THREE IN ONE: GROWING JOBS, DEVELOPING A WORKFORCE, AND STABILIZING NEIGHBORHOODS

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Moderator: Welcome to the Federal Reserve Bank of Atlanta's Economic Development podcast series. I'm Odetta MacLeish-White with the Federal Reserve Bank of Atlanta. Today, we're talking with Tony Cipollone, vice president for Civic Sites and Initiatives with the Annie E. Casey Foundation. The Annie E. Casey Foundation was started in 1948 by Jim Casey, one of the founders of UPS, and its primary mission today is to foster public policies, human service reforms, and community supports that more effectively meet the needs of today's vulnerable children and families.

In an earlier podcast in this series, we spoke with Douglas W. Nelson, the former president and CEO of Annie E. Casey, about the changing and important roles foundations play in community and economic development. Today, we are speaking with Mr. Cipollone about the Casey Foundation's Civic Sites program, an initiative that marries neighborhood-based community development with economic development.

Mr. Cipollone has spent the past three decades researching, evaluating, and writing about at-risk youth and family issues. He has led the Annie E. Casey's Civic Sites program in Atlanta and Baltimore since 2002, and today we'll discuss how the Civic Sites have fared during the recession and foreclosure crisis, and some of the lessons they may have for us going forward.

Tony, thank you for joining me today.

Tony Cipollone: My pleasure, Odetta.

Moderator: Tony, what is a Civic Site?

Cipollone: We refer to Atlanta and Baltimore as Casey Civic Sites, and view them as places where we believe we have special and enduring relationships and where we're willing to make a long-term, comprehensive investment. Obviously, in Baltimore our special connection is driven by the fact that it's our national headquarters, and Atlanta is particularly special to us because it's also home to UPS, an enterprise with whom we clearly share a very special legacy.

In both places, we're trying to concentrate our efforts in specific neighborhoods and develop a more comprehensive approach that simultaneously improves economic outcomes for adults, educational outcomes for kids, and really tries to promote the physical development of these neighborhoods so that important amenities, such as better housing, parks, retail, recreation centers, become available to local residents now and those that have historically lived there.

Moderator: How are the Civic Sites similar to, and different from, one another?

Cipollone: Well, the similarity is that they're both trying to blend economic development, neighborhood development, and human capital development, and, in that context, both focus on three overall objectives: improving educational outcomes for kids, advancing the economic success of families, and transforming neighborhoods so that they can better support the needs of kids and families who live there.

In doing this work, both are trying to involve residents, they're also trying to use data to drive all of their efforts, and both projects involve an array of public, private, and nonprofit partners. Finally, both are trying to help local neighborhoods and working simultaneously to try to capture the lessons and experiences so that these places can in fact become models for other communities around the country.

How they differ is in how their approaches have evolved over time, and what they may be working on at any particular moment. In Atlanta, for example, we began our work by focusing on supporting and improving schools, and by creating our center for working families which is helping parents and adult residents improve their economic stability. Our neighborhood transformation efforts—that is, our focus on buying and developing land, developing housing, for example&mdash;evolved more recently.

In Baltimore, it was just the opposite. Since that effort began with significant physical transformation of the neighborhood&mdash;acquisition of vacant housing, demolition, building new physical infrastructure in the neighborhood&mdash;and so the human service and human capital dimensions of that work emanated out of the desire to ensure that local residents could benefit from this physical transformation.

Moderator: So, Tony, how do these sites contribute to the economic development in the specific neighborhoods where they are located, and to the surrounding area in general?

Cipollone: In both places, we're seeing new job opportunities emerge, more jobs connected to these jobs, and more families taking advantage of opportunities to both their income and assets. In Baltimore, over 600 construction jobs have been created, and 240 of those jobs have gone to East Baltimore residents. Further, 43 percent of all the contracts let in the context of economic development have gone to minority- and women-owned firms.

In Atlanta, we're trying to advance new opportunities to connect residents to jobs in green industries and promoting entrepreneurial opportunities as well. In Atlanta, we're seeing substantial interest investing in the new Rosa Burney Park that's slated to open this spring, and a brand new early learning and literacy center, which has just opened.
In Baltimore, it was recently announced that the state’s headquarters for its Department of Health and Mental Health will relocate to that project area neighborhood and bring lots of jobs and more pedestrian traffic on the street to improve public safety and attract retail. And the East Baltimore project area has just been designated for a stop on the Amtrak line as well.

So we think that on various fronts, economic development is happening within the context of these projects and contributing to economic developments around the communities as well.

**Moderator:** In a previous Atlanta Fed podcast, Dr. Edward Blakely from the University of Sydney suggested that a critical component of successful economic development is the inclusion of community voices and desires. In 2008, the Atlanta Civic Site partnered with Georgia Tech and the University of Georgia's Fanning Institute to conduct a Community Economic Development Academy. Tell us a little bit about that program, why it was developed, and what has it accomplished for the members of that community.

**Cipollone:** Well, at Casey, we believe strongly in the importance of resident involvement, and it's been a critical dimension of all of our neighborhood work. We tried to adopt an approach to development that focuses on improving choices, opportunities, and outcomes for residents, and this requires more community engagement and capacity building, and in Atlanta, we placed a very high priority in getting residents involved in this planning, design, and implementation.

In June 2006, the Casey Foundation purchased 31 acres of commercial property located in the Pittsburgh neighborhood in Atlanta. Our long-term vision was that University Avenue would become an opportunity generator for the community. It was envisioned as a mixed-use development that would bring affordable goods and services back into the community, provide good-paying jobs, and affordable housing. And this opportunity led the Foundation to create what we think is an innovative way to engage residents in the planning and design of the future development.

