

***The Empowerment Zone in Boston, Massachusetts:
Accomplishments, Challenges, and
Lessons Learned (2000 - 2009)***

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Preface

This report was commissioned by Boston Connects, Inc. (BCI), the nonprofit agency responsible for planning and implementing Boston's Empowerment Zone from 2000 to 2009. In June 2009 Interim Executive Director of BCI, Shirley Carrington, approached Dr. James Jennings, Professor of Urban and Environmental Policy and Planning at Tufts University, for assistance documenting the history and accomplishments, and lessons learned from the city's experience with the Empowerment Zone.

Several individuals provided assistance with the completion of this research report. The author wishes to acknowledge the research assistance of Eugenia Gibbons and Lisa Roland-Labiosa as well as individuals who agreed to be interviewed or contacted by email for information and insights about Boston's Empowerment Zone. They include Jovita Fontanez, Joelee Baker-Bey, Dr. Vanessa Calderon Rosado, Donna Brown, H. Tia Juana Malone, Anh Thi Nguyen, John Barros, Penn Loh, Joseph D. Feaster, Jr., Esq, Matthew Bruce, Alejandra St. Guillen, Cedric Kam, Christine Araujo, Mayte Rivera, Ron Homer, Charlotte Golar Richie, Reginald Nunnally, and Kirk Sykes.

The author's meeting and discussion with the Empowerment Zone board on October 27, 2009 was most informative; board members provided important insights and raised significant points about the challenges and impacts of this initiative, as well as lessons learned. Perhaps this is an appropriate place in this report to reflect upon the work of the many elected and appointed members of the Empowerment Zone over Boston's recent economic history. As noted by one prominent participant in Empowerment Zone activities (and not a board member at any time), "The Board and Committees of BCI spent tremendous amounts of their time to improve these communities. They are the unsung heroes of Boston that managed significant resources in a productive and beneficial manner." My meeting with the Empowerment Zone board confirmed this observation. Additionally, the staff of Boston Connects, Inc., especially Interim Executive Director Shirley Carrington, and Executive Assistant Tory Stephens, and others were very helpful in providing information and sharing data with the author.

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Introduction

In June 1993 Boston Mayor Thomas Menino sought designation for the city as one of the nation's new Empowerment Zones. The application was submitted to the U.S. Department of Housing and Urban Development (HUD) in response to the Omnibus Budget Reconciliation Act of 1993, which called for the establishment of six urban and three rural empowerment zones and 96 smaller, enterprise communities. The legislation authorized an expenditure of \$3.5 billion over five years. The general purpose of the empowerment zones was to allow local governments to design economic development strategies, built on private and public partnerships, to improve conditions in distressed communities.¹ Such strategies would include four broad goals: to generate economic opportunities for residents living in the empowerment zones; to create sustainable community development; to build broad participation among community-based partners; and to generate a strategic vision for change in the community.

Boston was not selected as one of the original Empowerment Zone cities; it lost out to New York City, Camden, Baltimore, Atlanta, Chicago, and Detroit. After the initial selection of these cities, supplemental empowerment zones were established in 1994 for Los Angeles and Cleveland. These empowerment zone cities would be funded through HUD's Economic Development Initiative. Although Boston was not originally designated as an empowerment zone, it was granted an Enhanced Enterprise Zone status in 1994. This was a less ambitious, but similar initiative granting the city approximately \$3 million for workforce development and related human services, and \$44 million for economic development activities through Section 108 loans (\$22 million) and HUD's Economic Development Initiative (EDI) grants (\$22 million). This amount was made available through the Social Services Block Grant funded by the federal Department of Health and Human Services. In 1999, under auspices of the *Tax Payer's Relief Act of 1997*, Boston did win an empowerment zone designation in a second round of funding with an authorization of \$100 million over a period of 10 years for the city.² This legislation was followed by the *American Community Renewal Act of 2000*, which called for 40 „renewal“ communities and placed greater emphasis on tax benefits for businesses, regulatory relief, and opportunities for increasing homeownership. The latter legislation also extended the empowerment zone designations through December 2009.

This ten year designation, beginning in 1999, included a variety of tax incentives as a tool for local economic development. Provision was made for tax-exempt bonding authority in the amount of \$130 million. In Boston, bonds are approved by the Boston Connects Inc. Board and issued through Boston's Industrial Development Financing Authority (BIDFA). The designation also includes the authorization of \$10 million per year to advance objectives associated with economic opportunity and job creation; enhancing the health and well-being of residents; providing education and job readiness; and, community capacity building.

The Boston Empowerment Zone is managed by Boston Connects, Inc (BCI), a nonprofit established in 2000 to implement the initiatives developed for the Employment Zone. The BCI

¹ *Omnibus Budget Reconciliation Act of 1993*; also, *Federal Register*, "Designation of Empowerment Zones and Enterprise Communities" (January 18, 1994)

² It is important to note that the figure of \$100 million was an *authorization*, not an actual *appropriation*. In fact Boston received considerably less than this amount.

is governed by a board of 24 members, 12 of whom are appointed by the mayor. The remaining 12 members are elected by residents living in the Empowerment Zone.³ Boston's Economic Development and Industrial Corporation (EDIC) has served as the fiscal agent for the Empowerment Zone. Staff at EDIC's Office of Jobs and Community Services also have worked closely with Empowerment Zone staff in the areas of youth services and adult workforce training.

After more than a decade of planning and implementing a range of strategies and initiatives, a number of important accomplishments are apparent. These include,

- *completion of major capital projects and physical improvements throughout the EZ;*
- *building this part of the city as an area of robust economic activity;*
- *supporting job growth for residents of the Empowerment Zone;*
- *supporting training and job readiness activities for residents with CORI (Criminal Offender Record Information)*
- *providing assistance to small and local businesses in the Empowerment Zone;*
- *increasing the capacity of neighborhood-based nonprofits;*
- *designing local economic development with the integration of human services; and,*
- *helping to initiate 'green economy' strategies for local businesses and nonprofits.*

This report examines these accomplishments as well as the history of the Enhanced Enterprise Zone and Empowerment zone in Boston between 1995 and 2009, but emphasizing the Empowerment Zone period beginning in 2000. The report includes a description of the social and economic characteristics of its residents in the Empowerment Zone; a review and discussion of the accomplishments and challenges of Boston Connects, Inc, including brief descriptions of the strategies and initiatives adopted to meet its mission and goals.

The report concludes with some lessons learned for communities and local government regarding neighborhood revitalization. At least five „big picture“ lessons regarding neighborhood revitalization and local economic development emerge from this review of Boston's Empowerment Zone. The lessons include the importance of collaboration between and among local businesses and nonprofits; the collection and analysis of data to both monitor and share information about progress of initiatives; encouraging and supporting community-based participation and advocacy; need to focus on small and local businesses for neighborhood revitalization; and the importance of building a vision and plan for reducing poverty in the city.

³ See Appendix A for list of Empowerment Zone board members, 2005-2007.

