Building Communities: Together

Strategic Planning Guide

"For the past 5 years, we have worked to bring the spark of private enterprise to inner city and poor rural areas—with community development banks, more commercial loans in the poor neighborhoods, cleanup of polluted sites for development. Under the continued leadership of the Vice President, we propose to triple the number of Empowerment Zones, to give business incentives to invest in those areas."

—President Bill Clinton
State of the Union, January 20, 1998

"Our empowerment agenda is built on the belief that everyone has a positive contribution to make, and that all communities can create the climate that calls forth that contribution . . . if we give them the tools they need."

—Vice President Al Gore
Los Angeles Empowerment Zone
October 16, 1997
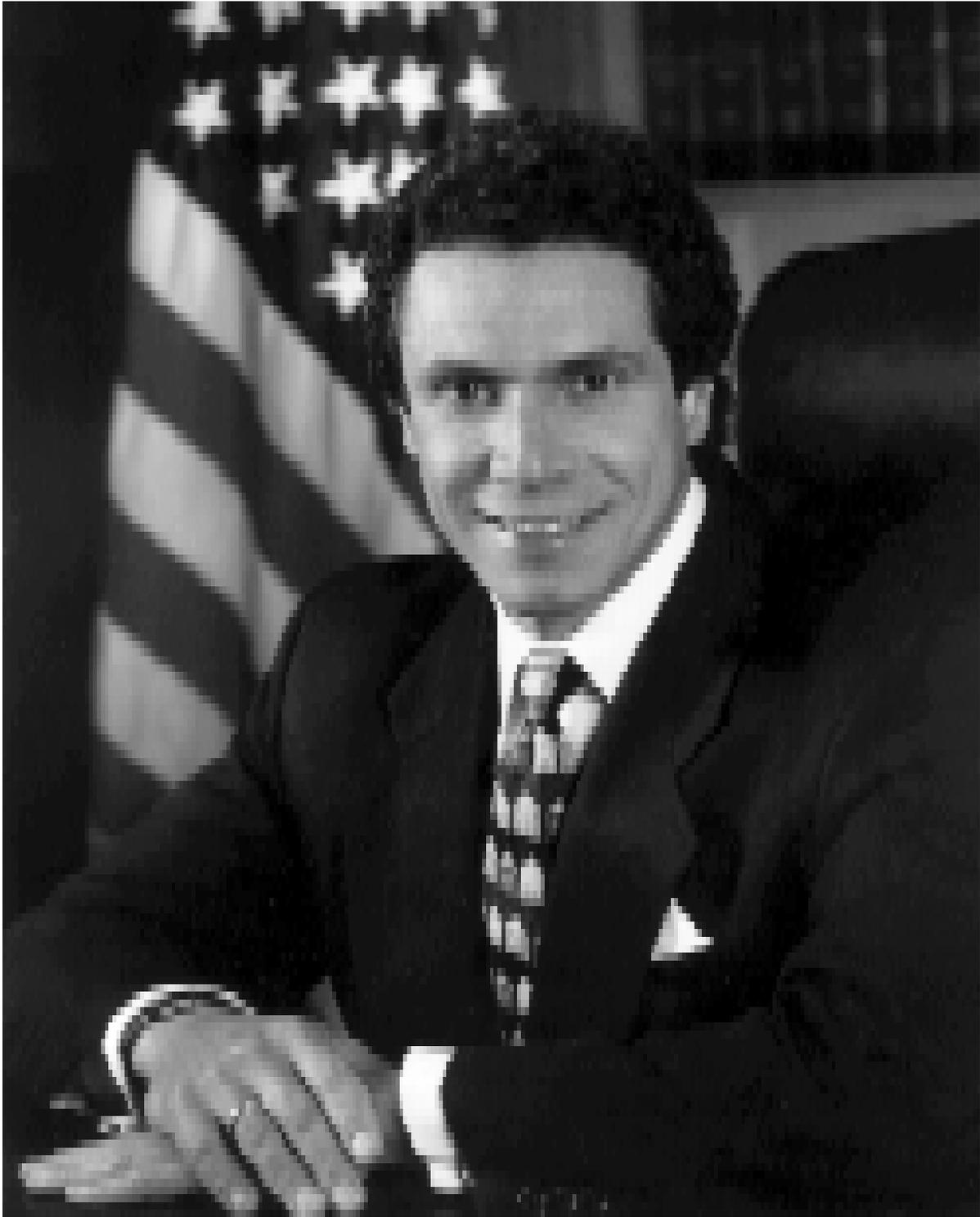
"The concept of Empowerment Zones and Enterprise Communities couples national objectives with local means, Federal goals with local ingenuity. It's a true and equal partnership, the hallmark of which is performance. It's an approach which believes that one size does not fit all, that Washington does not know best."

—Andrew Cuomo
Secretary, U.S. Department of Housing and Urban Development
Boston Globe*, July 18, 1997*

Dear Communities,

The Empowerment Zone/Enterprise Community (EZ/EC) Initiative is one of the most innovative and exciting approaches to urban community revitalization ever initiated by the Federal Government. Launched in 1994 by President Clinton and Vice President Gore, 105 communities across the country were designated as Empowerment Zones and Enterprise Communities in December 1994.

Since that time, these Zones and Communities have successfully begun to turn their neighborhoods around through the creation of partnerships and the leveraging of billions of dollars in private investment. Community residents and organizations have been engaged not only in the planning of successful programs and projects, but also in their implementation. Private and not-for-profit sectors, education and religious communities, and government have also been key partners.

Spurred by the success of the first round of EZ/ECs, we are embarking upon a second round of designations, in which we will be designating another 15 urban Empowerment Zones.

This publication, entitled *Strategic Planning Guide,* is designed to assist communities applying for designation to create the kind of Strategic Plan that will not only serve as the core of their applications, but will be useful in guiding the revitalization of their communities beyond the life of the EZ/EC Initiative. We urge you not to think of strategic planning as just the means of preparing your application for Empowerment Zone designation, but to really embrace its principles and process for the long-term benefits that it will yield for the community.

The philosophy of comprehensive strategic planning is one that we use extensively at the Department of Housing and Urban Development. Throughout the agency, we are taking the concept of a comprehensive approach and are developing a streamlined, coordinated package of programs that every community across the country can utilize. A well-developed Strategic Plan will help in fulfilling the planning requirements for the full range of our housing and community development programs.

There is no one "right way" to do strategic planning. However, this guide sets forth sound principles and alternative ways to approach the process. Building new partnerships and doing collaborative planning is not always easy, but the results are always worth the effort.

I wish you the best.

Sincerely,

Andrew Cuomo
Secretary

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INTRODUCTION

Strategic planning, in this guidebook, is another way of saying that no one actor—neither local government nor a strong community development corporation—can transform a neighborhood by itself. The whole notion of Empowerment Zones is rooted in that reality. Community-based partnerships, which bring together residents, public and private agencies, community organizations, and local businesses, are the foundation for this kind of collective action. So strategic planning is not just about writing a Strategic Plan; it is the vehicle for building commitments, large and small, among all of the individuals and organizations that will be working together to strengthen their community.

That kind of joint action works best when a shared vision—that is, both inspirational and strategic—exists to guide the thoughts and actions of those contributing to positive change. This overarching vision also becomes the foundation for the strategies, programs, and projects that make up the core of the Strategic Plan.

In the Empowerment Zone/Enterprise Community (EZ/EC) Initiative, effective visions and plans rest on two key frameworks: economic opportunity and sustainable community development. Healthy neighborhoods will not emerge unless the people who live in them have jobs and have the skills and support services to enable them to remain employed over the long term. Finding ways to build economic opportunity and connect residents to that opportunity is one of the keys to success. Sustainable community development includes those activities that help build a healthy community from the ground up. It embraces physical improvements, human services, and efforts to clean up the environment and support children and families. Most importantly, such work is undergirded by efforts to rebuild communities—the kind of cohesiveness in which neighbors know and support each other, a helping hand is always there, and residents feel safe in their neighborhoods. Weaving this work together transforms communities.

Strategic planning encompasses two distinct thrusts: the "how" and the "what." The "how" is the planning process—the ways in which residents, community-based organizations, businesses, nonprofit

organizations, local government, and others come together to create a shared vision for the future. The "what" is the Plan itself—a clear nuts-and-bolts description of the programs and commitments that will guide work during the 10 years of the EZ/EC Initiative.

This guidebook concentrates on the "how" by offering guidance on the stages of strategic planning. The first section uses best practices, lessons learned, and case studies from communities to illustrate important ideas and provide proven techniques, methods, and strategies. The next section offers an introduction to effective strategic planning in communities. Subsequent sections explore different elements of the framework, discuss key principles, identify challenges, and point to additional resources.

The "what" is for you and other members of the community to develop. In the context of Round II of the EZ/EC Initiative, communities applying for Empowerment Zone designation will have to submit a Strategic Plan that must include the following elements:

■ Vision and values

■ Community assessment

■ Assessment of problems and opportunities

■ Resource analysis

■ Goals

■ Implementation plan

    ■ Projects and programs

    ■ Tax incentive utilization plan

    ■ Developable sites plan

    ■ Governance plan

■ Strategic planning process documentation

■ Documentation of commitments.

These EZ Strategic Plan elements are described in detail in the rule entitled, *Empowerment Zones: Rule for Round II Designation*, and the *Notice of Funding Availability (NOFA)* for Round II. In addition, guidance for creating the EZ/EC Strategic Plan can be found in the *Application Guide* and the *Performance Measurement System Guide.* To obtain copies of these publications, see Appendix C: Available Publications.

We have included shaded boxes throughout the text in order to illustrate how the fictitious "Central City" develops key elements of its Strategic Plan.

CHAPTER 1: UNDERSTANDING THE BASICS OF STRATEGIC PLANNING

WHAT IS STRATEGIC PLANNING?

Planning is taking a clear look at a situation, analyzing problems and potential solutions, and figuring out a series of actions to reach community goals. Strategic planning focuses on developing a broad vision and specific strategies that are based on a thorough analysis of the situation (both strengths and weaknesses) and the larger environment (including both opportunities and trends) to develop actions that will have the most impact.

But strategic planning in the community context is not an exercise for someone sitting at a desk. Successful strategic actions in a community are effective only when everyone contributes—including residents, local business, nonprofit entities, community-based organizations, local government, banks, religious groups, schools, social service organizations, K-12 education systems and institutions of higher learning, and others.

Therefore, successful strategic planning is a collaborative process that draws stakeholders together to create and work from a shared vision. The shared vision is used to drive the development of community goals, specific actions needed to turn the vision into reality, and well-defined milestones and outcomes to measure success along the way. This whole process is often based on a discussion of community values, which is necessary to determine what a community defines as important. The basic elements that form the core of a Strategic Plan are listed below.

Vision

Vision is a consensus about the direction in which stakeholders believe the community should be heading. Vision statements are usually inspirational, far-reaching statements that help guide and integrate a series of strategies and actions. Nested within the vision are a set of broad goals, determined by the community, that provide a clear direction to drive specific actions. Examples of goals include improving the quality of life for youth in the community and strengthening neighborhood economies. Vision statements are

also grounded in reality, informed by the needs of stakeholders, the resources available, future trends, and potential opportunities.

Goals

Once your strategies are clear, goals set specific targets within a defined period of time. Goals need to be realistic. Well-targeted goals push partners to a higher level of performance. One example of a goal might be to reduce unemployment in the community by 10 percent. Goals incorporate both outputs and outcomes. These concepts are discussed in more detail in the *Performance Measurement System Guide*.

Strategy

A strategy is the first step toward moving a vision to reality. A good strategy usually links the broad goals and specific actions of a plan together in ways in which their combined impact is greater than any of the parts. For example, an adequate strategy might focus on increasing the availability of childcare in the neighborhood. A stronger strategy could link the location of the childcare facility to a neighborhood school, the staffing to a local job training facility, the renovation of the building to a community development corporation, and classes on effective parenting or a parent activity at a local church or synagogue. Strategies explain how individual elements fit together and relate to governance and management structure.

Implementation Plans

Implementation plans describe the specific programs and projects that will be used to achieve the goals and strategies. Projects usually focus on physical development—building recreation centers, rehabbing apartments, or similar activities. Programs usually serve people, such as childcare, job training, or literacy programs. Programs and projects are often sequenced and linked in a logical order.

For example, a goal of improving the high school graduation rate by 25 percent in 5 years might include a mentoring program to connect students with adults at local businesses, and a school rehabilitation project to create a combination community center and

recreation center in the first year. In addition to the continuation of the mentoring program in the next year, various after-school programs would be developed, with some focused on academics and others on positive recreational activities. Other programs might seek to more actively involve parents in the school while the school administration completes a 2-year effort to modify the curriculum to better meet the needs of the students. In year three, some of the new curriculum that focused on vocational education might engage prospective employers of the graduates in summer employment programs and in helping to teach the program. An implementation plan structured in this way gradually builds over time, connects various activities and partners in synergistic combinations, and focuses on achieving the goals.

Performance Measurement System

A performance measurement system is an organized process for gathering information to track how well programs and projects are meeting their goals, and then using that information to improve performance. The performance measurement system is an integral part of your community's Strategic Plan because it puts in place a valuable tool that measures results of ongoing work and indicates where changes need to be made.

THE BENEFITS OF STRATEGIC PLANNING

Together, vision, goals, strategy, implementation plans, and the performance measurement system make up the substance of strategic planning, but it is also important to understand what strategic planning helps achieve. Strategic planning is a critical part of any attempt to transform a community and improve the quality of life for everyone.

Strategic planning is a time-tested method for creating a broad vision linked to specific actions that can bring together a community in common purpose.

The 10-year EZ initiative will likely outlast several political administrations, city managers, and even the most ardent community activists. If implemented correctly, a Strategic Plan creates

a "living process" that helps sustain a sense of stewardship and commitment across a broad range of stakeholders because they are integral to the decisions that directly affect their lives.

Good policies and programs that make a difference in neighborhoods don't happen by accident. Strategic planning offers a unique forum in which everyone who needs to be a part of the solution can sit down and honestly discuss differences of opinion, weave together diverse perspectives into a consensus that drives action, and carefully evaluate alternative strategies for moving forward. Programs and policies that work are most often those designed collaboratively by all the stakeholders who oversee, implement, and use them, which includes everyone from the city planning department to public housing residents and local businesses.

