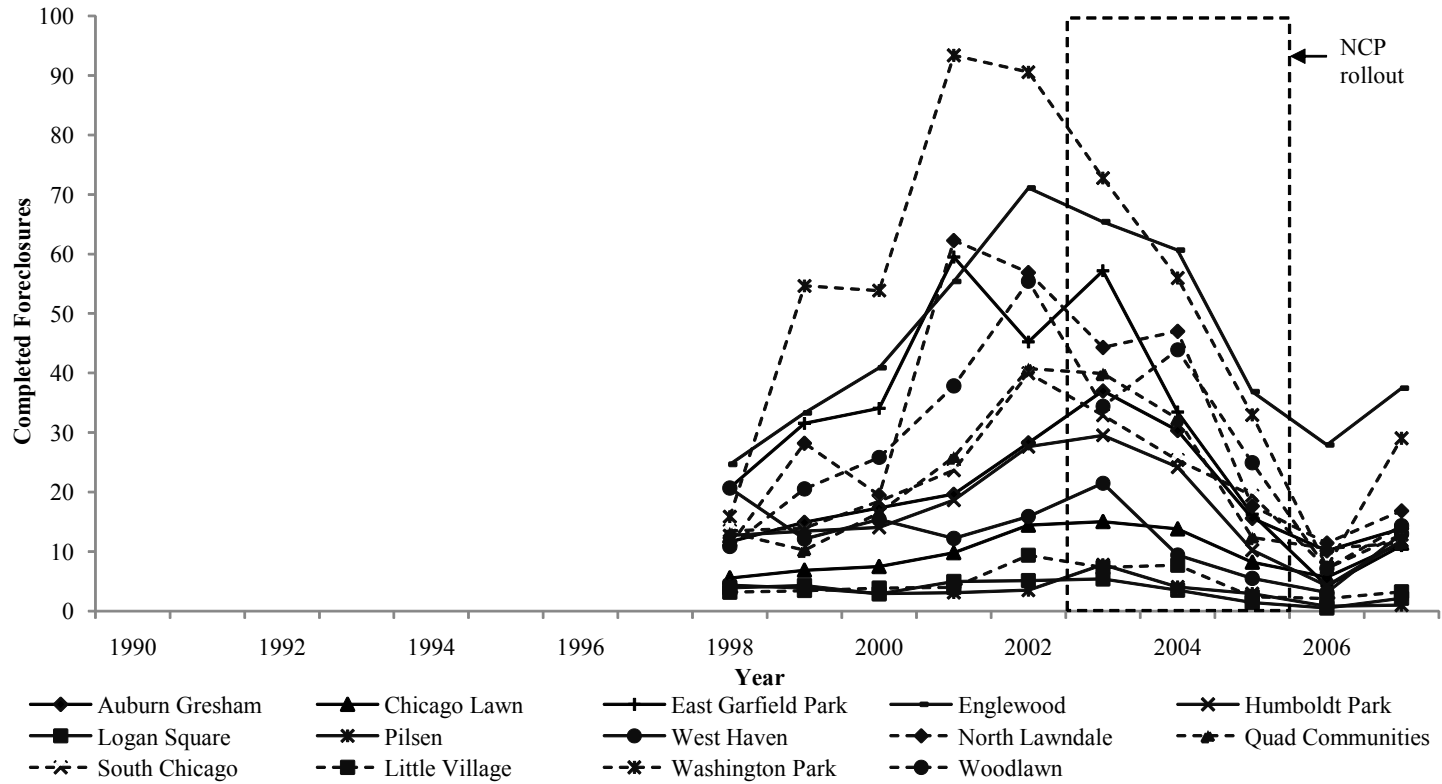
SOURCE: MDRC analysis of data from Metro Chicago Information Center (MCIC). See Appendix A for specific details on data sources.

NOTES: Home purchase loan amounts have been normalized to 2005 dollars. The period from 2003 to 2005 is generally referred to as the NCP "rollout period," when project activities focused on planning and early implementation.