Methodology

This research report is primarily historical and descriptive. Information in this report is based on document analysis, including review of board meeting deliberations; analysis of census data; content analysis of media reports; and review of literature. It is also based on interviews with 22 key informants, including staff of the Empowerment Zone and city officials, Empowerment Zone board members, and community representatives who have had some connection with this initiative. Assessments of Empowerment Zones can be based on best practices reported around the country. According to the Government Accounting Office, for instance, empowerment zone strategies should include goals like attaining a significant degree of community participation; effective governance mechanisms for resolving disputes; existence of management information systems for measuring outcomes; establishment of clear program guidelines and requirements; training of staff; programmatic initiatives that combine social services and economic development; and ample technical assistance to community organizations and groups.⁴ Key informants were interviewed for insights about some of these issues. They were asked questions about their understanding of the mission of Boston Connects, Inc., and its predecessor, the Boston Enhanced Enterprise Community, and what they perceive to be major challenges and accomplishments. They were also queried about what they believe is the impact of various activities pursued under the auspices of the Empowerment Zone, as well as lessons learned. Some interviewees requested anonymity regarding their responses to some questions.

The report uses data from the U.S. Census for 1990 and 2000 and population estimates for 2006 and 2009. Population and household estimates and financial data for 2006 and 2009 are based on census data collected and organized by two demographic companies, Nielson Claritas, and Applied Geographic Solutions. These proprietary companies develop population counts, estimates, and projections from the US Bureau of the Census, Bureau of Labor Statistics, Internal Revenue Service, as well as data from other government agencies.⁵ The data contains geographic identifies which allow it to be geo-coded or mapped across geographic boundaries. The author utilized PCensus and MapInfo GIS software for the latter purpose. All maps shown were generated by the author, except for *Map II Empowerment Zone and Turnpike Air Rights Parcels* which is a Boston Redevelopment Authority map. Data about the kinds and specific location of businesses in the Empowerment Zone is based on the InfoUSA database. Consumer expenditures were calculated by Applied Geographic Solutions, based on data reported by the Bureau of Labor Statistics.

It is important to note that much of the data presented is aggregated across the entire Empowerment Zone. This represents a significant land area for Boston, and therefore one should remain sensitive to the possibility that aggregated figures could hide significant differences in localized parts of the Empowerment Zone. For example, while a poverty rate for the entire Empowerment Zone is reported at 30.8 percent, the reality is that some parts of the

⁴ Government Accounting Office, *Community Development: Status of Urban Empowerment Zones* (December 1996); also see, *Housing and Community Development Amendments of 1978, Section 203* for a review of best practices in relation to place-based housing strategies; and, D.L. Imbroscio, "The Local Balance Sheet: An Alternative Evaluation Methodology for Local Economic Development" L.A. Reese and D. Fasenfest, *Evaluation of Economic Development Policies* (Detroit: Wayne State University Press, 2004).

⁵ A description of projections and estimation methodologies based on US census data and other sources can be found in, "Claritas Update Demographics Methodology" (Claritas, Inc.: 2008).

Empowerment Zone show a much higher rate than this level, while other areas might be significantly lower. This caveat should be applied to any aggregated data for the Empowerment Zone.

The demographic and economic information presented in this report shows what occurred in the Empowerment Zone over a period of time. It does not mean, necessarily, that certain kinds of economic initiatives associated with the Empowerment Zone caused the changes reported. It could be proposed, for example, that what occurred in the Empowerment Zone in terms of economic activities and related accomplishments described in this report would have occurred regardless of the initiative. This is a caveat raised throughout the extant literature on empowerment zones and impacts in the United States and abroad. As concluded in an early finding of a number of Empowerment Zone evaluations in Britain: “To sum up, the evidence suggests that a very high proportion of the economic activity so far attracted to the EZs would be occurring anyway...”⁶ This was also highlighted as an evaluative problem by the United States Government Accountability Office.⁷ It concluded that a challenge to evaluation of empowerment zones is “Demonstrating what would have happened in the absence of the program” (p.30). A related caveat is the possibly differential impacts of grants administered by the Empowerment Zone and tax credits. A number of observers have pointed out that the former approach probably had a much greater impact on revitalizing distressed communities than the issuance of tax credits to businesses.⁸ All this points to future evaluative studies designed to regress the impact of initiatives on specific outcomes.

⁶ See, Marilyn Lavin and Paul Whysall, “From enterprise to empowerment: the evolution of an Anglo-American approach to strategic economic regeneration.” *Strategic Change* vol. 13, no. 4 (Jun/Jul 2004), p. 225. The same article presents information about mixed findings regarding about the impact of Empowerment Zones on economic and business activities.

⁷ “Empowerment Zone and Enterprise Community Program: Improvements Occurred in Communities, but the Effect of the Program is Unclear”, GAO-06-727 (September 2006)

⁸ Statement for the Record, Jonathan C. Beard, US House Ways and Means Committee (October 7, 2009). Accessible at: <http://waysandmeans.house.gov/hearings>

Historical Overview and Development of Boston's Empowerment Zone

As indicated in the city's Empowerment Zone Strategic Plan and the first round empowerment zone application, "The primary goal of Boston's Strategic Plan is to bring economic growth, jobs and business opportunities to those neighborhoods of Boston that have suffered the most severely from disinvestment and lack of access to the economy of the City and the larger metropolitan area."⁹ The goals were ambitious and included, ... "[increasing the number and quality of jobs accessible to residents; increasing the number of residents employed in key industry clusters and in projects sponsored by the Empowerment Zone; building a foundation of entrepreneurial capacity and business expertise; increasing the per capita income of residents; and building partnerships and increasing purchasing opportunities between local and small businesses in the Empowerment Zone and larger businesses]". One city official with direct involvement to the Empowerment Zone explains that this program "called for concentrated investment in specific, underserved neighborhoods, which would leverage even greater investment from other sources both public and private. Investments would be in economic development projects, in human services, workforce development programs, and in community capacity building."

The application placed emphasis on job creation, community health, and workforce development, categorized as: Economic Opportunity and Job Creation, Health and Well-Being, and Education and Job Readiness. The goals of the empowerment zone are detailed in *Boston Connects People to Economic Opportunity* (October 1998):

- *Create 1,500 new or expanded businesses in the Empowerment Zone with 10,000 new job opportunities...*
- *Double the percentage of homeownership in the zone to 30% and produce a minimum of 11,000 units of affordable housing...*
- *Enable 10,000 or more families and individuals...to overcome barriers to employment...*
- *Ensure that every zone resident has access to basic literacy, adult education and a high school credential...*
- *Ensure that zone residents have access to the 10,000 new job opportunities projected...jobs with a living wage, benefits and opportunities...*
- *Increase the vitality of Empowerment Zone civic life...*
- *Connect residents of the Empowerment Zone to jobs and services with safe and convenient public transit...*
- *Ensure that environmental quality in the Empowerment Zone supports public health and economic opportunity...*

⁹ *Boston Works: Partnerships for a Sustainable Community*, City of Boston, June 1994, p. 62.

- *Ensure that Empowerment Zone residents have basic computer skills and access to technology as the basis for job opportunity and information sharing...*
- *Ensure that information about business, health, education and training programs is integrated and easily accessible through computer technology...and,*
- *Maximize investment and job creation in the Empowerment Zone by leveraging tax incentives.*

The application for Round II empowerment zone designation was highly detailed in connecting these goals and objectives to specific strategies, outcomes, budgets, and a range of resources which would be leveraged to accomplish the objectives.