PRINCIPLES OF STRATEGIC PLANNING

There is no one strategic planning process that will work for every community. Rather, processes can and do vary widely. But a set of common principles can form the foundation of all successful processes, and an understanding of them can help you design a process that works in your community.

Five underlying principles serve to guide and inform your community's planning activities. An effective strategic planning process is:

- *Inclusive and Participatory:* No one should ever feel "locked out" of a community process. Democracy is not a spectator sport. Finding ways for everyone to participate who wishes to do so is one of the keys to success. Inclusive processes help build broad support across a community and lay the foundation for overcoming tough challenges, such as jurisdictional issues and the lack of connections between different programs and projects.

- *Structured to the Task:* If different people show up at every meeting, progress will be difficult. Similarly, a series of town meetings may not be the best way to develop an implementation plan and a budget. A structured process allows you to plan the different kinds of meetings necessary to get the work done. For example, a town meeting might be used to brainstorm and identify elements of a vision near the beginning of the process. A small work group, though, might be tasked with writing the vision statement so that it reads well. By structuring the process, you can then describe and

publicize it to the community and address any suspicions that the planning is a "closed-door" process.

■ *Collaborative:* Strategic planning brings with it the need for new ways of making decisions in communities. Plans based on simple majorities will have trouble making it through the long haul. Although it takes more time, especially at the beginning, collaborative decisions based on consensus pay off by helping stakeholders—who may not often interact as a matter of course—build strong relationships and learn how to work together. Often, a facilitator who has credibility and respect in the community can help groups work collaboratively and consensually.

■ *Holistic:* Solving complex problems requires complex strategies for change. EZ/EC Strategic Plans that have the potential to truly transform communities for the better need to tackle challenges where their multiple causes come together. This requires concerted and coordinated action on multiple fronts—meeting the needs of individual families, supporting local businesses, strengthening the physical and social infrastructure of neighborhoods, working to create first-rate schools, establishing transportation strategies, helping to use information technologies as a means of building capacity, and working to make government more effective and efficient—and a plan that details how these individual actions are connected together in a larger whole.

■ *Created for Accountability:* One factor that sets the EZ/EC Initiative apart from other programs is that it stresses the creation of a strong system of accountability. Citizens want to know where money is being spent, for what purpose, and the results produced by their investment. A big piece of this new way of doing business is the Performance Measurement System, which tracks measurable outputs and outcomes determined by the community to see how programs and projects are doing and where changes are needed.

WHAT DOES A STRATEGIC PLANNING PROCESS LOOK LIKE?

It is important to stress that the following six-stage framework for strategic planning is a generic model. Each community is unique; therefore, how each step of the process is conducted will obviously vary. Furthermore, strategic planning processes usually do not move through the stages one by one. For example, a community whose vision statement focuses on economic opportunity might find itself in the middle of stage four, designing a strategy for strengthening businesses that serve a major hospital complex,

and decide that a job training program is essential. As stakeholders look around the room, they recognize that the job training organizations that best fit into plans for the hospital complex are not represented in the strategic planning process. This moves a portion of the process back to stage one, in which job training organizations are recruited as new stakeholders. With this important part of strategic planning in mind, the six stages of the model are summarized in the following figure and descriptions.

Figure One: The Strategic Planning Process

STAGE 6
MOVING FROM
PLANNING TO DOING

Making Things Happen

- Implement the Plan
- Support Community Ownership of the Plan
- Encourage Action
- Ensure Flexibility and Accountability
- Plan for Changes and Adjustments

STAGE 5
PULLING
TOGETHER

Building a Governance Structure for Implementation

- Create an Organizational Structure
- Construct a Decisionmaking Process
- Engage Key Partners

STAGE 4
GETTING DOWN
TO BUSINESS

Designing the Strategic Plan

- Design a Strategy
- Identify Programs and Projects
- Build a Governance Structure
- Develop a Performance Measurement System
- Identify Measurable Outputs and Outcomes

STAGE 3
IMAGINING
THE FUTURE

Creating a Community Vision

- Develop a Vision
- Create Goals
- Strengthen Consensus

STAGE 2
UNDERSTANDING
YOUR COMMUNITY

Learning From Each Other

- Assess Strengths
- Identify Weaknesses
- Inventory Opportunities
- Chart Trends

STAGE 1
KICKING
THINGS OFF

Initiating the Process

- Organize an Initiating Group
- Conduct Stakeholder Identification and Outreach
- Start Data Gathering
- Begin Needs Analysis and Resource Assessment
- Convene Primary Stakeholders
- Assist With Stakeholder Education

CHANGE

STEPS

Stage One: Kicking Things Off—
Initiating the Process

The first step in the strategic planning process is to convene a small but widely representative group to get things moving. This group will work on tasks such as identifying stakeholders who need to be involved in the process, starting to assess needs and resources, creating a preliminary process design, building community awareness of the initiative, and identifying geographic areas that meet the eligibility requirements of the EZ/EC statute.

Stage Two: Understanding Your Community—
Learning From Each Other

Talk to long-time residents in the community and they might say that no one understands the community better than they do because they live there. But a business owner might say residents do not understand what it is like to keep a business open and thriving. This kind of litany would provide a poor beginning for the strategic planning process. Stage Two recognizes that all stakeholders bring important perspectives, knowledge, and resources to the table and that stakeholders need to learn from one another. Furthermore, a great deal of information that is important to a strategic planning process—such as total retail sales, levels of child immunizations, locations of new jobs in the metropolitan area, or names of local businesses and nonprofit organizations that could assist with neighborhood revitalization—is often known to only a few people and organizations. Stage Two helps participants learn from one another, track down new information, and put it all through a SWOT (strengths, weaknesses, opportunities, and trends) analysis. (*See* "Understanding Your Community," page 29.)

Stage Three: Imagining the Future—
Creating a Community Vision

During Stage Three, the entire community engages in a sustained dialogue about the direction in which they want the community to be going, the values that inform this vision, challenges and barriers that need to be overcome, and the outlines of a Strategic Plan for how the vision is to be realized.

Stage Four: Getting Down to Business—Designing the Strategic Plan

Stage Four involves several critical and interconnected tasks. The first task is to develop key strategies that are essential to achieving the vision. The second is to identify the specific programs and projects that collectively make up a Strategic Plan, create a framework that describes how the elements of the plan are woven together, and ensure that the actions move toward realizing the community's vision. Groups often go back and forth between these two tasks, clarifying and improving them as they go. The third task is to create a data and performance measurement system that clearly defines both the results to be produced and milestones that can help judge success along the way.

Stage Five: Pulling Together—Building a Governance Structure for Implementation

During Stage Five, the involved stakeholders work collaboratively to design a governance structure that will facilitate the processes of decisionmaking and implementation over the life of the initiative. This is often a complex undertaking given the range of possible governance structures and the need to create an entity that effectively represents the needs and interests of diverse stakeholders.

Stage Six: Moving From Planning to Doing—Making Things Happen

Once the Strategic Plan is complete, many communities find that it makes more sense to keep going rather than stop and wait for a decision on designation. This approach captures the momentum of the planning process and makes the transition, should designation be awarded, much easier to manage.

Each of the following chapters describes a stage of the strategic planning process.

FOLLOWING THROUGH—
SUSTAINED STRATEGIC PLANNING

The strategic planning process is not a one-shot undertaking. Rather, the EZ application your community will develop is only the first step in an ongoing initiative that will need to employ the methods, strategies, and principles discussed in this guidebook again and again to realize its full potential. Communities change and evolve. Over the 10 years of the EZ initiative, the strategic planning process will need to be revisited several times to assess results, make adjustments, forge new partnerships, and recommit to the vision, goals, and outcomes.

What is more important, the need to work with diverse stakeholder groups, build consensus on how to confront tough issues, and engage in collaborative decisionmaking will continue throughout the life of your community's initiative. Indeed, the initial strategic planning process you are about to undertake is a critical step in building the capacity of everyone involved to work together over the life of the process. Because this is the foundation for what is to come, it needs to be established carefully and with an eye toward the future.

CHAPTER 2: KICKING THINGS OFF—INITIATING THE PROCESS

A good start is one of the keys to success. Stay away from big announcements and pronouncements. Success in this stage, like every other, is rooted in whether the process is inclusive, collaborative, structured, and holistic. Furthermore, while there is staff work to be done, this stage should not be left just to staff. A diverse array of stakeholders throughout the community needs to be involved from the very beginning of the process.

Most successful beginnings of this type of process use an initiation group (which may also be named a kickoff group, planning team, or other term that will be comfortable to the participants). One of the most common criticisms of a community strategic planning process is that the persons or organizations that kick things off— whether it is the mayor, a community development corporation, or a coalition of grassroots citizens' groups—invited only their friends and allies to participate. The entire process then becomes suspect to those stakeholders left out at the start.

An initiating group helps build broader legitimacy and credibility for the process by giving diverse stakeholders a voice from the beginning. Furthermore, like the overall EZ/EC Initiative, it is an opportunity for multiple entities to commit resources to the planning process. Different stakeholders bring unique assets to the process. A mayor comes with political authority, grassroots organizations have specific knowledge of neighborhood issues and the skills of their members, and the private sector brings contacts with financial institutions and business expertise. Everyone has something to offer and all of these resources are important. Above all else, the initiating group must consist of stakeholders who can take responsibility for getting the ball rolling at the start of the process.

As the following graphic shows, the initiating group has to work within several different spheres of stakeholders to get things going. This work includes everything from identifying, recruiting, and educating stakeholder groups to designing a media strategy that explains the EZ/EC Initiative and planning process to the community as a whole. The way that the initiating group relates to grassroots

organizations, nonprofit organizations, businesses, and others who will be intimately involved in shaping the process is different from how the media and general public as a whole will participate. In short, the initiating group must pursue several different paths to involve stakeholders.

Figure Two: The Spheres of Stakeholders
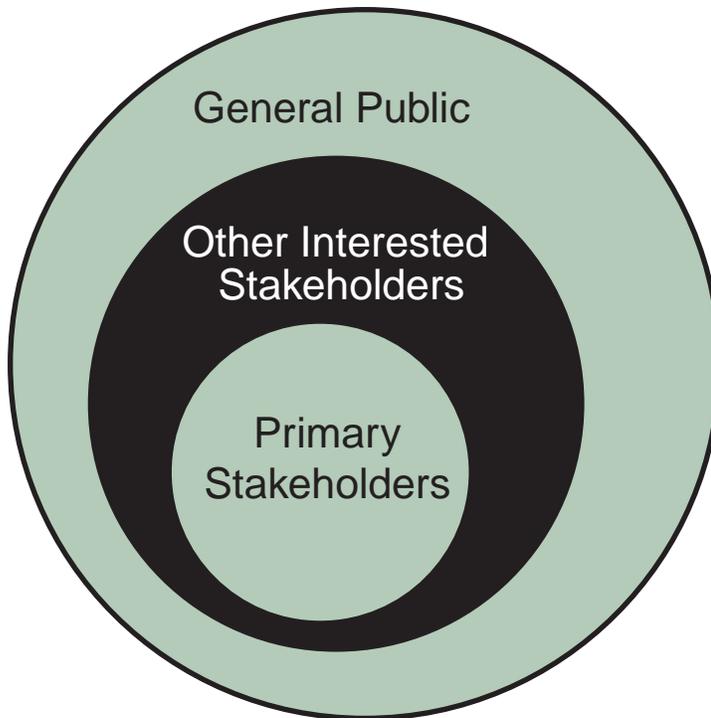
CONSTRUCTING AN EFFECTIVE INITIATING GROUP

The initiating group is small, usually no more than 10 to 15 people who are given responsibility for starting the strategic planning process. In most instances, the group is appointed by the coalition or umbrella organization that has decided to apply for EZ status, such as a partnership of the mayor, local chamber of commerce, units of city and county governments, and community organizations. In all cases, the membership of the initiating group needs to have broad acceptance by the stakeholders. For example, in its application for EZ status in the first round of the EZ/EC Initiative, the mayor of Louisville, Kentucky, gathered a group of 60 people with representation from all sectors of the community. However, the first question that was put to the group was "Who is missing?"

In appointing an initiating group, there are several things to keep in mind. First, its members need to effectively represent the stakeholder groups that will be participating in developing the strategic plan. This broad representation is necessary not only to ensure that the group has legitimacy and credibility, but because its members will need to draw upon their ties and relationships to bring others into the planning process. At the beginning of the process, it is the group that will do much of the outreach work to engage other stakeholders, and choices should be made with this objective clearly in mind.

All communities, no matter how successful, have their divisions and disputes, so it is especially important not to gloss over very real conflicts that often exist over such issues as race and class. One way to tackle these problems is to make sure that, from the beginning, your strategic planning process is truly representative of the community as a whole. Just as importantly, all participating stakeholders need to share power in how decisions are made, and not just have a token presence.

Second, the group needs to consist of people who have substantive knowledge about the issues being addressed, personal credibility within the community, and the power to get things done. For example, the head of the local interfaith council, director of a community-based development corporation, city manager, school board chair, local health official, juvenile court judge, or president of the chamber of commerce often meet these criteria. In addition to outreach, the group members will play an important role of "process advocates," and therefore need to be people with the ability and resources to move things forward.

Third, the initiating group needs to be drawn from people who are facilitative leaders, comfortable with collaborative decisionmaking. Politics will play an inevitable role in the EZ application process. Ideal committee members are those who have several roles in the community and can work with and balance the needs and interests of diverse groups. Because the first connections made with many of the broader stakeholder groups will be made through the initiating group, a collaborative approach to problem solving will

help foster an inclusive and participatory atmosphere from the beginning of the planning process.