The New Communities Program

Appendix Figure B.5

Completed Foreclosures per 1,000 Owner-Occupied Dwelling Units, NCP Neighborhoods (1998-2007)



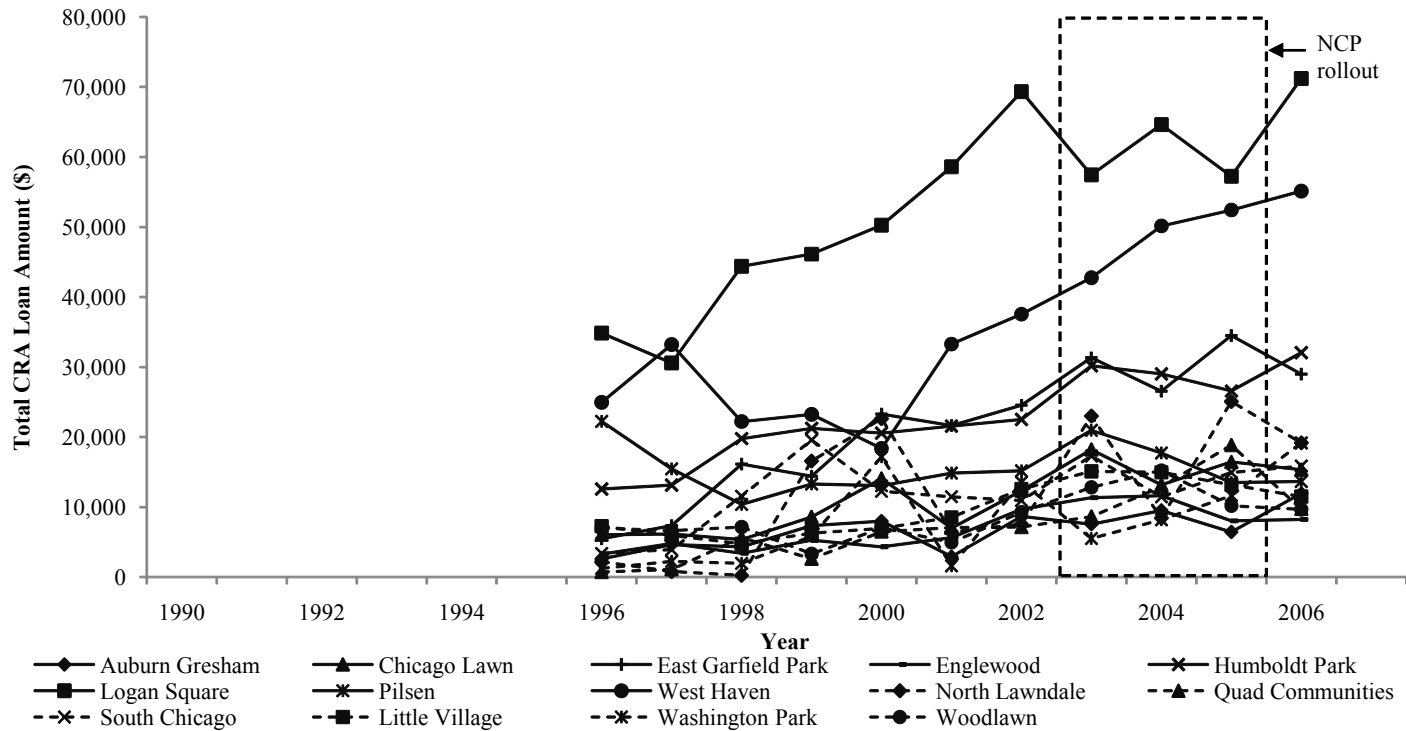
SOURCE: MDRC analysis of data from Metro Chicago Information Center (MCIC). See Appendix A for specific details on data sources.

NOTE: The period from 2003 to 2005 is generally referred to as the NCP "rollout period," when project activities focused on planning and early implementation.

The New Communities Program

Appendix Figure B.6

Total CRA Loan Amounts per Square Mile of Commercial Land Use Area, in Thousands (2000 Dollars),
NCP Neighborhoods (1996-2006)



SOURCE: MDRC analysis of data from Metro Chicago Information Center (MCIC). See Appendix A for specific details on data sources.

NOTES: This analysis includes only Community Reinvestment Act (CRA) loans in amounts up to \$1 million to businesses with annual revenues less than \$1 million. CRA loan amounts have been normalized to 2000 dollars. The period from 2003 to 2005 is generally referred to as the NCP "rollout period," when project activities focused on planning and early implementation.