Key components of the Boston Empowerment Zone include business development initiatives based on the provision of tax benefits and wage tax credits, accelerated depreciation for business equipment, and access to capital and loans for businesses; coordination of business strategies with the provision of social services; local civic participation; and, employment and training strategies. This generally reflected the missions of other Empowerment Zones across the country.¹⁰ BCI Executive Director, Shirley Carrington explains that achieving these goals and related objectives and activities essentially meant “removing barriers and creating economic opportunities for residents, families, and communities.” There was wide-ranging support for the application and proposed strategies as indicated by the 111 letters of endorsement representing the leadership of myriad public agencies, businesses and business groups, neighborhood associations, nonprofits, foundations, educational institutions, and faith-based organizations¹¹. On January 13, 1999 the White House announced that Boston would be selected as one of 15 urban areas designated as Empowerment Zones.¹²

According to HUD empowerment zone regulations, boundaries could not include more than ten percent of the city’s total population based on the US Census 1990. All census tracts within the boundaries were required to have a poverty rate of at least 20% of all residents. And, at least half of all the census tracts in the empowerment zone had to register a rate of poverty greater than or equal to 35% for all persons. While the determination of the particular census tracts and proposed boundaries was politically contentious, at times, ultimately a unified civic front emerged to move the application forward.¹³ In total, twenty-eight census tracts comprise the Boston Empowerment Zone. As the map below shows, the Empowerment Zone boundaries originally covered 5.8 square miles and included parts of several neighborhoods and neighborhood areas: Chinatown, Dorchester, Egleston Square, Mission Hill, Roxbury, the Dudley Street area, South End, Newmarket, South Boston, the financial district, and the Seaport district. Later, and with HUD’s approval, two additional „developable sites“ were added: Morton

¹⁰ See US GAO “Empowerment Zone and Enterprise Community Program” GAO-06-727 (September 2006, p. 16).

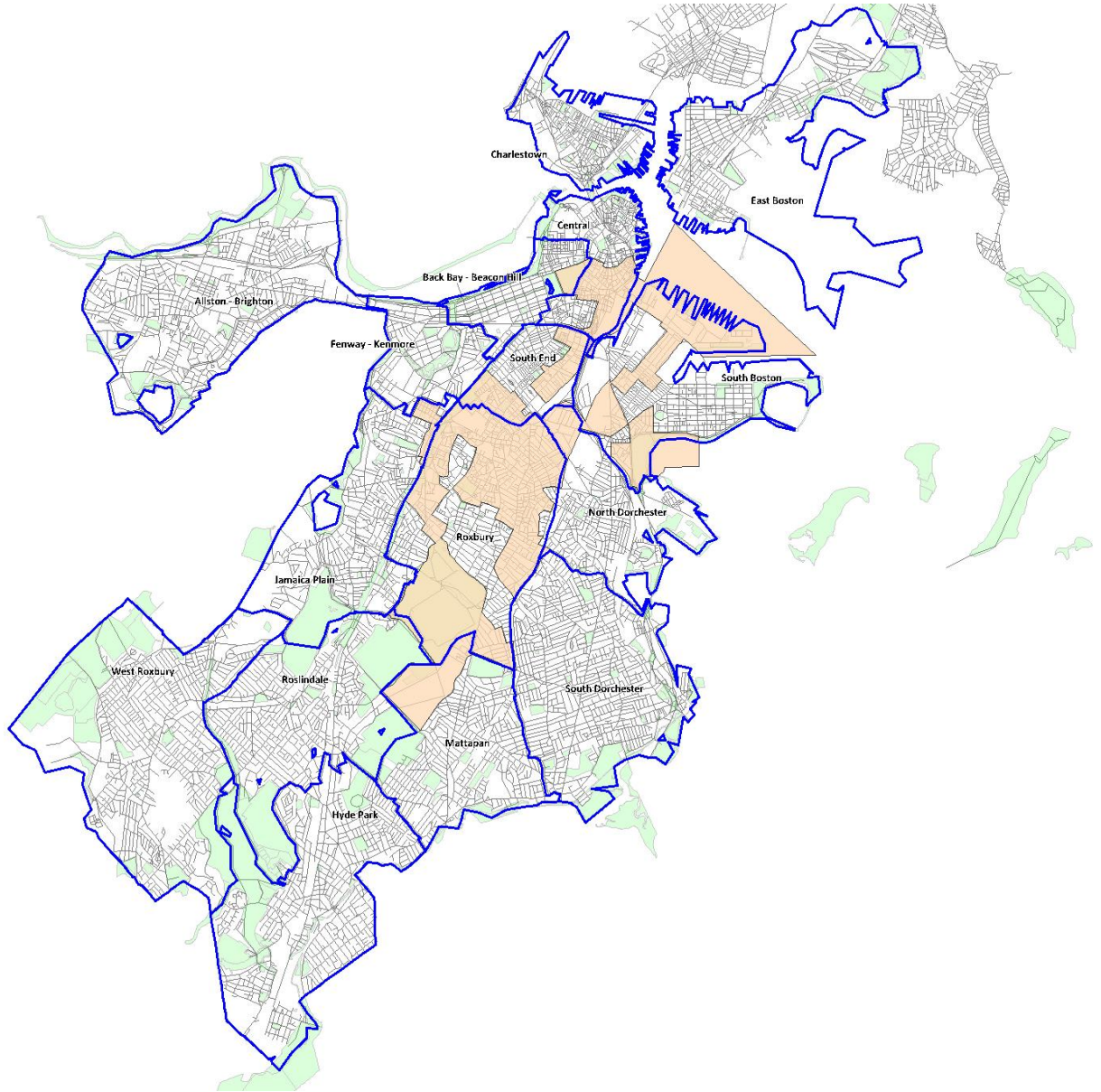
¹¹ See *Boston Connects, Appendix XI: Letters of Support*; also see numerous correspondence detailing commitments to initiatives in *Boston Connects, Appendix X: Letters of Commitment*.

¹² Andy Dabilis and Aaron Zitner. “HUB expected to get empowerment funds.” *The Boston Globe*, January 12, 1999.