TASKS OF THE INITIATING GROUP

The specific tasks of the initiating group will obviously vary among communities. However, there are several core activities that are usually most appropriately handled by the group because of the need for efficiency, coordination, and collaboration. While many of these tasks can occur concurrently, they are listed in a suggested order that can be adapted to fit the needs of your community. They include:

Conduct Stakeholder Identification and Outreach

One of the first tasks to be accomplished is contacting the primary stakeholders and recruiting them to participate in the process. Stakeholders include residents of the potential EZ and the organizations that represent them, private businesses inside and outside the Zone, religious organizations, nonprofit service providers, government departments and agencies, the school system, local foundations, and civic and grassroots groups. The group should identify stakeholders not only in the immediate area but also outside the community. County governments usually manage social service programs, including a lot of welfare-to-work projects, and therefore should be a part of the planning process. Regional and metropolitan coordinating bodies may serve as vital resource partners. Early in the process, the group should work to raise general community awareness of the strategic planning process, design a media relations strategy, establish a database of contact names and organizations, build relationships with stakeholder groups, and engage in similar activities.

Gather Data

Especially important at the start of the process is gathering data that relates to internal planning needs and the statutory requirements of the EZ/EC Initiative. Collecting census tract information, identifying neighborhoods that qualify for EZ designation, tracking down information required for the EZ application, and

constructing a basic management information system are all tasks that fall under this heading. Because this task can be especially time and labor consuming, it is often delegated to a smaller work group comprising staff drawn from a city department, larger nonprofits, colleges, or similar organizations that have access to the needed information. Especially important is creating a work group or committee that can begin development of the Performance Measurement System. Gathering data and information for the visioning process is an excellent "dry run" of what will be required later during implementation of the strategic plan to track the progress of programs and projects.

> ### Vision
>
> *In Central City's EZ, a review of the community needs and resources in the initiation stage helps lay the groundwork for a strong vision statement. Recent statistics for the proposed EZ show a high rate of unemployment, low high school graduation rates, and little new business growth. To the community, these numbers suggest one specific area of focus around creating economic opportunity to explore during the visioning process.*

Perform a Preliminary Needs Analysis and Resource Assessment

Although a full accounting of the needs and resources of the community will be conducted later in the strategic planning process, an initial "first cut" is helpful to provide the group with an understanding of any immediate problems that need to be addressed. For example, in conducting stakeholder outreach, committee members may find that the local business community is only loosely organized. This finding would point to the need to engage in some preliminary organizing and consensus building so that when the strategic planning process begins, businesses are able to participate as effective partners.

Educate Stakeholders

This task includes educating stakeholder groups about both the EZ/EC Initiative and the strategic planning process required for

the community's application. For stakeholders, the group can serve as a single point of contact for information on the application process, an information broker directing inquiries to appropriate organizations, and a general clearinghouse for data and resources useful to the community. It is also important to note that the group needs to be proactive in its education activities, seeking out stakeholders to educate them about the strategic planning process.

Convene Primary Stakeholders

Once these initial tasks are well under way, the group should convene one or more meetings of the key stakeholders who will participate in the application process. Meetings can take several forms: a large, community town hall-type meeting or smaller gatherings at the neighborhood level. The kickoff meeting is important to generate visibility and political will for the planning process, let stakeholder groups interact and develop relationships, and create a sense of common purpose among participants. These types of meetings usually mix discussions of the substantive issues on drafting the Strategic Plan with conversations about the process issues related to the development of the strategic plan. Meetings must be held in places that are easily accessible by the public, and transportation should be provided for those who need assistance in attending them.

DESIGNING THE PROCESS

A major task during this phase is to craft the basic structure of the process. Doing this well requires attention to the following:

- Task and timeline (for example, "When do we need a complete draft implementation plan created in order to finish the plan by the deadline?").

- Appropriate representation at the table (for example, "Since economic development is going to be a major strategy, which agencies, organizations, and businesses need to help craft the plan?").

- Process (for example, "Who can play a facilitative role as chair of the steering committee?").

- Inclusion (for example, "How are we going to meaningfully involve residents from the neighborhoods?").

■ Process management and staff support (for example, "who will be preparing summaries and notifying stakeholders of upcoming meetings?").

To create the structure of the process, several process models are included to stimulate your thinking.

In working through the framework for process design, figure three shows the three main flows. Among primary stakeholders (key players in all sectors), the goal is to create a process that forges a consensus. For those who seek to contribute their ideas or concerns to the key players, an open public participation process invites their involvement. Finally, it is important to reach out to the general public in the community through the media, neighborhood publicity mechanisms, and other outreach techniques. In drawing from the models below, it will be important to think through how all three tracks will work.

Figure Three: Roles of the Initiating Group
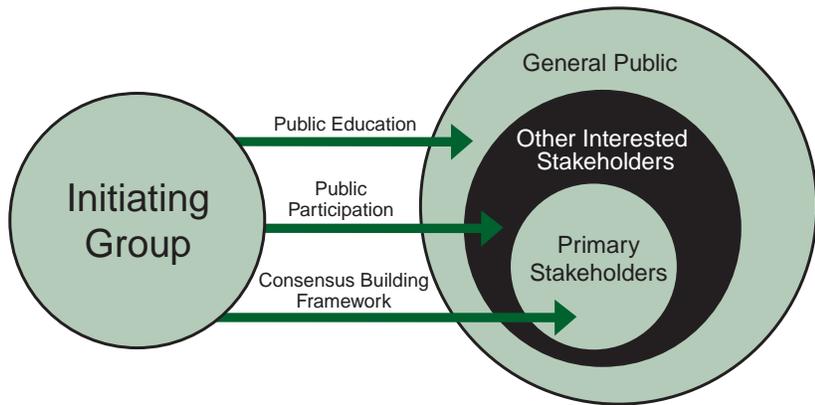
Models for Collaborative Decisionmaking

Although there are many ways of organizing a community to work together, the three models described below have been used successfully in a variety of situations that require gathering diverse stakeholders to make decisions about their shared futures. The three models describe different ways to organize a large collection of stakeholders into smaller groups so that individual tasks can be carried out while still maintaining consensus among all those involved. These approaches to making decisions can be used at different stages of the processes; for example, one could use a

conference and task group framework for the SWOT analysis and visioning and a team-based negotiation for the Strategic Plan itself.

Figure Four: The Conference and Task Group Model
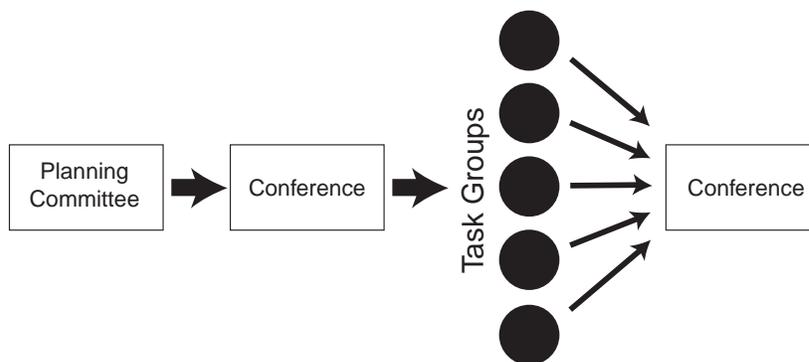
The Conference and Task Group Model

In many communities, no matter how many people are on a committee, some groups and individuals feel excluded. In other communities, it can be difficult to create momentum and a sense of excitement. In both cases, starting out at the beginning of the strategic planning process with a community conference or town meeting can address both of those challenges. The meeting can be used as a springboard for the formation of task groups or a steering committee, as well as an opportunity to educate stakeholders, build connections among organizations that will be working together, gather community input on key issues, and accomplish other critical goals. For example, one of the first actions of the initiating group could be to hold a community meeting that gathers stakeholders to lay the foundation for starting the visioning process (*see* figure four). To move specific activities forward when starting off with a community meeting, the overall effort is generally followed by another meeting that brings closure to the work and gives participants an opportunity to celebrate.

For example, Philadelphia held a community-wide workshop at which the neighborhoods developed their vision. From this vision, community participants signed up for areas of interest in which to work. The working groups were guided by a set of ground rules. They worked to identify leveraging schemes, develop a community participation component, and identify links to other issue

areas. Most significantly, the group decided not to consider financial issues during this phase to encourage all participants to be as innovative as possible.

Figure Five: The Negotiating Teams Model
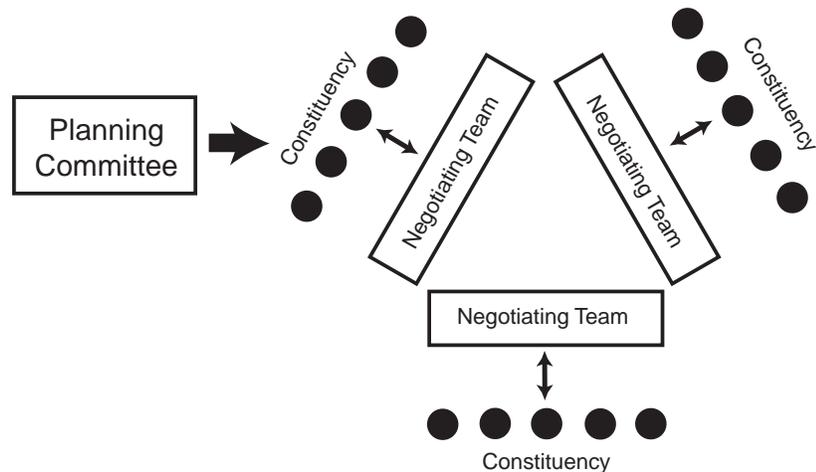
The Negotiating Teams Model

The negotiating teams model (see figure five) is used by communities that need to negotiate complex issues involving a wide range of stakeholders who break out naturally into constituency groups. Different groups might include local government, the private sector, grassroots organizations, nonprofit entities, institutions of higher education, and residents. The constituency groups then meet separately to map out their visions or implementation plans. A team of representatives from each group is then selected to meet with other teams and negotiate joint decisions about the issues at hand. These decisions are then discussed, amended, and approved by the constituency group as a whole when a consensus agreement has been reached.

Teams become valuable in two ways. First, and in some cases most importantly, they can promote consensus among similar groups of stakeholders. For example, different local government departments may not always agree. Requiring them to get together as a team creates a mechanism to help them work through their differences. Second, issues across teams can be resolved directly. Everyone who needs to be at the table is there and can talk directly to other participants. This communication ensures that each broader constituency group is comfortable with any final decision. For this

type of process to work well, the core negotiating teams need to communicate regularly with constituency groups to ensure that there is broad support for the final product.

Figure Six: The Central Committee and Task Group Model
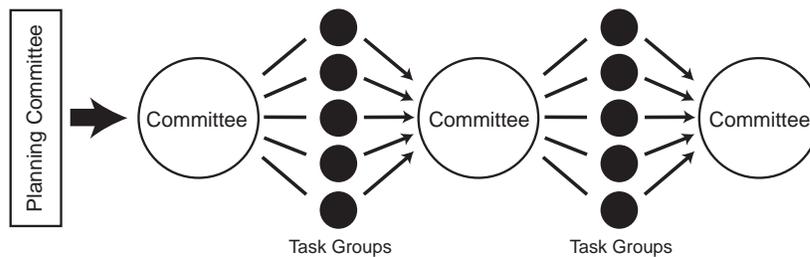
The Central Committee and Task Group Model

One of the common challenges faced in community processes is balancing efficiency with inclusiveness. The central committee and task group model often works best when the tasks to be accomplished are discrete but require coordination among the different activities and consensus from the stakeholders. Generally, the committee works together to define the specific tasks that need to be accomplished—for example, designing an implementation plan with coordinated programs to achieve the different goals defined by the community vision.

Imagine a 15-person central committee that has overall responsibility for developing the Strategic Plan. In this example, three persons from the central committee might serve on each of five work groups, such as workforce development or community schools. Then 12 additional persons are asked to serve on each work group, often the one that addresses their specific interests. In this scenario, 75 persons are intimately involved in plan development, but no work group has more than 15 persons.

Regardless of the model or models ultimately chosen, all stakeholders need to have ownership of the process. Making sure that the decisionmaking process is flexible, has broad support, and matches the capacities, skills, and needs of the community is essential.

OILING THE WHEELS—
MAKING SURE THINGS RUN SMOOTHLY

Given all the tasks that it is generally responsible for, the work of the initiating committee can be immensely challenging. To help smooth the first stages of the strategic planning processes, the initiating group members should keep several factors in mind as they plan their work.

Find and Recruit Your Champions

During the early stages of the planning process, the committee needs to identify key individuals and engage community leaders who can mobilize the resources necessary for success. These individuals include top government officials, respected members of the business community, grassroots leaders, representatives from religious institutions, and others who can engage all levels of the community.

Don't Duck the Hard Issues

Conflict is an inevitable part of change, even change for the better. Very real problems involving race and class are part of every community and should be honestly acknowledged. The opportunity created by the EZ/EC Initiative and the strategic planning process is to address these kinds of hard issues head on by giving the whole community an opportunity to work together to build a better future.

Work From the Top Down, the Bottom Up, and the Middle Out

Early support for the EZ application and subsequent Strategic Plan must be generated not only in the mayor's office, but in neighborhoods, local businesses, churches, youth centers, and other places that make up the fabric of the community. Real change for the better requires efforts on multiple fronts and by different stakeholders working together.

Forge New Relationships

Especially important are the "boundary crossers," those individuals and organizations that work across the traditional divisions found in every community and that can speak to a range of stakeholders

in ways that build legitimacy and consensus. Groups that rarely speak to one another will have to work side by side to achieve success. Finding people who can bring others together despite past histories of mistrust is critical.

Encourage Diverse Perspectives

One sure sign that the stakeholder identification and outreach process is going well is that stakeholders disagree with one another. A process as complicated as strategic planning will inevitably include differences of opinion. The way to turn these differences into collaborative relationships is to acknowledge them early, do the hard work of synthesizing diverse perspectives into a consensus, and make sure that the primary stakeholders have a voice in the process from the beginning.

Assess Your Process Needs

Even the most organized communities often need outside help and technical assistance. The initiating committee should consider whether it needs an outside facilitator or similar professional to help manage the planning process. Aside from cost, the committee should consider whether to engage an outsider or to employ someone from the community.