In short, as you mentioned, we worked with Georgia's Fanning Institute and Georgia Tech's Innovation Institute to create what we call the Community Economic Development Institute [CEDI], and it provided 50 residents with a six-month course of study in all aspects of economic development, including business attraction, affordable housing, transit-oriented development, and green sustainable development. After completing the institute, the CEDI graduates then formed study circles to continue and deepen their learning process, and this involved an additional 75 residents, expanding the involvement of residents who participated in aspects of the Institute's work. The most successful study circles we found really concentrated on business development for University Avenue, including green jobs and ownership components in these businesses.

So while the real estate market decline has slowed the timetable for University Avenue development, we do have a core group of residents that has emerged and that we think will greatly benefit from opportunities to participate in the University Avenue development. And their expertise, their commitment, their capacity, we think, will help ensure that resident voices are front and center in the master plans.

**Moderator:** Employment is a critical component of any neighborhood's vitality, and workforce development, I would imagine, is an important facet of Annie E. Casey's presence in the Civic Sites. So, what kind of worker training programs do you have in place at the Civic Sites?

**Cipollone:** Well, worker training has been a critical piece of the efforts that we're trying to promote. In Atlanta, for example, through the Center for Working Families, we're partnering with unions, community colleges, and others to develop programs to help prepare residents to participate in new green jobs opportunities and be ready to take up jobs associated with the home rehabs we're planning in the Pittsburgh neighborhood. We're also working with Sheltering Arms, which is really a world-class childcare provider that is operating our Early Childhood Learning and Literacy Center to help prepare residents for careers in this field and help them become certified child-development associates. And then, finally, with the Center for Working Families, we're trying to help those who are interested in starting their own business to develop the skills that they'll need to succeed in this area again, preparing residents for opportunities that we see emerging.

In both Atlanta and Baltimore, I want to mention as well that we're trying hard to eliminate some of the barriers that lots of folks often face in the context of being able to succeed in the workplace; for example, childcare, transportation, other issues; and provide them with financial literacy and coaching opportunities so that they can not only succeed in the workplace, but also bolster their incomes through access to tax benefit programs that can supplement their income.

**Moderator:** In our interview with Douglas W. Nelson, the former president/CEO of Annie E. Casey, we talked in broad terms about the impact of the foreclosure crisis on low- to moderate-income neighborhoods. Can you give some details about how the Atlanta Civic Site has been affected by foreclosure and what the Casey Foundation has done to respond to both the challenges and the opportunities created by this crisis?

**Cipollone:** Early last year, we realized that we were facing a severe foreclosure problem, especially in the Pittsburgh neighborhood in Atlanta where virtually one in 40 homes was in foreclosure compared to a rate of about one to 350. So approximately 40 percent of the homes in the neighborhood were vacant, and entire blocks in this very small community were basically unoccupied and abandoned. This creates lots of hazards for the residents who live there, and in addition, it puts at risk lots of the good work that had been going on over the course of the last decade.

We started a new entity called Sustainable Neighborhood Development Strategies Inc. We teamed with the Pittsburgh Community Improvement Association, which is the local community group, and Community Development Corporation and, as well, the Center for Working Families. And we used a $2 million program-related investment from the Casey Foundation and moved forward on a proof-of-concept pilot aimed at trying to buy 50 structures; securing them and then depositing them in the Fulton County Atlanta land bank. Working with the Center for Working Families and other partners, our intention is to rehab these properties and make them available for sale or for rent.

We've been pleased with the results of this initial pilot and with the fact that our investment has now been leveraged by $2 million in Neighborhood Stabilization Funds from the city. Our hope is now to develop a more expansive program that can help the neighborhood turn the corner on this issue.

**Moderator:** Tony, what lessons do the Civic Sites teach us about how economic and community development efforts can work together, and about the role foundations should play in economic and community development initiatives?

**Cipollone:** While this work clearly is challenging, I think in both places we're demonstrating that it is in fact possible to try to simultaneously advance economic and community development, and also promote human capital development. But doing so, we think, is going to require partners such as foundations to consider new roles. We've also learned that foundations, for example, if they're willing to go beyond traditional grant making and use their endowment in different ways through program-related investments and loan guarantees, for example, can help minimize private investor risk, stimulate more public dollars, and, importantly, ensure that these critical projects maintain the momentum that they need to succeed.
No matter how well endowed philanthropy may be, given the scope of the issues that these projects face and the long-term nature, it's absolutely essential for strong partnerships to emerge that blend philanthropic dollars and public dollars. Where foundations come in is an ability to be more flexible in their funding, being able to engage in gap funding, be able to take more patient risk over time so that, in fact, we can keep other public and private investors at the table. These are very substantial and very expensive projects, and they're going to need the substantial contributions of all three sectors—public, private and philanthropic—if they're going to succeed.

**Moderator:** Tony, thank you for speaking with us today.

**Cipollone:** My pleasure, Odetta.

**Moderator:** This concludes our podcast. We've been speaking with Tony Cipollone, vice president for Civic Sites and Initiatives with the Annie E. Casey Foundation.

For more podcasts on this topic and others, visit the Atlanta Fed's website at [www.frbatlanta.org](http://www.frbatlanta.org). If you have comments or questions, please e-mail podcast@frbatlanta.org and thanks for listening.

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