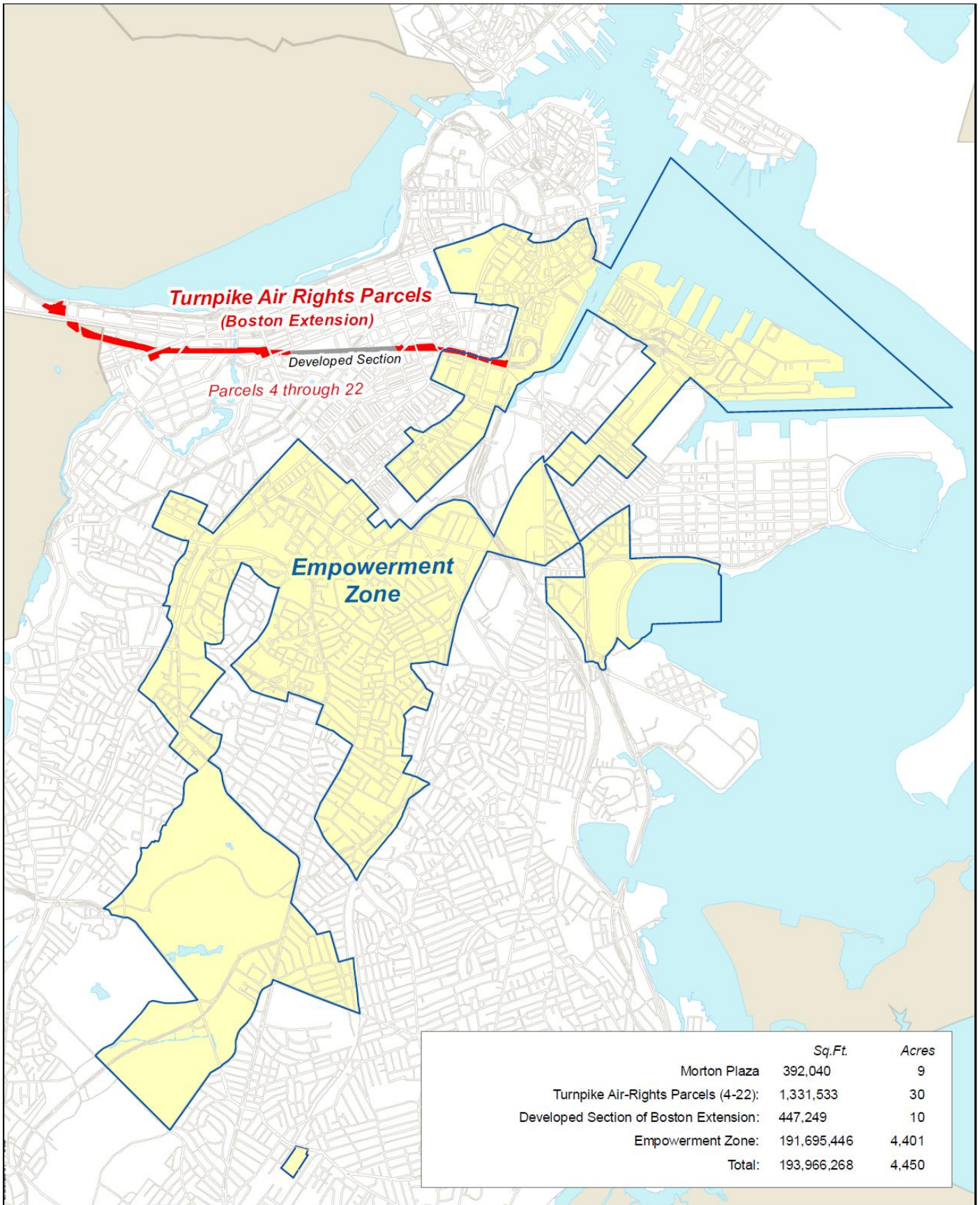
¹³ For an insightful interview with Joseph D. Feaster, Chair of the Enhanced Enterprise Community Advisory Committee, responsible for designating Boston’s Empowerment Zone boundaries, see Tali Rausch, “Boston’s Empowerment Zone: A Case Study” Master Thesis (Tufts University, Urban and Environmental Policy and Planning Graduate Department, 2006).

St development site and the air rights over a section of the Massachusetts Turnpike shown in *Map II*. These land additions increased the Empowerment Zone area to 6.8 square miles.

Map I Empowerment Zone Boundaries and Boston Redevelopment Authority-designated Neighborhoods



Map II Empowerment Zone and Turnpike Air Rights Parcel



The locations of features and boundaries shown on this map and the calculated area of Turnpike Air-Rights Parcels (Boston Extension) are approximate and are intended for planning purposes only. This is not intended for survey, engineering, or legal purposes. updated February 2007 and added Morton Plaza.

0 0.5
Miles

An abbreviated history of Boston’s Empowerment Zone is provided in the following time chart. It documents key events in the implementation and evolution of this economic development initiative. The time chart is based on content analysis of news reports, interviews, and input from Empowerment Zone staff.

Empowerment Zone Time Chart: Key Events

Jan 1994:	Boston designated an Enhanced Enterprise Community under the Empowerment Zone Legislature
Mar 1997:	Renovations of Harry Miller, Co., completed
Jun 1997:	Vice President Gore and U.S. mayors attend symposium in Boston focused on empowering inner cities.
Jan 1999:	Boston designated as an Empowerment Zone
Nov 1999:	First Empowerment Zone Board election held; 12 members elected, and 12 appointed by Mayor
April 2000:	Construction begins on New Boston Seafood and Pilot Seafood Distribution; Palladio Hall opens
Jan 2001:	Best Western Roundhouse Suites Hotel opens utilizing \$8 million in EZ Tax Exempt Bonds
Feb 2001:	Christine Araujo appointed Executive Director of Boston Connects, Inc. (BCI)
Mar 2001:	Fairfield Center in Roxbury opens; Grove Hall Mecca in Roxbury opens
April 2001:	BCI Board of Directors appointed and holds first Annual meeting.
Feb 2002:	BCI Board approves a loan of \$7 million for first phases of Crosstown Center development
Oct 2002:	Laboure Center opens in South Boston
Jun 2003:	Empowerment Zone is lead contributor to the City's Summer Jobs program with \$750,000.
Dec 2003:	BCI hosts "Kick-off" event announcing investment of \$500,000 investment to serve ex-offenders
Feb 2004:	BCI Board approves \$550,000 for microloan to businesses in the Empowerment Zone.
April 2004:	BCI invests \$1,000,000 in Family Opportunity Networks funding four collaborative projects throughout the Empowerment Zone to service 1,000 families.
Jun 2004:	Empowerment Zone contributes \$1,000,000 to the City's Summer Jobs program
Jun 2004:	Hampton Inn and Suites Hotel (Crosstown Center) open, utilizing \$43 million in EZ Tax Exempt Bonds; first minority developed and owned hotel in Boston in decades, 18 th in nation
Sept 2005:	Shirley Carrington appointed Interim Executive Director of BCI
April 2006:	Warren Palmer Building opening (30,000 square foot, three-story office/retail building) after BCI allocation of \$1.8 million tax exempt bonds; first private commercial construction in the Dudley area in Roxbury in forty years.
May 2006:	Boston Connects, Inc. in collaboration with Northeastern University Institute of Justice sponsors conference for ex-offenders SOS, 350 attendees.
Jan 2007:	Turnpike air rights added as a developable site to the Empowerment Zone.
Jan 2008:	BCI invests \$ 1 million in a range of human development programs
Jan 2009:	BCI invests \$330,000 in "Greening the Empowerment Zone Initiative" to spur green job training, green job creation and a year round green youth corps jobs program; funding to support a community owned and operated Community Energy Service Company.
Jan 2009:	Microloan Boston is launched, providing a loan pool of \$350,000 for small businesses
Jun 2009:	BCI votes to cease operations when the federal designation expires on December 31, 2009.

Social and Economic Characteristics

Table 1: *Select Population Characteristics* details population characteristics in both the designated Empowerment Zone and Boston based on 1990 and 2000 census data, and estimates for 2009.

- The total population of the Empowerment Zone was estimated at 64,103 persons in 2009, representing 9.4% of Boston's total population (601,787 persons).
- The population growth inside the Empowerment Zone exceeded the rate for the entire City of Boston. The population for the Empowerment Zone grew by 8.07 percent, whereas the growth rate in Boston during the same period was 2.1 percent.
- The proportion of children 17 years and under is higher (26.6 percent) in the Empowerment Zone than for the rest of Boston (19.3%).¹⁴

¹⁴ Note that proportions reported under Boston actually may be slightly lower than shown if Empowerment Zone values for variables are extracted from the total values of the city; this is the case with all the tables in this report, unless otherwise indicated.