Don't Fumble the Handoff

One of the most difficult parts of this first phase is ensuring a smooth transition from the initiating committee to the larger governing body that takes over the process. Political conflicts, perceived need for control, turf battles, and other problems are factors that can confound the handoff and should be guarded against from the beginning of the committee's work.

The initiating team has only one opportunity to set the groundwork for success. If it does its job well, many of the tough issues that arise will be easy to tackle because the community trusts the process. As the following case study of Detroit's early efforts toward strategic planning shows, strong partnerships among all stakeholders forged from the very start are key elements of any successful Strategic Plan.

Case Study

The City of Detroit—Building Strong Community Partnerships

In many ways, Detroit is a reflection of the challenges and aspirations shared by much of urban America. A study in contrasts, changing regional economies, declining Federal financial support, exodus to the suburbs, and other interwoven problems are overlaid on a city that also has considerable resources, such as its strong community organizations and substantial private sector. For Detroit, the opportunity offered by the EZ/EC Initiative was a chance at social and economic rejuvenation, if the city could successfully mobilize and coordinate the assets it already had in place.

The initial impetus for Detroit's EZ application came from the office of Mayor Dennis Archer, who had just begun his term in January, 1994. However, the city realized that a true renaissance in the city required leadership, drive, and the vision of local residents. With this in mind, the city's strategic planning process was marked from the start by a concerted effort to involve the community at every level to build strong partnerships and consensus.

Initially, the city was divided into four quadrants to organize stakeholders. Open meetings were held by the mayor's office and the planning department, with local talent such as the United Way-Community Services providing facilitators. Participants worked to assess the community's strengths, weaknesses, and hopes for the future. Out of this process, a working group was formed to decide on the neighborhood boundaries that would constitute the EZ. Composed of community-based organizations, the private sector, and city, county and State officials, the diverse membership of this group was essential to drawing EZ boundaries that had strong support from the community as a whole.

To avoid conflicts within the community over where the resources should be targeted, the working group agreed to include contiguous neighborhoods from the central, east, and southwest regions of the city. After the members finalized their recommendations, Mayor Archer accepted the consensus arrangement of the group with no alterations. Building on this strong public-private partnership, the Empowerment Zone

Coordinating Council was created to work with stakeholders to develop the rest of the Strategic Plan. The Coordinating Council was comprised of appointed representatives of government and business, and representatives of the community elected by residents of the three geographic subzones. This body of diverse stakeholders served to coordinate, with strong citizen participation, the final visioning process and completion of the Strategic Plan.

After the process was completed, many participants were surprised by the progress that had been made. Although building consensus and involving the community takes time, by the end of the process strong relationships had been forged among groups that had previously never sat at the same table. By investing time up front, Detroit successfully created the necessary capacity for different stakeholders to work together—a capability that is irreplaceable for long-term, transformative change for the better.

CHAPTER 3: UNDERSTANDING YOUR COMMUNITY—LEARNING FROM EACH OTHER

In most communities, those who are involved in creating a Strategic Plan have been to the table before. Often there is some understanding of the needs and goals of each of the players. The possibility of significant funding through EZ designation may bring new players to the table as well. The initial inclination may be to do a preliminary allocation of funds and ask work teams to figure out how to spend the funds effectively.

In this and the next stages of strategic planning, the goal is to take a big step away from the kind of thinking that focuses on the budget and move more deeply into assessing (this stage) and building a vision (the next stage). The assessment is more conversational and building a vision uses a specific format for disciplined analysis. Some communities will reverse the order of these two stages or meld them together. Whatever the sequence, it is important to encourage understanding, identify aspirations, and work on constructing a team.

LEARNING FROM EACH OTHER

Everyone has something to offer in a planning process. Learning what those contributions are is a key task in this step. Meetings during this stage might allow each person to talk about their connection to the neighborhood, what they think the neighborhood has going for it, and what they think can be accomplished in 10 years. Remember, the experience of an unemployed manufacturing worker may be more valuable to an understanding of a neighborhood's needs than reams of employment statistics. Following this type of meeting, a visit to different parts of the neighborhood can bring to life what was discussed during the meeting. These types of activities help build the foundation for the analysis to follow. For instance, when the City of Norfolk, Virginia, applied for EZ designation, planners convened focus groups of community residents and asked them directly: "What are your needs? What is your 'wish list' for the community?"

CONDUCTING A SWOT ANALYSIS

To effectively develop a robust vision of what the community wants to accomplish with its Strategic Plan, it is essential to develop an accurate picture of the strengths, weaknesses, opportunities, and trends (SWOT) that directly affect the neighborhood and surrounding regions. Although it may initially sound complex, the SWOT analysis is actually very straightforward. Creating a picture using the four elements of the analysis plays an important role in helping the community gather key data so informed choices can be made in the subsequent design of a vision and Strategic Plan. Equally important is the opportunity a SWOT analysis provides to educate all the stakeholders not only about objective numbers concerning employment, education, housing, incidence of crime, transportation, public health, and other factors, but about the perceptions people have of their neighborhoods, community, and region.

Figure Seven: The SWOT Analysis

Strengths

Weaknesses

Opportunities

Trends
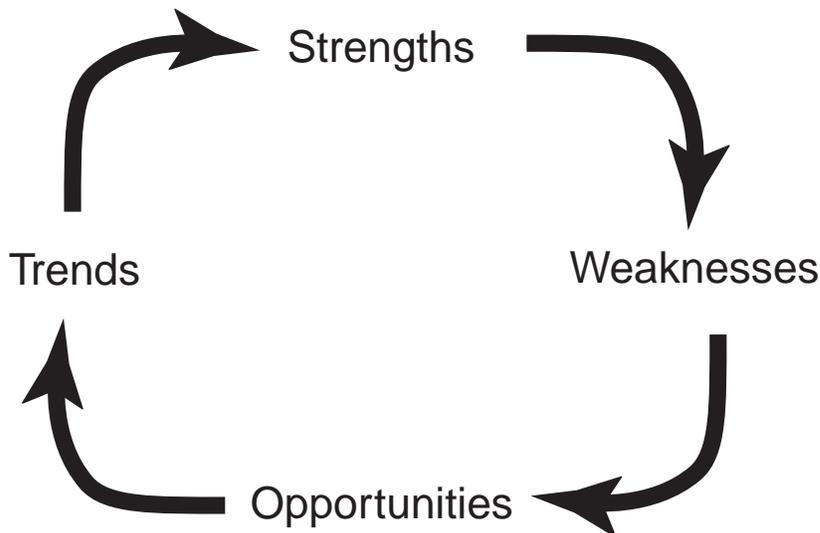
Regardless of the process design a community chooses to use, the SWOT analysis itself follows a clear model. It is important to stress that this stage goes hand in glove with the next one, designing a vision. An accurate assessment of the resources available, an understanding of unmet needs, a clear idea of the challenges and opportunities on the horizon, and a firm grasp on the trends that

will affect the EZ initiative in the years ahead are all essential goals of the SWOT analysis.

To begin, stakeholders are convened to collectively discuss the four elements of the SWOT analysis. Effective organizers will educate groups and individuals before this meeting takes place, or will at least take steps to ensure that stakeholders come to the meeting informed about the issues that matter to them. It is important that the opinions expressed here are more than the experts' points of view. Also, perceptions sometimes are just as valuable as objective data. For instance, some stakeholder groups may find that certain neighborhoods actually have lower crime rates than they thought, and discussing these perceptions provides an opportunity for learning and understanding.

Vision

In Central City's EZ, a review of the community needs and resources in the initiation stage helps lay the groundwork for a strong vision statement. Recent statistics for the proposed EZ show a high rate of unemployment, low high school graduation rates, and little new business growth. To the community, these numbers suggest one specific area of focus around creating economic opportunity to explore during the visioning process.

Community Assessment

During the SWOT analysis, the stakeholders of Central City decide to focus on economic opportunity as a key issue. As they review the data provided by the work group tasked with developing the Performance Measurement System, they find that the strength of a large labor force is balanced by a weakness—a lack of job training programs. On a heartening note, opportunities and trends include a growing regional manufacturing industry that desires locations close to urban clients and suppliers.

These sorts of meetings commonly break the group into smaller committees to allow for greater participation of those attending. This also creates an excellent forum for building informal relationships among the stakeholders. The small groups then report back

to the meeting as a whole, and everyone can decide whether further work is necessary. Given the large number of issues to be considered, it should not be surprising if the group decides it needs to gather more information, think through the ideas and perceptions under discussion, and then meet again to finalize the SWOT analysis.

ELEMENTS OF THE ANALYSIS

Although most SWOT analyses include extensive amounts of qualitative and quantitative data, the process itself is not scientific in the sense that it provides a neat formula that answers all the difficult questions. Most information gathering should be fairly straightforward. Local police and sheriff's departments will have crime and related statistics. The planning department, chamber of commerce, or regional planning agency will have housing, employment, and economic data. The health and human services departments will have statistics on teen pregnancy, immunizations, and other quality-of-life indicators. City and county human services departments will have data about welfare issues; transportation planning entities will know about transportation issues; and schools will provide information about many child and family issues. Effective presentations of this information will compare the latest information with baseline data from past years to show trends and changes.

Indeed, the same committee or working group that started to gather data during the first phase of the planning process should expand its efforts. A good SWOT analysis will reveal what information is currently available, and where there are gaps that need to be filled so decisions can be made based on an accurate picture of the community. Remember, smart applicants will plan for the future, so their work on data gathering and analysis at this stage of the process will evolve into a workable Performance Measurement System by the end of the final stage. A fuller discussion of data issues can be found in one of the companion publications to this guidebook, the *Performance Measurement System Guide.*

In the larger stakeholder meeting and smaller working groups, the following four areas form the core issues that are covered in a SWOT analysis.

Looking at Capacities

Strengths. Especially in distressed neighborhoods, there is a tendency to emphasize needs without looking at possible resources that are available. Often, strengths can be found by rethinking that which many people see as drawbacks. For instance, boarded-up houses can provide an opportunity for a local community development corporation to teach neighborhood youth carpentry skills and eventually renovate the properties for sale to residents. The location of urban neighborhoods is often ideal for businesses, given their proximity to downtown. Existing infrastructure, such as schools, can be used for after-hours adult education classes. The key is to engage participants in creative and wide-ranging discussions.

Weaknesses. Similar to the analysis of strengths, communities need to think not only of the most observable or discussed problems of troubled neighborhoods, such as crime, lack of educational opportunities, or poverty. It is also critical to consider the health of the relationships and connections that bind families and neighborhoods together. Are there strong tenant groups or neighborhood organizations? Do opportunities exist for recreation and education for youth after school? Do people have hope for the future? Addressing these less tangible factors is often just as important to the overall quality of life in a community as addressing needs around jobs, housing, and safe streets.

Understanding the Environment

Opportunities. This category can be thought of as "good things waiting to happen." The requirements for turning a situation from a strong potential into a visible reality are foresight, planning, commitment, and effort. For example, designation as an EZ could help bring in new grants from philanthropies if the community learns about new programs that are available. A good teaching hospital in a troubled neighborhood may be the foundation that attracts new healthcare businesses and employment opportunities for residents. Parts of the strategic planning process might be used as a framework to apply for other Federal and State programs. However, these opportunities need to be identified before they can be pursued.

Trends. This category includes both positive and negative forces and pressures that will affect the community. For example, knowing that immigration to the community will likely increase during the next few years creates both challenges and opportunities that need to be factored into the planning process. Knowing that a major manufacturing plant may shut down in 18 months, creating significant unemployment, provides critical information about the future needs of neighborhood residents. In addition, familiarity with different trends can help a community prioritize its actions and direct resources where they are needed most.

Participants should come out of this stage understanding their community better than they did before. This learning should not be allowed to dampen enthusiasm by focusing on deficits or needs. Rather, the understanding should be developed in a way that will lead to the creation of a robust vision for change further along in the process. The SWOT Analysis also provides a set of baseline data that will be useful in the Performance Measurement System. In their strategic planning process, Philadelphia planners focused on gaining a shared understanding through community-wide working meetings, which led to the development of Philadelphia's vision. (*See* Case Study, page 42.)

CHAPTER 4: IMAGINING THE FUTURE—CREATING A COMMUNITY VISION

An effective community vision that can inspire diverse stakeholders to work together springs from a clear picture of the ideal future that the community hopes to attain. The best visions employ a compelling "stretch" to drive action. This simply means that the ultimate goals around which the vision is crafted are ambitious, but not impossible. Striking this balance can be difficult, which is why a well-executed SWOT analysis is essential because it identifies the resources available to a community, the needs that must be met, and the gap between the two.

This stage of the strategic planning process has two main purposes. First, it develops the foundation on which the more specific and focused Strategic Plan will rest. The vision provides the basis from which the community determines priorities and establishes targets for performance. It sets the stage for what is desired in the broadest sense; that is, where the community wants to go as a whole. It serves as the groundwork underlying goals, plans, and policies that can direct future action.

The second purpose of the vision is to build consensus and relationships among the stakeholders about how to best transform their needs and goals for the future into effective strategies and plans through the identification of key performance areas. Although a broad consensus is not essential for the SWOT analysis, consensus becomes more important as the community works to develop its vision. At this point, preliminary decisions often emerge about how to best allocate scarce resources. Deciding on what issues constitute key priorities can cause no small amount of conflict. For this reason, special attention needs to be paid to ensuring that diverse views and perspectives are heard and accounted for. Because collaboration among many stakeholders is essential to the ultimate success of the EZ, everyone needs to see part of his or her dreams and desires in the final vision.

A key turning point emerged in Louisville, Kentucky's, EZ application during the visioning process. Upon reviewing the vision that

was being developed, a community member noticed that the group did not include housing for seniors. The issue was quickly added into the graphics illustrating the Strategic Plan. The effect was powerful because it symbolized how community members could effect change by showing that the process was responsive to the stakeholders.

THE BASICS OF COLLABORATIVE DECISIONMAKING

Effective collaboration and consensus building involves more than each stakeholder group trying to get the greatest benefits for itself at the least cost. Visions that work start by creating a shared ethic among the participants to really try to understand all the different perspectives and opinions at the table, even if there is no universal agreement (and there most likely will not be). If the resulting dialogue is conducted in an open and honest fashion, stakeholders will often find the "third paths"—solutions that were not apparent at the beginning of the process but emerged only after different groups started listening to what others were saying and working together to develop shared solutions to the community's problems.