Appendix C

Chicago Neighborhoods, by Cluster

The New Communities Program

Appendix Table C.1

Cluster Membership of All Chicago Neighborhoods

Cluster	1	2	3	4	5
Non-NCP Neighborhoods	Auburn Gresham (non-NCP) ^a	Albany Park	Archer Heights	Armour Square	Lakeview
	Avalon Park	Ashburn	Belcragin	Austin	Lincoln Park
	Burnside	Avondale	Bridgeport	Douglas (non-NCP) ^a	Loop
	Calumet Heights	Beverly	Brighton Park	E. Garfield Park (non-NCP) ^a	Near North Side
	Chatham (non-NCP) ^a	Clearing	East Side	Fuller Park	Near South Side
	Greater Grand Crossing (non-NCP) ^a	Dunning	Gage Park (non-NCP) ^a	Grand Boulevard (non-NCP) ^a	North Center
	Pullman	Edgewater	Hermosa	Hyde Park	West Haven (non-NCP) ^a
	Roseland	Edison Park	McKinley Park	Kenwood (non-NCP) ^a	West Town (non-NCP) ^a
	South Chicago (non-NCP) ^a	Forest Glen	Montclare	North Lawndale	
	South Deering	Garfield Ridge	New City	Oakland (non-NCP) ^a	
	Washington Heights	Hegewisch	West Elsdon (non-NCP) ^a	Riverdale	
	West Pullman	Irving Park		South Shore	
		Jefferson Park		Washington Park	
		Lincoln Square		West Garfield Park	
		Morgan Park			
		Mt. Greenwood			
		North Park			
		Norwood Park			
		O'Hare			
		Portage Park			
	Rogers Park				
	Uptown				
	West Ridge				
NCP Neighborhoods	Auburn Gresham NCP	Logan Square NCP	Chicago Lawn NCP	East Garfield Park NCP	
			Humboldt Park NCP	Englewood NCP	
			Little Village NCP	North Lawndale NCP	
			Pilsen NCP	Quad Communities NCP	
				South Chicago NCP	
				Washington Park NCP	
				West Haven NCP	
				Woodlawn NCP	

SOURCE: MDRC analysis of data from Metro Chicago Information Center (MCIC).

NOTES: Cluster analysis, a statistical procedure, is used to group Chicago neighborhoods. Appendix A provides details on the clustering methodology.

^aA portion of the community area is not part of an NCP target neighborhood.

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About MDRC

MDRC is a nonprofit, nonpartisan social and education policy research organization dedicated to learning what works to improve the well-being of low-income people. Through its research and the active communication of its findings, MDRC seeks to enhance the effectiveness of social and education policies and programs.

Founded in 1974 and located in New York City and Oakland, California, MDRC is best known for mounting rigorous, large-scale, real-world tests of new and existing policies and programs. Its projects are a mix of demonstrations (field tests of promising new program approaches) and evaluations of ongoing government and community initiatives. MDRC's staff bring an unusual combination of research and organizational experience to their work, providing expertise on the latest in qualitative and quantitative methods and on program design, development, implementation, and management. MDRC seeks to learn not just whether a program is effective but also how and why the program's effects occur. In addition, it tries to place each project's findings in the broader context of related research — in order to build knowledge about what works across the social and education policy fields. MDRC's findings, lessons, and best practices are proactively shared with a broad audience in the policy and practitioner community as well as with the general public and the media.

Over the years, MDRC has brought its unique approach to an ever-growing range of policy areas and target populations. Once known primarily for evaluations of state welfare-to-work programs, today MDRC is also studying public school reforms, employment programs for ex-offenders and people with disabilities, and programs to help low-income students succeed in college. MDRC's projects are organized into five areas:

- Promoting Family Well-Being and Children's Development
- Improving Public Education
- Raising Academic Achievement and Persistence in College
- Supporting Low-Wage Workers and Communities
- Overcoming Barriers to Employment

Working in almost every state, all of the nation's largest cities, and Canada and the United Kingdom, MDRC conducts its projects in partnership with national, state, and local governments, public school systems, community organizations, and numerous private philanthropies.