Table 1: Select Population Characteristics - Boston EZ and Boston

	Empowerment Zone		Boston, MA	
2009 Estimate	64,103		601,787	
2000 Census	59,315		589,141	
Growth 2009-2014	3.76%		1.21%	
Growth 2000-2009	8.07%		2.15%	
2009 Est Total Population by Age				
Age 0 to 4	5,281	8.24%	35,494	5.90%
Age 5 to 9	4,644	7.24%	32,285	5.36%
Age 10 to 14	4,363	6.81%	29,764	4.95%
Age 15 to 17	2,768	4.32%	18,620	3.09%
Age 18 to 20	3,294	5.14%	36,138	6.01%
Age 21 to 24	3,849	6.00%	43,779	7.27%
Age 25 to 34	10,091	15.74%	115,408	19.18%
Age 35 to 44	9,920	15.48%	98,889	16.43%
Age 45 to 49	4,292	6.70%	40,702	6.76%
Age 50 to 54	3,614	5.64%	34,649	5.76%
Age 55 to 59	3,166	4.94%	29,708	4.94%
Age 60 to 64	2,539	3.96%	23,775	3.95%
Age 65 to 74	3,522	5.49%	32,001	5.32%
Age 75 to 84	1,960	3.06%	20,517	3.41%
Age 85 and over	800	1.25%	10,058	1.67%
Age 16 and over	48,858	76.22%	498,039	82.76%
Age 18 and over	47,047	73.39%	485,624	80.70%
Age 21 and over	43,753	68.25%	449,486	74.69%
Age 65 and over	6,282	9.80%	62,576	10.40%
2009 Estimated Median Age	32.96		34.10	

Source: US Census and Nielson Claritas, 2009 – Demographic Updates

Table 2: *Population by Race and Ethnicity* shows the racial and ethnic population distribution within the Empowerment Zone for 2000 and 2009.

- The Black or African American population within the Empowerment Zone declined in absolute numbers between 2000 and 2009, from 27,021 persons to 23,222 persons. The latter represents 36.2 percent of the total population in the Empowerment Zone in 2009.
- The number and proportion of Asian and other groups in the Empowerment Zone increased slightly during this period. In 2009, this group represented 12.9 percent of all persons in the Empowerment Zone.
- The proportion of Whites living in the Empowerment Zone was 20.8 percent (13,731 persons out of a total population of 64,103 persons) in 2009.
- The Latino population within this area grew at a relatively rapid rate from 14,036 persons in 2000 to 18,863 persons in 2009, representing 29.4 percent of the Empowerment Zone's total population in 2009.

These racial and ethnic groups are concentrated in various parts of the Empowerment Zone.

Table 2: Population by Race and Ethnicity in Boston EZ and Boston

	Empowerment Zone				Boston city, MA			
	2000 Census	%	2009 Estimate	%	2000 Census	%	2009 Estimate	%
Latino	14,036		18,863		85,089		100,511	
White Alone	3,326	23.70%	4,903	25.99%	29,383	34.53%	33,683	33.51%
Black or African American Alone	2,159	15.38%	2,589	13.73%	8,897	10.46%	10,591	10.54%
American Indian and Alaska Native Alone	152	1.08%	208	1.10%	848	1.00%	1,012	1.01%
Asian Alone	38	0.27%	59	0.31%	275	0.32%	323	0.32%
Native Hawaiian and Other Pacific Islander Alone	15	0.11%	24	0.13%	95	0.11%	113	0.11%
Some Other Race Alone	7,139	50.86%	9,514	50.44%	37,887	44.53%	45,651	45.42%
Two or More Races	1,207	8.60%	1,566	8.30%	7,704	9.05%	9,138	9.09%
Not Hispanic or Latino	45,279		45,240		504,052		501,276	
White Alone	10,505	23.20%	13,731	30.35%	291,561	57.84%	295,942	59.04%
Black or African American Alone	27,021	59.68%	23,222	51.33%	140,305	27.84%	128,357	25.61%
American Indian and Alaska Native Alone	256	0.57%	241	0.53%	1,517	0.30%	1,252	0.25%
Asian Alone	3,795	8.38%	4,122	9.11%	44,009	8.73%	48,590	9.69%
Native Hawaiian and Other Pacific Islander Alone	22	0.05%	32	0.07%	271	0.05%	316	0.06%
Some Other Race Alone	1,567	3.46%	1,461	3.23%	8,215	1.63%	8,247	1.65%
Two or More Races	2,113	4.67%	2,431	5.37%	18,174	3.61%	18,572	3.70%

Source: US Census and Nielson Claritas, 2009 - Demographic Updates

Table 3: *Select Housing Characteristics* depicts housing characteristics for the Empowerment Zone and the City of Boston in 2000 and 2009.

- The homeownership rate between 2000 and 2009 increased slightly, from 18.9 percent in 2000 (4,172 owner-occupied housing units out of a total of 22,087 housing units) to 19.8 percent in 2009 (4,783 owner-occupied housing units out of a total of 24,219 housing units).
- There was an increase in the number of housing units built during this period. The housing stock for structures built in 1999 or later, was reported at 603 housing in 2000. This represents almost one quarter (23.6%) of all housing built in Boston in 1999 or later.

Table 3: Select Housing Characteristics in Boston EZ and Boston

	Empowerment Zone		Boston city, MA	
	2000 Census	2009 Estimate	2000 Census	2009 Estimate
Owner-Occupied Housing Units by Value	4,154	4,783	77,209	77,369
Less than \$20,000	19	13	412	191
\$20,000 to \$39,999	25	4	511	310
\$40,000 to \$59,999	37	11	274	292
\$60,000 to \$79,999	70	23	1,007	227
\$80,000 to \$99,999	266	24	2,612	154
\$100,000 to \$149,999	1,142	145	12,892	1,704
\$150,000 to \$199,999	1,098	532	18,194	4,956
\$200,000 to \$299,999	933	1,405	23,492	17,297
\$300,000 to \$399,999	308	987	8,384	18,356
\$400,000 to \$499,999	69	509	3,244	13,175
\$500,000 to \$749,999	123	744	2,975	12,120
\$750,000 to \$999,999	46	198	1,314	3,833
\$1,000,000 or more	18	188	1,898	4,754
Median Owner-Occupied Housing Unit Value	\$173,588	323,759	\$211,504	373,837
Tenure of Occupied Housing Units	22,087	24,219	239,528	242,671
Owner-Occupied	4,172	4,783	77,226	77,369
Renter-Occupied	17,915	19,436	162,302	165,302
Housing Units by Year Structure Built	24,148	26,454	251,935	255,277
1999 or Later	603	3,855	1,156	16,302
1995 to 1998	798	753	3,128	2,973
1990 to 1994	754	721	4,255	4,050
1980 to 1989	1,806	1,712	14,614	14,231
1970 to 1979	2,112	2,049	20,906	20,110
1960 to 1969	2,913	2,880	24,818	24,185
1950 to 1959	2,543	2,429	24,420	23,159
1940 to 1949	2,658	2,526	23,931	22,709
1939 or Earlier	9,920	9,529	134,707	127,558

Source: US Census and Nielson Claritas, 2009 - Demographic Updates

Table 4: *Households by Income and Type* shows a distribution of households in the Empowerment Zone by income and family type, and compared to Boston households.