At the start of a visioning process, it is common for stakeholders to start out with a "laundry list" of positions or specific plans they want implemented. The problem with this approach is that when positions are competing, there is often little room for compromise. For example, one group may want to turn a vacant lot into a playground and recreation center for youth, while another may want to clear the space for a new business center. For collaborative problem solving to work, stakeholders need to move past their positions and find the interests that lie beneath them—in this example, a strong desire for positive opportunities for youth and the need for resources to help new businesses. Although the positions are incompatible, the interests are not. Starting out by constructing a vision around interests makes it easier to design specific programs and projects that meet the needs of different stakeholders, and this situation creates a strong base of community support for your Strategic Plan.

An additional benefit of collaborative decisionmaking is that, if done well, it can help build trust and new relationships among

stakeholders who often feel left out or overlooked by the larger community. Instead of decisions being made by those who have the most power and influence, decisions are made because diverse groups decide to work together; no one set of stakeholders can achieve success working alone. For a quick checklist to help with preparations for designing a collaborative problem-solving process, *see* Appendix A.

INGREDIENTS OF AN EFFECTIVE COMMUNITY VISION

It is important to remember at the outset that to develop a community's vision, it is not necessary to try to predict what the future *will* be, but it is important to blend together many different hopes and aspirations to describe what the future *should* be. To this end, strong visions should have several ingredients.

A Positive Outlook on the Future

Distressed communities have more than their fair share of problems, and the purpose of the vision statement is not to gloss over the realities of people's everyday experiences. However, a focal point that rests solely on negative elements can limit people into thinking only about what can't happen; it cannot help them focus on what can be accomplished when everyone pulls together. Positive thinking should be reflected in the vision statement itself. The statement should be entirely in positive terms and in the present tense, as if it were a current statement of fact. The vision and its components should be stated in clear language that anyone in the community can understand.

Vibrant Visual Descriptions

The statement itself should include descriptions of what families, neighborhoods, and the whole community would look like in the desired future. These "word pictures" might cover everything from how the physical environment would look to how children feel about themselves and their future. It should also be kept in mind that these descriptions will set the goals toward which the Strategic Plan will work. One helpful technique is to use the needs identified in the SWOT analysis to create a vision that explains what the community looks like when all of them are met.

A Long Time Frame

Part of a good vision statement is its ability to make the future seem a little closer. The EZ/EC Initiative is slated to last for 10 years, so that should be the minimum amount of time that a community sets as a limit to the vision. Difficult problems are not solved overnight. However, by "thinking backward," a vision statement can show how actions that may seem to be only small steps can add up over 10 years or more to truly transform a community. Indeed, this is the magic of an effective vision: to inspire people to see that the individual steps they take, when linked in concert with others, produce something much bigger than anyone one person or organization can imagine.

Strong Community Consensus

Successful progress toward a community vision mobilizes the energy and resources of stakeholders to work together, even if this has not always been the case in the past. Therefore the statement needs to be the joint creation of the collective individuals, groups, and organizations participating in the EZ application. Everyone may not get everything they want included, but it is critical to take the time and energy necessary to create a vision that motivates all those involved.

HOW TO CREATE A COMMUNITY VISION

Although your community may end up using different decisionmaking processes to develop the SWOT analysis and vision, it is important to maintain continuity among the various deliberative efforts that make up the strategic planning process. This highlights the role of the steering or planning committee responsible for organizing the entire application process, which is to make sure that stakeholders are aware of the results of community and working group meetings, that everyone is aware of key dates and deadlines, and that clear lines of communication are maintained.

Generally, a visioning process begins with a large gathering where the assembled stakeholders brainstorm the broader themes they feel should be included in the vision. Often, small groups are used to work on specific parts of the statement and report back to the

large group for discussion. The process of refining the vision statement and its component parts can be arduous and lengthy. There is no shortcut to working through the process as a group. Although groups often get caught up "wordsmithing" the statement, it is more important to agree on the overall themes of the vision. In most cases, meetings are held on two nonconsecutive days to give group members a chance to reflect and think about their work. In the first round of the EZ/EC Initiative, applicants used various techniques including graphics, small group activities, and computer-assisted facilitation to help create their vision.

Through the visioning process, people draw heavily on the values that are important to them. The work of the participants in the process translates these individual and collective values into a set of important issues that the community wants to address. With a clear vision statement articulated and the component points serving as a beacon for the future, the stakeholders can shift to determining their priorities.

IDENTIFYING COMMUNITY GOALS

By this point in the process, the stakeholders will have discussed and reached consensus on where their community is today, where it is likely heading, and where they would like it to go. The next stage in this results-oriented process is to decide how the community can get from where it is to where the stakeholders want it to be in the future. This stage involves selecting and developing key goals. Put simply, these are important "big-picture" issues the community feels will drive successful actions toward achieving their vision. Getting this stage of the process right can take time. In Philadelphia's strategic planning process, neighborhood working groups identified conceptual frameworks on which to build a Strategic Plan. From these frameworks the city staff worked out solutions for the needs as expressed by the community. Neighborhood groups reviewed the details more than 30 times before reaching a consensus.

These overarching goals are priority areas for which specific actions will be developed to redirect the future of the community. These should be broadly conceived goals toward which the

community feels that successful action will leverage the best results. These goals will serve as the framework for more specific projects and programs that will be developed in the next stage of the process. Implementation of the proposed strategies developed by the community should "bend the trend" from the likely future (as determined by the SWOT analysis) toward the desired future (as defined by the vision statement).

Vision

In Central City's EZ, a review of the community needs and resources in the initiation stage helps lay the groundwork for a strong vision statement. Recent statistics for the proposed EZ show a high rate of unemployment, low high school graduation rates, and little new business growth. To the community, these numbers suggest one specific area of focus around creating economic opportunity to explore during the visioning process.

Community Assessment

During the SWOT analysis, the stakeholders of Central City decide to focus on economic opportunity as a key issue. As they review the data provided by the work group tasked with developing the Performance Measurement System, they find that the strength of a large labor force is balanced by a weakness—a lack of job training programs. On a heartening note, opportunities and trends include a growing regional manufacturing industry that desires locations close to urban clients and suppliers.

Goals

Based on the data already gathered and a consensus of stakeholders, one priority area in Central City's vision is a focus on economic opportunity. Specific goals include lowering the level of unemployment to less than 10 percent and increasing business ownership opportunities for EZ residents by 25 percent.

Successful community visioning processes usually prioritize visions into no more than 10 important goals. This usually involves deep discussions about the community's true needs because not everything can be done at once and resources need to be used efficiently.

Goals are generally broken down into such issues as "strengthening local economies" or "improving educational outcomes."

In addition to gathering data on each of the priority areas, the individual work groups need to develop specific goals that move the community toward the desired future. At this point, the work group needs to collaborate closely with the committee or other entity that has been responsible for data gathering and creating the framework for the Performance Measurement System. Since outputs and outcomes need to be clearly defined and measurable, the goals of each priority area should be chosen carefully. An important factor to remember is that the priority areas will form the "skeleton" of the Strategic Plan, including the Performance Measurement System. For this reason, they should be clearly defined, measurable, and connected to the overall vision. A specific priority area may contain numerous goals. For example, the area dealing with economic development may have strategies including:

- Increase opportunities for small business start-ups

- Attract new businesses to the zone

- Increase access to capital for residents and businesses in the EZ

- Enhance the skills of the labor force in the EZ.

Through developing specific goals, the workgroups help turn the more general vision of the community into specific actions that can channel the energy and activity of the stakeholders. As the case study that closes this chapter illustrates, the work conducted throughout this stage of the strategic planning process is greatly aided by a strong consensus that can unite diverse stakeholders. The following two sections address the task of creating a strategy to guide the development of the implementation plan, what the elements of such a plan might look like, and how to create a governance structure that can successfully implement the plan.

Case Study

Getting Together To Move Ahead: Philadelphia

Designing a process to ensure inclusiveness, fostering working relationships, providing opportunities for input and change, establishing shared vision and goals, and getting things done is a complex and involved task. In Philadelphia, the city staff and neighborhood organizations had already laid the groundwork for developing such a process. The North Philadelphia and American Street neighborhood organizations had been tracking activity on EZ legislation closely prior to its passage. Through conscious efforts, these neighborhoods and the City of Philadelphia began to develop programs along the lines of the Federal EZ discussions. To be comprehensive and holistic in the EZ strategic planning, Philadelphia needed to expand and deepen its scope of work.

When it came time to apply for EZ funding, the city approached the North Philadelphia and American Street neighborhoods as partners, natural settings on which to build the EZ program. The neighborhoods had developed a coalition of diverse representatives that included civic leaders, businesses, community residents, and university and hospital representatives. The City of Philadelphia and the neighborhoods believed a shared understanding of the partnership was necessary to move forward successfully. Through a series of meetings, they discussed the EZ application and how they might forge a working relationship. To sustain a successful working relationship, the city and neighborhoods worked out a memorandum of agreement, which they wrote into the EZ application.

To broaden the work begun by the neighborhood task forces and city staff, the city—in conjunction with the neighborhoods—opened the planning process to the public. American Street, North Central Philadelphia, and West Philadelphia each held a public workshop to gather as much community resident, business, organizational, and institutional representation as possible. Nearly 2,000 community residents attended the public workshops. The city and the neighborhoods coordinated a media campaign using mailings, fliers, newspaper and radio advertising, and loudspeaker messengers. Community activists, nonprofit organizations, and city staff combined efforts to walk door-to-door introducing the EZ initiative. Neighborhoods also extended the message and invitation through block captain groups, town watch groups, schools, and other

neighborhood groups. Two key factors that were provided at all events facilitated the attendance of large number of attendees, food and childcare. During the public meetings, each neighborhood worked out a vision through small-group activities. The neighborhoods then developed goals for their vision. The city sought people with facilitation skills and who also had a rapport with the community, to act as facilitators. Community activists, community leaders, police officers, and university professors were among those who volunteered to facilitate the small-group discussions.

These up-front, inclusive, community-wide activities set the stage for comprehensive collaborative efforts that facilitated the development of a Strategic Plan which won Philadelphia an EZ designation.

CHAPTER 5: GETTING DOWN TO BUSINESS—DESIGNING THE STRATEGIC PLAN

The most critical element in any community's effort to improve outcomes for its children, families, neighborhoods, and economy is the strategy that binds together the individual actions. Today's most pressing social problems defy one-shot solutions and isolated programs. They are simply too complex for anything except concerted and thoughtful action. This is why the hard work it takes to develop a strategy for your community's EZ application is so crucial. This section provides an example of a strategic approach, the principles of good strategy that have been used by communities around the country engaged in comprehensive change efforts, and specific examples of how to blend together programs and projects in a seamless whole. The principles in this section should be evident in the Strategic Plan created by the community, no matter what its final form.

GETTING THE PICTURE— WHAT DOES A STRATEGY LOOK LIKE?

One of the difficulties inherent in creating a good strategy is that there are dozens of ways to put all the pieces—the goals, programs, and projects—together. One way of approaching this problem is to think of your Strategic Plan as an effort to "recapitalize" the community. Although one of the most obvious problems in many distressed neighborhoods is a lack of financial capital, an effective plan of action also needs to contain other types of capital: human, social, intellectual, and political. One framework for thinking about strategy is to create a Strategic Plan that builds the capacity of the community to effectively use all five types of capital. The following descriptions illustrate how each form of capital is needed as part of an integrated, effective Strategic Plan.

Human Capital

This term refers to the skills, abilities, and capacity of community residents. Every neighborhood, even if it is in trouble, has stores of human capital from which it can draw. This might include training

unemployed residents to provide daycare, drawing on neighbor-hood leaders to help mobilize others for community programs, and employing capable volunteers to be mentors and tutors to youth after school. Human capital can also be developed through educa-tion and training programs, experience derived from the job or as a volunteer, and through a variety of other means that build a person's capacity to engage in productive activities.

Social Capital

This form of capital includes the natural networks of relationships that connect the individuals and institutions of a community. These informal ties, built on trust and reciprocity, are crucial measures of the capacity needed to work together. For example, a project might train residents in a neighborhood as daycare providers or homecare specialists for the elderly. This type of project not only would provide employment and valuable skills for those hired, but would draw on their knowledge of the neighborhood and unique understanding of the needs of other residents.

Intellectual Capital

Critical to any successful strategy is the capacity of a community to define, understand, and gain consensus about the challenges and issues it confronts. Intellectual capital is the collective ability of the stakeholders to engage in problem solving, covering everything from having enough information and data for effective action to sharing an understanding of important problems.

Political Capital

To develop and implement a comprehensive initiative, resources need to be mobilized; alliances and partnerships must be struck; and investments of time, energy, and money must be made. Politi-cal capital refers to the ability of the stakeholders to make things happen collaboratively. This ability includes political leverage resulting from elected office, the influence that comes with con-trol over financial resources, the ability to mobilize neighborhood residents for action, or anything else that helps get things done.

Just like those with financial capital, those with political capital want to see a return on their investment. This is why it is important to make sure that the community's vision and Strategic Plan incorporates the needs and desires of diverse stakeholders.

Financial Capital

Not to be overlooked, communities need fiscal resources to support healthy economies, finance programs, renovate public and private infrastructure, and invest in the future. Especially in distressed neighborhoods, it is important to ensure that financial resources are invested in ways that will pay future dividends. For example, a job training program without a complementary effort to create jobs is a poor use of the community's resources.

A community that pursues a strategy of recapitalization would seek to guide its Strategic Plan by the pursuit of specific actions and broader goals that collectively create these five types of capital. By looking to see if any forms of capital were missing, stakeholders could make sure that their Strategic Plan had all the elements necessary for success. Such an approach would also emphasize the need to create long-term capacity by starting out with smaller programs and projects to build momentum. The concept of recapitalization also creates a robust vision to motivate action, effectively describing what a healthy and vital community would be after completion of the EZ initiative.

THE PRINCIPLES OF GOOD STRATEGY

No matter what specific strategy a community chooses to employ, lessons from the past several decades of comprehensive community initiatives point to three key principles. Together they comprise the elements of an effective Strategic Plan.