- The growth in the number of households in the Empowerment Zone between 2000 and 2009 (9.65 percent) exceeds the relatively minor growth (1.3 percent) in Boston during the same period.
- Households in the Empowerment Zone have considerably lower incomes than the rest of the city; 29.8 percent of all households in the Empowerment Zone compared to 17.8 percent in the entire City have an estimated annual income of less than \$15,000 in 2009.
- The 2009 estimated per capita income from Empowerment Zone households is very low at \$18,212, but does represent an increase of 33.7 percent from the 2000 per capita income of \$13,621. This compares to an increase of 26.9 percent for Boston, increasing from \$23,353 in 2000 to \$29,643 in 2009. Thus, the per capita income for residents in the Empowerment Zone increased faster than the rest of the city.
- Median household income also increased faster inside the Empowerment Zone compared to Boston during this period, although it is relatively low. The median household income increased for the Empowerment Zone from \$23,487 in 2000 to \$31,029 in 2009, a percentage increase of 32.1 percent. For Boston, the median household income jumped from \$40,025 to \$51,005, or an increase of 27.4 percent.

Table 4: Households by Income and Type in Boston EZ and Boston

	Empowerment Zone		Boston city, MA	
Households				
Growth 2000-2009	9.65%		1.31%	
2009 Est Households by HH Income	24,219		242,671	
Less than \$15,000	7,217	29.80%	43,238	17.82%
\$15,000 to \$24,999	3,261	13.46%	22,714	9.36%
\$25,000 to \$34,999	2,706	11.17%	22,118	9.11%
\$35,000 to \$49,999	3,327	13.74%	31,580	13.01%
\$50,000 to \$74,999	3,171	13.09%	41,913	17.27%
\$75,000 to \$99,999	1,974	8.15%	28,649	11.81%
\$100,000 to \$149,999	1,613	6.66%	29,839	12.30%
\$150,000 to \$249,999	701	2.89%	15,278	6.30%
\$250,000 to \$499,999	207	0.85%	4,893	2.02%
\$500,000 or more	42	0.17%	2,449	1.01%
2009 Est Median HH Income	\$31,029		\$51,005	
2009 Estimated Per Capita Income	\$18,212		\$29,643	
2000 Per Capita Income	\$13,621		\$23,353	
2009 Est Households by HH Size*	24,219		242,671	
1-person household	8,665	35.78%	89,344	36.82%
2-person household	6,000	24.77%	70,978	29.25%
3-person household	3,789	15.64%	35,001	14.42%
4-person household	2,764	11.41%	23,838	9.82%
5-person household	1,635	6.75%	13,180	5.43%
6-person household	781	3.22%	5,912	2.44%
7 or more person household	585	2.42%	4,418	1.82%
2009 Average Household Size	2.50		2.34	
2009 Estimated Households by Type and Presence of Own Children*	24,219		242,671	
Single Male Householder	4,047	16.71%	40,492	16.69%
Single Female Householder	4,618	19.07%	48,852	20.13%
Married-Couple Family	5,286	21.83%	66,164	27.26%
With own children	2,472	10.21%	28,451	11.72%
No own children	2,814	11.62%	37,713	15.54%
Male Householder	1,180	4.87%	10,116	4.17%
With own children	477	1.97%	3,341	1.38%
No own children	703	2.90%	6,775	2.79%
Female Householder	7,280	30.06%	39,954	16.46%
With own children	4,899	20.23%	23,199	9.56%
No own children	2,381	9.83%	16,755	6.90%
Nonfamily: Male Householder	1,037	4.28%	20,211	8.33%
Nonfamily: Female Householder	771	3.18%	16,882	6.96%

Source: US Census and Nielson Claritas, 2009 - Demographic Updates

As Table 5: *Family Poverty Status 2000 and 2009* shows, in 2000 the poverty rate for families living in the Empowerment Zone stood at 30.8 percent. This rate did not change significantly by 2009 (30.4 percent). The rate for the entire city essentially remained the same, 15.3 percent in 2000 and an estimated 16.0 percent in 2009.

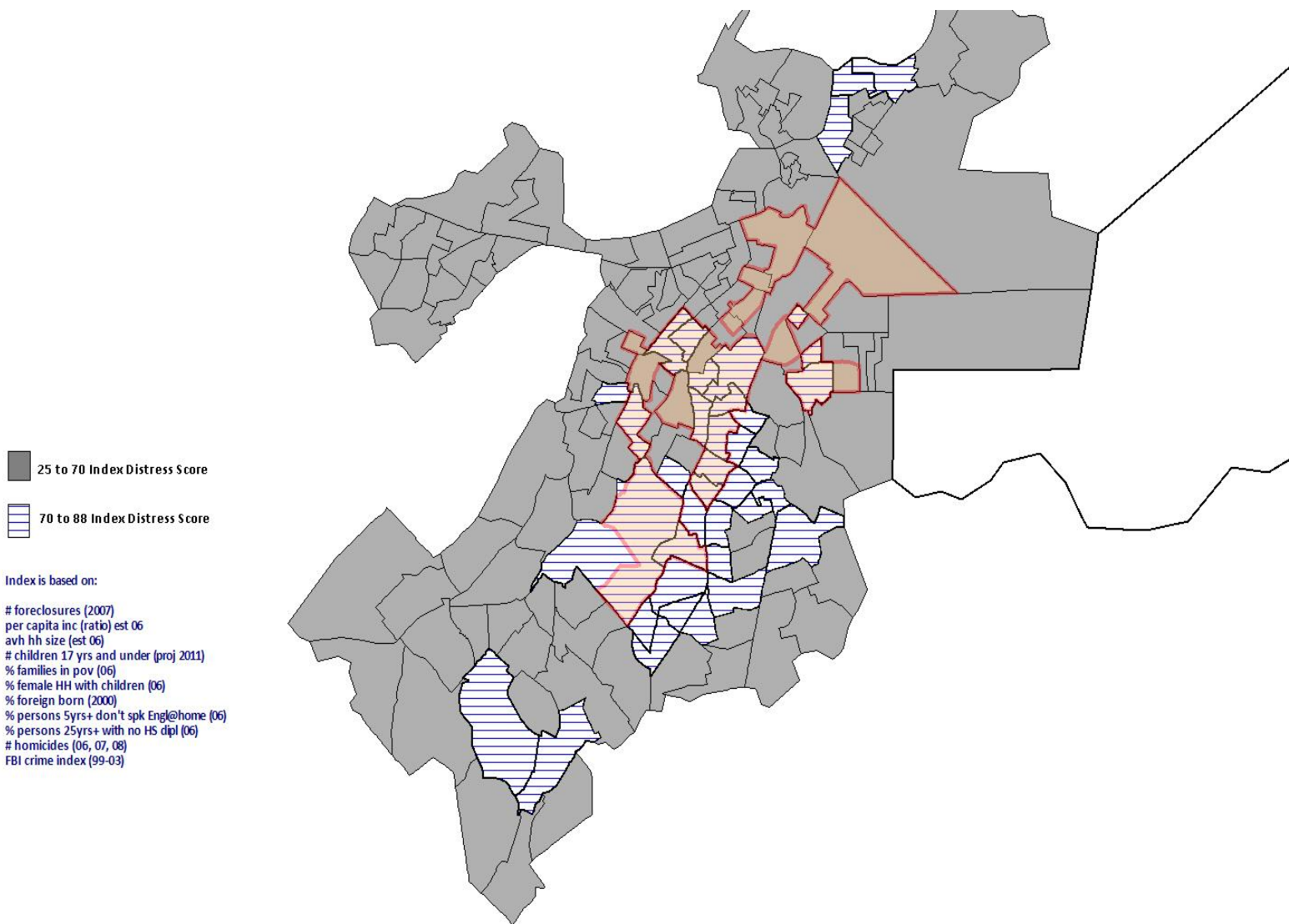
Table 5: Family Poverty Status 2000 and 2009 in Boston EZ and Boston