Vision

In Central City's EZ, a review of the community needs and resources in the initiation stage helps lay the groundwork for a strong vision statement. Recent statistics for the proposed EZ show a high rate of unemployment, low high school graduation rates, and little new business growth. To the community, these numbers suggest one specific area of focus around creating economic opportunity to explore during the visioning process.

Community Assessment

During the SWOT analysis, the stakeholders of Central City decide to focus on economic opportunity as a key issue. As they review the data provided by the work group tasked with developing the Performance Measurement System, they find that the strength of a large labor force is balanced by a weakness—a lack of job training programs. On a heartening note, opportunities and trends include a growing regional manufacturing industry that desires locations close to urban clients and suppliers.

Goals

Based on the data already gathered and a consensus of stakeholders, one priority area in Central City's vision is a focus on economic opportunity. Specific goals include lowering the level of unemployment to less than 10 percent and increasing business ownership opportunities for EZ residents by 25 percent.

Strategy

A strategy to create economic opportunity needs to contain several interlocking parts. In this stage, Central City starts with designing a school-to-work program that trains youth in basic skills by rehabilitating buildings in the EZ. In turn, these properties are provided at lower costs to businesses just starting up in the neighborhood, which then provide new sources of employment to high school graduates and other residents.

Multiple Entry Points for Change

To really turn troubled neighborhoods around, it is essential to change the way business is done at multiple levels in the commu-

nity. Local governments need to examine how to partner with diverse stakeholders while delivering services in ways that are efficient, place-based, participatory, and responsive to the needs of those being served. Similarly, nonprofit organizations and the private sector should collaborate on innovative ways that build sustainable economies, which in turn create healthy communities. The school system should connect with neighborhood associations to work more closely with youth and their families. Real change needs to start in different places and at different levels, with individual efforts connected in ways that allow them to draw strength and support from one another.

Comprehensive Programs and Projects

Similarly, social problems need to be tackled in ways that recognize their complex, interconnected nature. Poor educational outcomes and unemployment feed off of each other, much like crime and poverty. One of the main reasons for engaging in activities like the SWOT analysis is to find out which issues in a community are the most important and where the problems intersect with one another. Successful programs and projects operate at these intersections, tackling multiple problems at once. For example, a program for teen parenting classes might be connected with employment training and drug-prevention efforts, and all might operate in a community-based family support center.

A Flexible Framework for Implementation

Smart communities realize that even the best laid plans are subject to events and factors that cannot be foreseen. This makes it doubly important that the strategic planning be an ongoing and vital process. Although the overall vision of a community may remain constant, the methods used to reach it will change over time. Holding an annual community summit to check on progress in the EZ, issuing neighborhood "report cards" to track ongoing efforts, and supporting civic journalism that reports on successful work and continuing challenges are only a few options. Ultimately, the governance structure designed in the Strategic Plan must have the authority necessary to get results and the ability to update and adapt the community's work based on results and feedback from the community.

Combining these three principles into a Strategic Plan will go a long way toward helping to ensure that resources are used effectively, specific programs and policies create an interlocking network of support, and the changes for the better become institutionalized as new ways of doing business. However, setting milestones and measures along the way is equally important to the overall success of your community's work. The final part of this section concludes with a brief discussion about creating a performance measurement system as part of the overall strategy.

DESIGNING A PERFORMANCE MEASUREMENT SYSTEM

All communities struggle with hard decisions about the best ways to allocate scarce financial and human resources to address their most pressing problems. Further, citizens and government officials alike want to know which programs and projects *really* do what they were intended to do. A Performance Measurement System (hereafter referred to as the System) is simply an organized process for gathering information to track how well programs and projects are meeting their goals, then using that information to improve performance. The System is an integral part of your community's Strategic Plan because it puts in place a valuable tool that measures the results of ongoing work and indicates where changes need to be made.

At a basic level, the System begins by collecting data on how well a community is doing in the priority areas defined during the visioning stage of the Strategic Plan. A framework is then created to collect data on the results produced by programs and projects. As one of its duties, the governance structure works with funders, partners, providers, and the community to determine how data on program performance will be used to make corrections and changes. This cycle of evaluation continues throughout the life of your community's EZ/EC Initiative, providing a constant source of feedback to improve results.

As visions, goals, projects, and programs are developed, it is important to identify ways in which progress can be checked and success can be measured. Tracking progress is the cornerstone of a

Performance Measurement System. By articulating them during the process, it helps stakeholders think through whether the proposed program or project will really work as intended. While the Performance Measurement System might take its final shape during this stage, its basic infrastructure should be under construction from the very start of the process (for more information *see Performance Measurement System Guide*.)

PERFECTING THE RECIPE— INGREDIENTS OF A GOOD STRATEGY

Thinking strategically involves plans to produce a desired goal or program result in the real world. But the real world constantly changes, especially at the community level. An effective strategy anticipates these changes—be they welfare reform, the election of a new mayor, or the startup of a new business—and tries to capitalize on them. Some changes pose new obstacles not considered in the planning process. More times than not, however, they also offer opportunities—to build assets and capacities, develop sustainable resources, or establish community-based partnerships—that can help a community achieve its goals. This section looks at some of the issues and opportunities facing our communities today and describes how to build them into effective strategies.

CATEGORIES OF APPROACHES

As the center of everyday life, communities confront any number of issue areas that are tied to the their basic functions and systems. Some of these include:

Environmental Quality	Housing	Infrastructure
Employment	Education	Safety/Security
Family Development	Healthcare	Public Services
Business Opportunities	Transportation	Natural Resources
Childcare	Recreation	Social Services

These issue areas are useful categories for listing a community's assets and identifying its problems and opportunities. Depending

on the community, any of these issue areas could point to multiple assets, problems, or opportunities. For example, employment issues might include the level of unemployment or underemployment in a community, the availability of resources needed to attract and support economic development, the skill makeup of the labor force, obstacles facing the jobless, racial or sexual discrimination in the local job market or the availability of transportation to employment centers.

FORGING KEY LINKAGES—TURNING ISSUES AND OPPORTUNITIES INTO EFFECTIVE STRATEGIES

With so many different issues and opportunities affecting communities today, how can an EZ focus and capitalize on them? A good starting place is to go back to the SWOT exercise undertaken in the strategic planning process. Look at the strengths and weaknesses that have been listed. How do they fit with immediate issues or trends? What opportunities seem likely to emerge? How do these opportunities fit the community's goals? What strengths or assets can be parlayed into effective strategies for achieving the determined goals?

As an example, consider the crime issue. Controlling it is obviously central to developing a safe community in which to live and do business. If an EZ has set reducing crime as one of its goals, where and how should it begin to develop the best strategy to deal with crime?

What does the SWOT analysis suggest? Among other things, it might show that your community has a well-established network of block clubs, many active churches, and a strong Congresswoman as assets. What opportunities are emerging, locally or otherwise? A recent trend in fighting crime has been the introduction of community policing in cities across the country. Perhaps the city's police commissioner has shown an interest in this type of policing; Federal funds from recently enacted anticrime legislation are also available to put more police on the streets, especially through community policing initiatives.

Considered in this way, a good strategy should not be difficult to fashion. Perhaps the Congresswoman could work with the mayor, the police commissioner, and community-based organizations to develop a strong application to the U.S. Department of Justice for Federal policing funds. The network of block clubs might be able to partner with the police community relations commission to design and implement certain aspects of community policing, such as undertaking outreach and neighborhood watches. Churches might be able to offer space in which to locate a needed police substation or help to promote a partnership with the police.

THE STEPS OF STRATEGY BUILDING

This method can be applied to any trend or opportunity in building effective strategies to achieve a community's goals. The steps are simple:

■ Examine issues and opportunities.

■ Determine the strengths or assets that can be used to seize opportunities.

■ Use those assets to leverage additional resources and establish community-based partnerships.

■ Deliver on pledges or promises.

Keep in mind that even perceived weaknesses or liabilities can be assets given the right opportunity. With the help of Federal brownfields funding, for example, environmentally contaminated sites can be cleaned up and turned into attractive real estate for commercial or industrial development. Vacant, abandoned buildings can be rehabilitated by out-of-school youth under a HUD-supported YouthBuild program.

The best opportunities are those that can address more than one need or lay building blocks for addressing other needs in the future. For example, starting a U.S. Department of Health and Human Services-supported Healthy Start prenatal-care program to stem infant mortality and low birth weights is an extremely worthwhile endeavor in itself. But such a program may also pose an opportunity to employ neighborhood mothers as the first level of outreach and support to pregnant women. If that form of outreach

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can be shown to be cost effective, perhaps other healthcare providers would adopt it and employ more neighborhood women in their clinics and hospitals. Baltimore's federally supported Healthy Start program has become a building block for better healthcare and increased employment in this way.

Forming Productive Community-Based Partnerships

A successful strategy to forming productive community-based partnerships also involves matching assets to needs and opportunities. The best partnerships are established and sustained through *quid pro quo* relationships, in which partners have a shared interest in outcomes and support one another's needs. Such partners in an EZ process might include the following:

- Community development corporations, which frequently lack the ability to offer needed supportive services and employment opportunities to residents of the housing they produce. They can sometimes be persuaded to assume more ambitious housing and physical development responsibilities if their tenants and homebuyers have access to needed supports and jobs.

- City or regional economic development agencies that aid employers seeking to locate or expand their businesses in the region often need to identify capable workers. An EZ process might agree to prescreen and provide readiness training to a pool of workers in return for help in starting a daycare program for workers' children or a van service to run between the neighborhood and targeted employers.

- Institutions such as universities and hospitals, which are concerned about protecting their investments and providing an attractive, secure environment for their workers. They may be willing to pledge financial and technical support or offer employment opportunities to community partners willing to address their physical development and public safety objectives.

- Human services agencies, which typically provide single-focus services such as youth development or foster care with limited public resources. They might be encouraged to broaden their programming focus to address the needs of whole families if an EZ process can help them access additional private resources from foundations and corporations.

Aligning Partners and Resources to Community Goals

Although it is likely that several prospective partners offering a variety of resources will show an interest in participating in an EZ process, it is important that the interests of any such partners not dominate the strategic planning agenda. Rather, a community should develop its vision and goals, then seek partners that can help achieve these goals and are committed to the principles of economic opportunity and community-based partnerships.

For example, an EZ strategic planning process seeking to help the unemployed find jobs could easily call for contracting with an established public or private firm that offers a conventional approach to job training. But doing so may preclude it from realizing important aspects of its goals, such as building neighborhood capacity or ensuring the long-term sustainability of its programs.

It might be better for the EZ strategic planning process to design its own community-based pathway to employment by working with employers, labor unions, service providers, educators, and unemployed and employed residents. It could then enlist the best providers to put in place the stepping stones along this pathway. Perhaps churches or community organizations could conduct outreach and intake services, a family development center might provide case management, employers could offer training and placement opportunities, nonprofit organizations might develop affordable daycare, or fraternal organizations could organize job clubs and mentoring. Done in this way, an EZ process aligns the interests of prospective partners to community-determined goals and prevents the goals and corresponding strategies from being overly influenced by interested partners.

Communities also need to make sure that needed resources are in place to support the Strategic Plan. For example, a huge issue affecting support for welfare-to-work plans is the need for reliable forms of transportation that can get people to new jobs. Residents of poor urban neighborhoods frequently spend 3 or 4 hours commuting to jobs in economically booming suburbs. Supporting new business development in neighborhoods with high unemployment, giving employers tax credits for helping employees from the

EZ with transportation, and exploring alternatives like ridesharing and carpooling are only a few of the many options available. Good strategies will identify problems before they arise and make sure solutions are developed that address the needs of the community.

Focusing on Economic Opportunity

Promoting economic opportunity for community residents is perhaps the most important principle of the EZ program. Why? At an obvious level, jobs are a source of income and a decent future for individuals and families. Leading researchers have shown that employment also provides structure and coherence to everyday life, which helps individuals manage their family and community responsibilities. At another level, jobs also help generate taxes, political clout, and social stability for communities. Without a stable employment base, it will be difficult for a community to transform itself and sustain the quality of life it envisions.

For these reasons it is critical that an EZ planning process directly address the realities of today's labor market. Although the U.S. economy is stronger than it has been in decades, those without adequate education, skills, or work experience will not be able to effectively compete in the labor market and share in its benefits without considerable help. Much of the EZ program should be focused on providing this kind of help.

Unfortunately, most of the jobless residents in communities today do not qualify for available jobs. Available workers often lack needed skills and experience; many also may have significant personal barriers, such as substance abuse problems or a lack of reliable transportation or daycare for their children, which can impede their efforts to find and maintain employment. These issues, coupled with the reality of welfare reform—under which public assistance is now time limited and made conditional upon a recipient's efforts to find a job—are pushing communities to work more closely with employers on economic and workforce development concerns.

Economic development, which is sometimes called employment development, focuses on creating new jobs, mostly in the private sector. Workforce development helps prepare community residents to compete for these jobs and includes agencies and organizations

that recruit, train, support, and place those individuals seeking work. The challenge for an EZ strategic planning process is to develop employment and workforce development efforts that complement one another.

There is no cookie-cutter approach to doing this. Each city has an array of agencies and service providers concerned with employment and workforce development, which should be brought into the strategic planning process. But an essential first step is to assess employer needs. This usually has already been done or can be done by a citywide or regional economic development agency. Once the needs are determined, the stepping stones on the pathway to work described above—outreach and intake, assessment and case management, supportive human services, job search and placement help, job readiness, on-the-job training, and after-placement mentoring and support—should be put in place. All of these will require an intensive effort from community actors.

Federal welfare reform poses an opportunity for prospective EZ communities to design new workforce development initiatives that are responsive to employer and community needs. Approximately $3 billion annually in Federal funding for assistance to needy families will now flow to States and localities in the form of block grants and competitive awards that can be used for job training, daycare, healthcare, and other supportive services. Although welfare recipients are the intended beneficiaries of these funds, most States are allowing them to be used for more general employment and workforce development purposes as well. An EZ's strategic planning efforts would certainly be well advised to help in determining how these funds can best be used to help the jobless in its communities.