	Empowerment Zone		Boston city, MA	
2000 Families by Poverty Status	13,020		116,657	
Income Below Poverty Level (2000)	4,019	30.87%	17,892	15.34%
Married-Couple Family	888	6.82%	5,246	4.50%
With own children	525	4.03%	3,177	2.72%
No own children	363	2.79%	2,069	1.77%
Male Householder	287	2.20%	1,371	1.18%
With own children	132	1.01%	833	0.71%
No own children	155	1.19%	538	0.46%
Female Householder	2,844	21.84%	11,275	9.67%
With own children	2,625	20.16%	9,801	8.40%
No own children	219	1.68%	1,474	1.26%
2009 Est Families by Poverty Status	13,746		116,234	
Income Below Poverty Level (2009)	4,181	30.42%	18,695	16.08%
Married-Couple Family	943	6.86%	5,201	4.47%
With own children	551	4.01%	3,104	2.67%
No own children	392	2.85%	2,097	1.80%
Male Householder	342	2.49%	1,821	1.57%
With own children	178	1.29%	1,181	1.02%
No own children	164	1.19%	640	0.55%
Female Householder	2,896	21.07%	11,673	10.04%
With own children	2,677	19.47%	10,126	8.71%
No own children	219	1.59%	1,547	1.33%

Source: US Census and Nielson Claritas, 2009 – Demographic Updates

The Empowerment Zone does include areas with high levels of poverty and economic distress. The following map shows Empowerment Zone boundaries and area conjoined with census tracts identified as particularly distressed by the author in an earlier study.¹⁵ Nearly half of all census tracts in Boston that can be designated as high distress based on a range of variables are located within the Empowerment Zone. These variables include poverty rates, lower per capita income, higher crime scores, higher numbers of foreclosures, a higher numbers of homicides over the last several years, and lower schooling levels among residents.

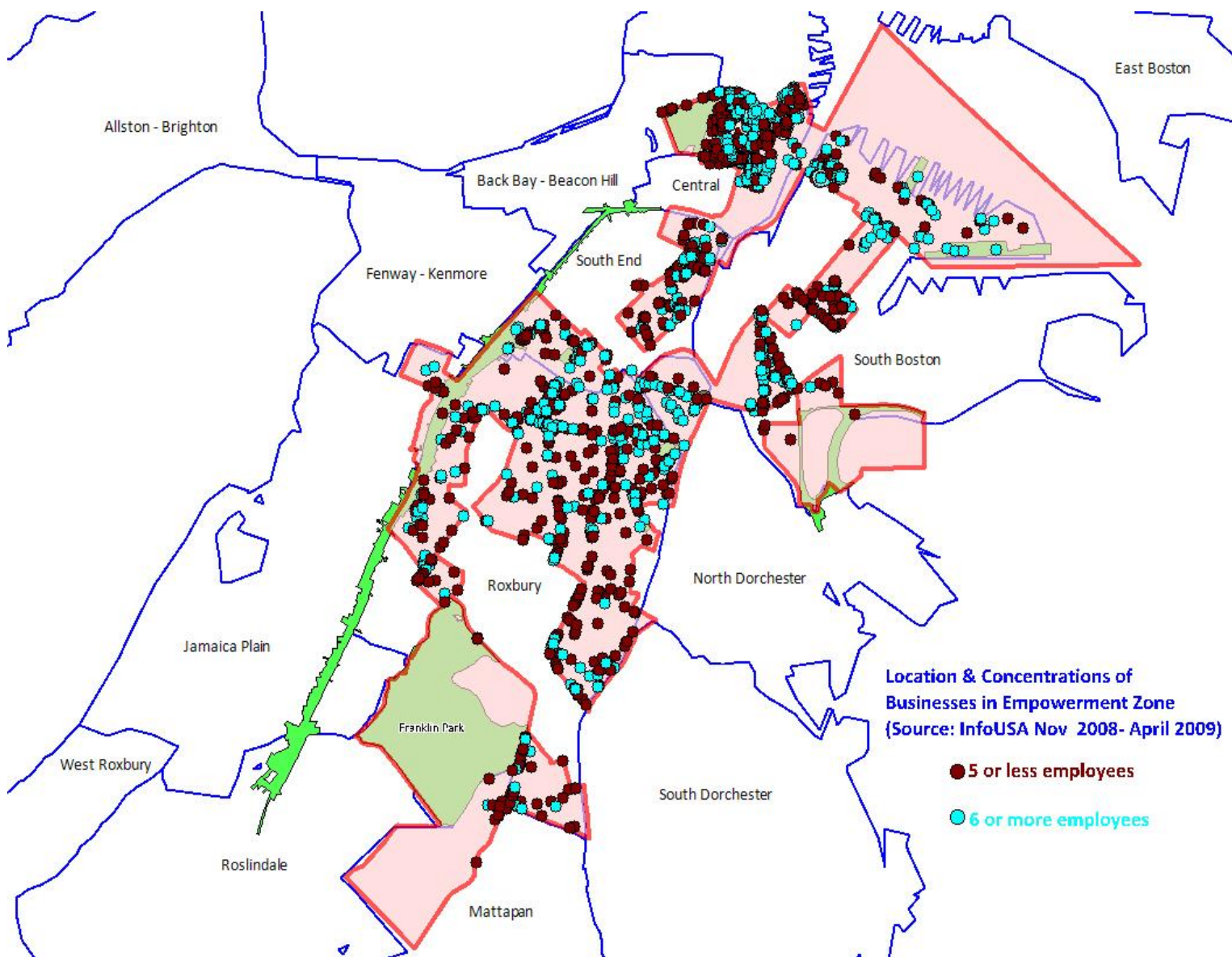
Map III Neighborhood Distress Scores in Boston (2009)



¹⁵ See James Jennings, *Community-based Organizations and Neighborhood Distress in Boston* (February 2009). Available at www.tufts.edu/~jjenni02

In spite of the level of poverty, the Empowerment Zone is part of the city where small businesses represent a key component of the area's economic activities. Based on information reported in the *InfoUSA* database for November 2008 to April 2009, for instance, at least 65% of the businesses within the Empowerment Zone boundaries employ five or less employees. Collectively, this sector employs thousands of persons, and as suggested in other tables, helps to generate a significant level of consumer expenditures and disposable income.