Linking Human Services and Economic Development

In addition to welfare reform, other recent or anticipated Federal policy changes and private trends may offer communities an opportunity to explore links between human service needs and economic development. Some of these are listed below.

Healthcare Services. Delivery of healthcare services will continue to be an important part of linking healthcare needs and economic development. Contracting opportunities with providers for primary care support services such as home healthcare, transportation, case management, and outreach services are should be explored.

Childcare. In addition to the impetus resulting from welfare reform, more women with young children are increasingly entering the labor force and are in need of high-quality, affordable childcare. Qualified community-based providers can offer such services. It may also be possible for these providers to negotiate childcare contracts with major employers in their areas.

Foster Care. There is a deepening crisis in the child-welfare system's ability to provide quality foster care, particularly in cities. Although very few community-based organizations have ventured into foster care, potential neighborhood providers may be able to partner with more experienced private agencies to respond to this demand.

COMMUNITY BUILDING— THE GLUE THAT HOLDS IT TOGETHER

Tying It All Together Through Community Building

Most residents of urban communities suffering from poverty and deterioration know that these conditions do not stem from a single cause and cannot be solved with one solution. Many fronts must be addressed simultaneously in a holistic fashion—by repairing housing, improving schools, fighting crime, responding to family troubles, guiding youth, and overcoming discrimination and other obstacles in the labor market—to genuinely increase economic opportunities and transform broken neighborhood systems.

This is an enormous challenge that cannot be met overnight. It will require a long-term process that pulls together many actors, develops significant new capacities and resources, and overcomes unanticipated obstacles. The process for doing all of this can be thought of as "community building," or building a community's capacity over time so that it can set and follow its own course.

Community building goes beyond planning and launching a series of new programs to address old problems. Instead, community building starts with a community's vision for the future and orchestrates all the components of everyday life—economic, physical, environmental, social, individual, and family—according to a plan devised by community actors. All proposed and existing programs and activities are integrated with one another and aligned with this plan. When a new initiative is developed or an existing one expanded, every effort is made to tap and build on community strengths and assets—hiring neighborhood residents for jobs, building the capacity of a church or community organization to manage a new program, or purchasing products from local merchants.

A community building process also seeks to organize and mobilize community residents in guiding what and how things are done in their community. Churches and community organizations can play a leading role in this, but residents can also come together around common interests and concerns. Parents can get involved with schools, older men can serve as mentors to young men in their neighborhoods, neighbors can form block clubs, and adults can vote. Still others can participate in the management and governance of community-based organizations by serving on boards and committees, which can nurture leadership and functional skills.

Finally, community building also strengthens the fabric of community life—the values, norms, working relationships, and social networks that define and bind a community together—in any number of ways. Adults looking out for children, homeowner and tenant associations maintaining property, block clubs helping the elderly with household chores, merchants sponsoring Little Leagues, youth supporting one another in resisting drugs—all of these activities help give a community distinctive character and identity. These kinds of community building activities should not be left to chance. They should be a core element of efforts to rebuild community.

Taken together, these elements—the holistic nature of functional activities, the mobilization of different groups, and the community fabric that develops—help a community identify problems, seize opportunities, build assets and networks, and plan and guide its future. At root, community building is the essence of sustainable

community development. It is both a process and an outcome that all EZ sites should model after and strive for—a community working together to develop and sustain itself over the long haul.

CHAPTER 6: PULLING TOGETHER— BUILDING A GOVERNANCE STRUCTURE FOR IMPLEMENTATION

By the end of the process of developing a vision and Strategic Plan, your community—everyone from neighborhood residents to the local government—will have put a tremendous amount of work into assembling all the elements of the EZ application. However, the task of creating an entity to implement your plan is in many ways the heart of the process. Even a plan with broad consensus, a clear vision, and a well-articulated strategy can be derailed by problems with governance. From the beginning of the strategic planning process, the community has been putting all the pieces in place. Stakeholders have been assembled, organized, and educated. A process and an organizational structure have been created to manage the development of a Strategic Plan. What is essential now is for the community to take a step back and assess what has worked in terms of how governance has been handled, what needs to be strengthened, and what future needs must be met to achieve success.

Aside from the need to have an entity responsible for implementation, the EZ/EC Initiative has stressed the importance of governance for three reasons:

■ First, a strong belief behind the Initiative is that people affected by public decisions should be able to participate in making choices that affect their lives

■ Second, because of the complexity of the social problems addressed, solutions need to be created by those closest to the ground, including the residents of the neighborhoods and communities themselves

■ Third, to create lasting change, the agent of that change needs to be an organic part of the community, which requires broad and strong public participation.

These three reasons should serve as important reminders of the beliefs and values that underlie the approach to governance taken by the EZ/EC Initiative.

Mechanically, the design of the governance structure can be handled in several ways. In the first round of applications for the EZ/EC

Initiative, many communities started the strategic planning process by creating a full-fledged governance structure that oversaw the application and ultimate implementation of the plan. Others started with an interim structure that evolved as the planning process moved into the implementation phase. However this is handled in your community, it is wise to take the opportunity and experience provided by the previous months of activity to evaluate and make any necessary changes to the governance structure before the application is finalized. This chapter outlines the frameworks used by first-round EZ designees and reviews some of the challenges that will most likely be encountered in making governance work.

THE BASIC DESIGN—STRUCTURES FOR GOVERNANCE

One of the hallmarks of the EZ/EC Initiative has been the broad range of approaches taken by the designated communities in designing the entities responsible for governing the implementation of their Strategic Plans. The clearest lesson that has emerged from these experiences is that there is no one magic solution. All of the possible choices have strengths and weaknesses. The key to success is to acknowledge this ahead of time and remain flexible and open-minded as the challenges arise. In all, five different frameworks were used to mold the governance structures in communities designated in the first round of the EZ/EC Initiative:

■ City council.

■ Mayor.

■ Public agency.

■ New nonprofit organization.

■ Existing nonprofit organization.

In addition, different communities chose to employ either one- or two-tier structures. In the one-tier model, a single governing entity was responsible for oversight and implementation. In the two-tier model, smaller governing bodies were established to oversee and guide program activities at the neighborhood level, with a Zone-wide entity created to manage issues that affected the site as a whole.

Each of these organizational frameworks has strengths and weaknesses that your community will have to assess. Using a governance entity that incorporates an existing aspect of local government creates the ability to call on resources already in place, build from established relationships, and draw legitimacy from statutory and legal authority. The downside is that such an arrangement inevitably comes with perceptions, experiences, and relationships that are already established in the minds of the stakeholders. Concerns about whether the community will have a legitimate voice in governance and about any past conflicts over power and authority that could color ongoing collaboration in the EZ will have to be addressed.

Using an existing nonprofit organization or constructing a new one to serve as the governing body for your community's Empowerment Zone has similar tradeoffs. On the upside, using a new or existing nonprofit is an opportunity to start fresh and develop an organizational identity, new relationships, and a history with the community that grows directly out of the strategic planning process. This approach also directly addresses concerns over power, authority, and inclusiveness by building a governance structure from the grassroots. On the downside, using a nonprofit already in place requires an enormous expenditure of time and energy; creating one out of whole cloth will require even more. Among other things, resources need to be moved into place, staff must be hired, and new relationships must be created. In addition, the whole incorporation process must take place.

These problems underscore the need to have an accurate picture of the resources available to the community. For instance, a local law firm may be willing to work pro bono to help set up nonprofit 501(c)(3) status. HUD provides a range of technical assistance to communities, including help on the legal issues of setting up new organizations to implement the Strategic Plan.

In some instances, communities have chosen to create hybrid governance structures that mix together elements of new and existing organizations and institutions. For example, in Philadelphia, the city governs the EZ in partnership with neighborhood community trust boards. What works best for your community will ultimately have

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to be determined by the stakeholders themselves. The concluding section of this chapter is intended to assist this process of deliberation by highlighting general challenges of governance that will have to be thought through regardless of the final outcome of the strategic planning process.

THE CHALLENGES OF GOVERNANCE

One of the real challenges of the EZ/EC Initiative is that it truly constitutes a different way of doing business in communities. Groups and organizations that often rarely work with one another have to come together, not just to talk, but to develop lasting partnerships. In many cases, the structures and institutions for governance—how decisions are actually made—do not match the new system. In other cases, old and new governance structures will have to work together, either as separate entities working together or as new hybrid structures. Communities that try to anticipate these challenges, develop innovative solutions, and embrace change are the ones that will most likely experience success.

Dealing With Representation

One of the hallmarks of the EZ/EC Initiative is the use of innovative public-private partnerships to revitalize the social and economic fabric of communities. However, this often creates problems concerning how best to represent the various stakeholder groups in the governing entity. For instance, members of an appointed EZ steering committee might include local elected officials, representatives from neighborhood associations, staff from nonprofit organizations, and members of the business community. Each of those committee members derives his or her legitimacy in very different ways, may or may not speak on behalf of a constituency, represents very diverse sets of interests, and may bring different perspectives to the table about how decisions are made.

These factors, among others, make it doubly important that the governing entity's structure be based on a strong consensus of the stakeholders and have broad legitimacy in the community. Another way to address these issues is to work out a collaborative approach

to making decisions. This helps to improve the chances that minority opinions will be incorporated and that not just stakeholders with power and influence will have the final say.

Managing Conflicts of Interest

Another issue that you will inevitably encounter is what happens when people are put into positions of authority that allow them to make decisions that directly benefit them or their organizations. A representative from the private sector serving on the governing body of the EZ may be able to use his or her position and authority to get tax credits or money for his or her business. The head of a nonprofit organization might be placed in a position of voting on a program that would reap significant financial benefits. Even if there is no intended impropriety, even the perception of unethical behavior can damage the credibility of your community's initiative.

For this reason, many EZ sites in the first round of the program created provisions in the operations of their governance structures that prevent these conflicts. For example, Detroit's EZ forbids anyone who holds or is running for elected office and anyone who works for an organization that receives Title XX funds from serving on its governing body. Other ways that you can deal with this problem are to develop a code of ethics and have representatives on the governing body recuse themselves from decisions that would directly benefit them. Above all, the governing entity must derive authority and legitimacy by serving the interests of the entire community, not simply individual neighborhoods with political connections or those stakeholders with the most power and influence.

Working Across Political Boundaries

Another key challenge of setting up a governance structure is to work across multiple boundaries, such as by coordinating actions among city departments and agencies that are not used to collaborating or by finding new ways for multiple political jurisdictions to meld their efforts together. For example, an EZ could potentially cross State lines or boundaries between cities and counties, or include several municipalities. In cases like these, the old ways of making decisions are often ineffective. For this reason, the governance structure plays a crucial role not only in facilitating the implementation of the Strategic Plan, but also in knitting together a

patchwork of institutions, departments and agencies, and political jurisdictions.

Sustaining Involvement Over Time

As has been noted elsewhere in this guidebook, one of the things that makes real and lasting change possible in communities is the concerted effort of large numbers of individuals and organizations. When thinking about this kind of undertaking over a 10-year period, it is important to realize that there will be significant turn-over and change among those involved in your community's EZ Initiative. City council members, city managers, and mayors will change. Grassroots leaders may burn out, and new ones will take their place. Changing regional economies will reshuffle the roster of local businesses working with partners in other sectors.

For this reason, strategic planning work from the beginning needs to account for these kinds of changes. Make sure that resources and opportunities are in place at the outset to build the capacity of the community and develop the next generation of leaders to continue what has been started. Use ongoing public participation to recruit volunteers, new stakeholders, and different partners to maintain momentum.

Accounting for every possible roadblock and bump in the road is impossible. However, the communities that have managed to turn things around for the better are the ones that didn't shy away from addressing the inevitable challenges and difficulties. As discussed in the following case study of Baltimore's EZ application, a well-designed governance structure can smooth the way for putting the Strategic Plan into effect in a variety of ways. No governance structure is going to be perfect, but thinking through the issues addressed in this section from the start will help ensure that your community's efforts are given the chance they deserve to thrive and succeed.

Case Study

Structured for Action: Baltimore

Building a governance structure that can be true to the goals, objectives, vision, and process outlined in the planning process is a key task to realizing a Strategic Plan. A governance structure serves as a mechanism to move efforts forward. Some structures are complex and involved; others are simpler. Baltimore offers an example of how a nonprofit organization works with the city and community to get things done.

Empower Baltimore Management Corporation (EBMC) is at the core of Baltimore's EZ governance structure and the embodiment of the non-profit management corporation proposed in the EZ Strategic Plan application. The governance structure is multilayered to ensure the representation of combined business, residential, institutional, and government interests. At the center, EBMC manages Baltimore's EZ Strategic Plan. EBMC is a nonprofit corporation directed by a board of directors. The board of directors structures its work through four program committees (business development, workforce development, quality of life, and community capacity building) and an executive committee that includes the chairs from each of the program committees. The board of directors receives guidance from an advisory council, which the board of directors and village centers appoint. Six village centers serve as the link between EBMC and Empowerment Zone neighborhoods and residents. The City of Baltimore and the State of Maryland also participate in EBMC.

A key component of this governance structure is the way that Baltimore wove together the representation of businesses, residents, institutions, and government in the structural layers of its governance structure. Another important element of the structure is that each layer directs, reviews, or has input into the other layers' functions. For example, one layer sends representatives to the other layers. Village centers send representatives to the board of directors and the advisory board. Another link occurs through one layer's role in overseeing or reviewing another layer's activities. For example, the advisory council advises the board of directors, while the board oversees all EBMC activities.

EBMC runs the Business Empowerment Center and manages all other program activity through contracts. Some program activities require a centralized service, such as the Business Empowerment Center. EBMC also manages contracts for locally run activities. For example, through contractual arrangements, village centers receive funds and guidelines from EBMC to implement public safety plans in coordination with the police department. City departments also implement some programs. For example, EBMC conducted a competitive bid to find someone to oversee the master plan to convert the Fairfield Industrial Center into an ecological industrial park. Although anyone could apply, only the city's Economic Development Corporation applied. The Corporation now contracts with EBMC to manage the master plan.

Decentralization and grassroots empowerment are the key elements that make this governance structure work for Baltimore. EBMC leverages city resources to move programs forward. What is most important is that EBMC does not tell the village centers what to do, but offers them the support and tools to make what they want to do happen.

CHAPTER 7: MOVING FROM PLANNING TO DOING— MAKING THINGS HAPPEN

Planning is not doing. Real change in communities comes when a well-constructed plan is smoothly implemented. When designing the strategic planning process for your community, remember that it will be most successful if it serves as a springboard for the programs and projects that achieve real results.

Some communities never seem to stop planning. Others never seem to fully implement a plan. Here are some tips for moving effectively from planning to doing.

ENSURE COMMUNITY OWNERSHIP OF THE PLAN

When participants know the Strategic Plan is theirs, they are more likely to move it forward. Residents and community-based organizations may be less committed to the "city's Plan." Community ownership of the Plan is generated through robust participatory processes that build consensus along the way. Attention to process issues in the planning stage often bears fruit for years to come.

ENCOURAGE ACTION

Some participants are likely to have more interest in doing—that is, building the community playground, mentoring youth, or coordinating a neighborhood watch. These participants may become frustrated with longer planning processes that gradually build consensus among diverse participants.

Encourage participants who want to move to action to do so, either with project ideas that have already been generated and agreed to or with existing activities. At the same time, their knowledge of implementation issues may help the planning process. Finding a balance between the two kinds of activities often maximizes satisfaction with the initiative for participants.

EXCHANGE FLEXIBILITY FOR ACCOUNTABILITY

Programs and projects can be micromanaged with top-heavy oversight, long contracts, and extensive reporting requirements. Those approaches are often used when administrators fear losing control, do not trust the service delivery vehicle, or believe effective guidance and structured communication will lead to better results.

As in the corporate world, many communities are moving toward a framework that supports innovation, directs decisions and responsibilities out to the most appropriate level, and demands accountability for results. This results-based focus can drive the kind of creativity and responsibility that leads to the transformative outcomes that are necessary in our communities.

ACKNOWLEDGE THE CHANGE IN PHASES AND ADJUST ACCORDINGLY

When a planning process is successful, the natural impulse is to preserve the structure and the positive working relationships because effective groups are often hard to find. Yet, planning is different from doing. Often, the agency director, department head, or community leader who helped make the process work is not the best person for making programs and projects become a reality.

In most cases, that means creating new teams, project and program advisory groups, and other groups that are well suited to make the implementation phase a success. Making those changes as a part of the implementation plan is a key to success.

Making community change happen is challenging, but also rewarding. When all participants come together to take control of their neighborhood and effectively work toward achieving their vision, they build the kind of neighborhood where everyone feels connected, safe, and at home. The strategic planning process is not just a vehicle to crank out a plan; it is also an important springboard to strengthening that sense of community and to building the kinds of relationships that get things done.
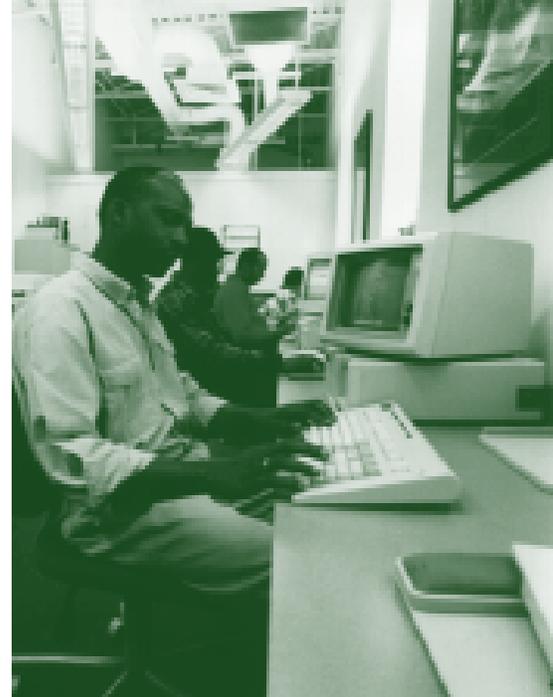
APPENDIX A: CHECKLIST FOR YOUR STRATEGIC PLANNING PROCESS

Here are some questions to keep in mind as you move through your strategic planning process:

- Have you identified all of the parties with whom you will have to negotiate, including other stakeholders and constituents?

- Have you included all of the parties who need to be represented? Is representation clear?

- Does your representation include established leadership as well as future leaders of the community?

- Have you decided on an organizational structure for the process?

- Have you identified all of the issues important to the community? Are the issues clear? Are there integrative issues on the table? Can there be?

- Has the party (or parties) responsible for gathering data been identified?

- Will the data be acceptable to all parties?

- Have you agreed upon important meeting logistics, such as where to meet, notice requirements, preparation of agenda, development of ground rules, how decisions will be reached (i.e. majority vote vs. consensus)?

- Have all the problems that need to be solved been identified?

- Are links established with formal decisionmakers?

- Who will be responsible for implementation?

- Have you decided upon a governance structure that is inclusive yet effective?

- Are your goals and strategies stated in such a way that performance can be measured?

- Do your identified programs and projects link back to the goals and strategies you have identified?

- Do you have a media relations and public outreach strategy?

APPENDIX B: EZ/EC CONTACT INFORMATION

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
ANDREW CUOMO, SECRETARY

Office of Community Planning and Development, EZ/EC Initiative
451 Seventh Street SW.
Room 7130
Washington, DC 20410
Phone: 202–708–6339
Fax: 202–401–7615

Web site: http://www.hud.gov

Community Connections (HUD's Resource Center)
For information on programs to help build communities:
Community Connections
P.O. Box 7189
Gaithersburg, MD 20898–7189
Phone: 1–800–998–9999
E-mail: comcon@aspensys.com

Empowerment Zones and Enterprise Communities
Web site: http://www.ezec.gov

APPENDIX C: AVAILABLE PUBLICATIONS FOR URBAN COMMUNITIES

Notice Inviting Applications (NIA): Second Round Designation of 15 Urban Empowerment Zones: Published in the *Federal Register* and available upon request.

Empowerment Zones: Rule for Round II Designation: Published in the *Federal Register* and available upon request.

U.S. Department of Health and Human Services Preliminary Guidelines: Round II EZ/EC SSBG Grants for Empowerment Zones

Application Guide: This *Guide* offers specific instructions as to how urban communities should prepare their application for Empowerment Zone designation.

Application Forms: Nomination for designation as an Urban Empowerment Zone (Parts I–IV): The *Application Forms* identify the eligibility information a community must submit to HUD or USDA to be eligible for Round II designation. Each set of forms contains certifications that the information provided is accurate and that the applicant will implement its Strategic Plan.

Federal Programs Guide: Provides a list of Federal Government programs available to distressed communities. Applicants can use this *Guide* to identify current or prospective Federal Government programs that can be used to help revitalize their neighborhoods.

Strategic Planning Guide: Provides a comprehensive overview of how to prepare a Strategic Plan: including a discussion of the planning process and the ways in which residents, community-based organizations, businesses, nonprofits, government entities, and others come together to create a shared vision for the future.

Performance Measurement System Guide: Provides communities with a "how-to" approach to establishing and implementing a performance measurement system. Performance measurement systems provide an organized process for gathering information

to track how well programs and projects are meeting their goals, and then using that information to improve performance and report to interested stakeholders.

Internal Revenue Service Publication 954, "Tax Incentives for Empowerment Zones and Other Distressed Communities"

*What Works! in the Empowerment Zones and Enterprise Communities, Volume II:*A compilation of successful projects from current Empowerment Zones and Enterprise Communities (includes contact names and telephone numbers).

To request publications for urban communities, please call 1–800–998–9999.

APPENDIX D: THE U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES PRELIMINARY GUIDELINES: ROUND II EZ/EC SSBG FUNDS FOR EMPOWERMENT ZONES

BACKGROUND

This document includes general guidance about allowed uses of Round II EZ/EC Social Services Block Grant (SSBG) funds that may be made available for Round II Empowerment Zones (EZs). It is based on the assumption that Round II EZ/EC SSBG funding is subject to the same statutory restrictions as the Round I EZ/EC SSBG grants. The U.S. Department of Health and Human Services (HHS) will issue further guidance regarding Round II EZ/EC SSBG funds soon after it is authorized to award the funds.

AWARDS TO STATES

(a) HHS will award Round II EZ/EC SSBG funds to each State that nominated a designated Round II EZ. HHS will award the funds for each Round II EZ to the State agency that typically receives Social Services Block Grants, unless the EZ Lead Entity(ies) and its State request HHS to award them to a different agency.

(b) The HHS Terms and Conditions of the Round II EZ/EC SSBG funds will direct the recipient State agency to provide the funds to the appropriate Round II EZ Lead Entity(ies) for activities specified in the EZ's Strategic Plan and benchmark document/implementation plan. It is expected that the EZs will revise their Strategic Plans and benchmark documents/implementation plans from time to time.

ALLOWED USES OF ROUND II EZ/EC SSBG FUNDS

(a) Round II EZs may use Round II EZ/EC SSBG funds for a wide variety of programs, services, and activities directed at revitalizing distressed communities and promoting economic independence

for residents. Allowed programs, services, and activities include, but are not limited to:

- Community and economic development programs and efforts to create employment opportunities.

- Job training and job readiness projects.

- Health programs such as public health education, primary healthcare, emergency medical services, alcohol and substance abuse prevention and treatment programs, and mental health services.

- Human development services such as child, youth, and family development programs, services for the elderly, and childcare services.

- Education projects such as after-school activities, adult learning classes, and school-to-work projects.

- Transportation services.

- Environmental cleanup programs.

- Policing and criminal justice projects such as community policing efforts and youth gang prevention programs.

- Housing programs.

- Projects providing training and technical assistance to the EZ Lead Entity(ies), its (their) board and committee members, and other organizations.

- Projects to finance community-focused financial institutions for enhancing the availability of credit such as loan funds, revolving loan funds, and microenterprise loan funds as well as other activities for easing financial barriers faced by social services entities, housing organizations, and other organizations serving EZ residents.

(b) Round II EZs may use the Round II EZ/EC SSBG funds for projects supported in part with other Federal, State, local, or private funds, and they may allocate a portion of the funds to the State grantee agency for its administrative and grant oversight costs. Round II EZs may not use the funds as the source of local matching funds required for other Federal grants.

(c) Round II EZs must ensure that each proposed use of Round II EZ/EC SSBG funds is directed at one or more or the EZ/EC SSBG statutory goals; included in the Strategic Plan; structured to benefit EZ residents; and in compliance with all applicable Federal, State, and local laws and regulations.

(d) EZ/EC SSBG Statutory Goals: The statutory goals for uses of EZ/EC SSBG funds are as follows:

(1) Achieving and maintaining economic self-support for residents to help them develop and retain the ability to support themselves and their families economically.

(2) Achieving and maintaining self-sufficiency for residents to enable them to become and remain able to care for themselves in daily activities and over the long term.

(3) Preventing neglect and abuse and preserving families; protecting children and adults who are unable to protect themselves from neglect, abuse, or exploitation; and preserving, rehabilitating, or reuniting families living in the designated neighborhoods.

(e) Strategic Plan: All programs, services, and activities financed in whole or in part with Round II EZ/EC SSBG funds must be included in the Strategic Plan and benchmark document/implementation plan. Each project description must indicate the EZ/EC SSBG statutory goal it is attempting to achieve and how it will benefit EZ residents.

(f) Resident Benefit: All programs, services, and activities financed in whole or in part with Round II EZ/EC SSBG funds must be structured to benefit EZ residents primarily; the programs, services, and activities may also benefit nonresidents.

(g) EZ/EC SSBG Statutory Program Options: To the extent consistent with the local strategic vision, localities may use Round II EZ/EC SSBG funds to finance programs, services, and activities for addressing any of the following broad statute-based program options. EZs that use the funds for any of the program options will have more flexibility in using the funds. [See paragraph (h) below.] The EZs are not required to use the funds for the program options, and may use Round II EZ/EC SSBG funds to finance programs, services, and activities addressing other issues. The program options are as follows:

(1) To provide residential or nonresidential drug and alcohol prevention and treatment programs that offer comprehensive services for residents, particularly for pregnant women and mothers and their children.

(2) To support:

    (A) Training and employment opportunities for disadvantaged adults and youths in construction, rehabilitation, or improvement of affordable housing, public infrastructure, and community facilities.

    (B) Nonprofit organizations such as community colleges and junior colleges providing short-term training courses about entrepreneurism and self-employment for disadvantaged adults and youths, and other types of training that will promote individual self-sufficiency and the interests of the community.

(3) To support projects designed to promote and protect the interests of children and families outside of school hours, including keeping schools open during evenings and weekends for mentoring and study.

(4) To support:

    (A) Services designed to promote community and economic development and job support services such as skills training, job counseling, transportation services, housing counseling, financial management, and business counseling.

    (B) Emergency and transitional housing and shelters for families and individuals.

    (C) Programs that promote homeownership, education, and other routes to economic independence for families and individuals.

(h) To the extent a program, service, or activity in the Strategic Plan and benchmark document/implementation plan is a statutory program option listed in paragraph (g) above, the EZ may use Round II EZ/EC SSBG funds to implement that activity including to:

(1) Purchase or improve land or facilities.

(2) Make cash payments to individuals for subsistence or room and board.

(3) Make wage payments to individuals as a social service.

(4) Make cash payments for medical care.

(5) Provide social services to institutionalized persons.

(i) To the extent a program, service, or activity in the Strategic Plan and benchmark document/implementation plan is *not* a statutory program option listed in paragraph (g) above, the EZ may use Round

II EZ/EC SSBG funds for the following purposes as a component of that activity only after receiving approval from HHS:

(1) Purchase or improve land or facilities.

(2) Make cash payments to individuals for subsistence or room and board.

(3) Make wage payments to individuals as a social service.

(4) Make cash payments for medical care.

(5) Provide social services to institutionalized persons.

(j) To the extent a program, service, or activity in the Strategic Plan and benchmark document/implementation plan is not one of the program options listed in paragraph (g) above, the plan must include a statement explaining why the locality chose that project.