Map IV Location, Size, and Concentration of Businesses in Empowerment Zone



Empowerment Zone Assets and Resources

As noted in the previous section the Empowerment Zone is characterized by relatively high poverty rates and households with low incomes. At the same time, this is a part of the City which boasts a range of institutional assets and resources. In spite of relatively high levels of poverty in various parts of the Empowerment Zone we find it rich in terms of institutional, civic, cultural, and economic resources. This part of the city contains a range of civic and religious institutions, which have been integral to improvements made in living conditions for residents throughout Boston. As noted above, there are also hundreds of businesses located within the designated Empowerment Zone, and they collectively generate hundreds of millions of sales and retain thousands of employees. Indeed, the Empowerment Zone can be described as robust in terms of many different kinds of economic activities.

Table 6: *Select Business Characteristics, 2006* provides a summary of the number of business establishments located in the Empowerment Zone, as well total employees and sales volume as reported for 2006. Some noteworthy findings include:

- Under Retail, there were 1,220 establishments employing 13,655 persons and generating \$1.4 billion in sales revenue;
- Under Services, 1,151 establishments employed 14,822 persons and generated \$1.54 billion in sales revenue;
- 170 health services establishments employed 3,463 persons and generated \$316 million in sales revenue in 2006
- In terms of businesses with 20 employees or more, there were 20 such health-related businesses; 148 retail businesses; and 133 service businesses.

Table 6: Select Business Characteristics, 2006

	Total Establishments	Total Employees	Sales (\$ Millions)	Establishments with 20 or more Employees
All Retail Enterprises	1,220	13,655	\$1,401	133
52 Building Material/Garden/Home	44	594	\$81	6
53 General Merchandise Stores	31	1,731	\$188	4
54 Food Stores	121	697	\$99	5
55 Auto/Boat/RV Dealers & Gas Stations	35	295	\$78	4
56 Apparel & accessory stores	95	694	\$54	7
57 Home furniture/furnishings & equipment	128	1,478	\$361	19
58 Eating & drinking places	354	5,608	\$276	69
5812 Eating places	338	5,455	\$270	66
5813 Drinking places	16	153	\$6	3
59 Miscellaneous Retail	412	2,558	\$264	19
All Services Enterprises	1,151	14,822	\$1,549	148
70 Hotels & other lodging	18	1,797	\$60	10
72 Personal services	225	844	\$36	3
73 Business services	572	9,656	\$1,180	117
75 Auto repairs & garages	124	699	\$105	4
76 Misc. repair services	104	276	\$34	1
78 Motion pictures	19	137	\$22	1
79 Amusement & recreation	89	1,413	\$112	12
80 All health Services Enterprises	170	3,463	\$316	20
801 Offices of Doctors of Medicine	103	718	\$85	5
802 Offices of Dentists	29	190	\$13	1
803 Offices of Osteopathic Physicians	0	0	\$0	0
804 Offices of Other Health Practitioners	30	132	\$9	1
805 Nursing and Personal Care Facilities	6	322	\$12	2
806 Hospitals	7	1,247	\$112	4
807 Medical and Dental Laboratories	4	13	\$1	0
808 Home Health Care Services	2	34	\$3	1
8093 Specialty Outpatient Facilities	9	141	\$15	2

Source: Claritas, 2006: Update Business Facts (based on InfoUSA)

Table 7: *Household Finances, 2009* shows information about financial assets held by households in the aggregate. This may be another way of obtaining a general sense of the economic robustness of an area.

- The “net worth” of the Empowerment Zone after calculation of the aggregate value of all assets (\$8,146,120,560), including transaction accounts; certificates of deposits; savings bonds; stocks; mutual funds; retirement accounts; cash value life insurance; and other financial assets, and deducting aggregate debt (\$1,224,965,178) is approximately \$6.9 billion in 2009.

Table 7: Household Finances, 2009 in Boston EZ and Boston

Aggregate Value of Assets by Type	Empowerment Zone	Boston city, MA
Transaction Accounts	\$392,758,966	\$5,642,725,229
Certificates of Deposit	\$111,707,498	\$1,417,607,653
Savings Bonds	\$17,402,173	\$229,598,817
Bonds (Not US Savings)	\$146,568,817	\$2,512,572,878
Stocks	\$495,214,324	\$8,030,920,088
Mutual Funds	\$419,990,636	\$6,531,798,838
Retirement Accounts	\$921,496,202	\$14,271,726,872
Cash Value Life Insurance	\$90,516,159	\$1,285,208,964
Other Managed Accounts	\$223,424,185	\$3,389,217,099
Other Financial Assets	\$67,255,442	\$988,548,370
Any Financial Assets	\$2,886,334,401	\$44,299,924,808
Vehicles Owned	\$294,828,699	\$3,772,767,107
Home Equity	\$2,592,260,979	\$36,271,923,071
Investment Property Equity	\$380,444,591	\$5,738,091,970
Business Equity	\$1,368,287,687	\$21,662,493,556
Other Non-Financial Assets	\$75,545,047	\$1,150,223,076
Any Non-Financial Assets	\$5,259,786,175	\$76,863,726,741
Aggregate Value of Debts		
Mortgage Debt	\$885,186,965	\$12,760,173,609
Installment Loan Debt	\$105,501,117	\$1,657,668,505
Lines of Credit Debt	\$9,801,972	\$149,213,345
Credit Card Debt	\$160,316,111	\$1,920,826,185
Investment Real Estate Debt	\$42,076,093	\$499,990,534
Other Debt	\$22,082,926	\$312,330,811
Total Assets	\$8,146,120,560	\$121,163,651,549
Total Debts	1,224,965,178	17,300,202,990
Total Net Worth	\$6,921,155,382	\$103,863,448,559

Source: Applied Geographic Solutions, 2009: Consumer Expenditures and Household Finances

Challenges and Accomplishments

Interviewees identified several challenges emerging during the planning and implementation phases of the Empowerment Zone, including,

- *operating a zone that encompassed a number of distinct neighborhoods;*
- *governance issues;*
- *size of the Empowerment Zone;*
- *HUD relations and expectations;*
- *need for collection and utilization of timely information and data; and,*
- *lack of comprehensive and sustained strategic marketing.*

This section describes further these challenges but also describes some key accomplishments of the Boston Empowerment Zone.

Key Challenges

A zone in a city of neighborhoods: An early challenge, but ultimately an important accomplishment of Boston's Empowerment Zone, is that its boundaries helped develop inter-neighborhood revitalization agendas across communities and neighborhoods that might not otherwise have collaborated. Boston is known as a city of neighborhoods where much of its politics and civic life is neighborhood-based, and exists within established community lines. Thus it follows that the drawing of the EZ boundary would be contentious. As noted by several observers who were involved in the process of determining and then adopting the boundaries, it was not conflict-free, and left some residents angry. Throughout the years there was some degree of lingering resentment on the part of some residents and communities. Community and business leadership in Chinatown, for example, expressed concerns about not including the entire community in the adopted zone. And over the years, residents and businesses right outside the Empowerment Zone boundaries would complain about their exclusion for "living across the street" as noted by one interviewee.

In retrospect the particular boundaries may have helped to reduce potential racial and ethnic conflict in the distribution of empowerment zone resources. The governance structure for the Empowerment Zone reflected a range of neighborhood representatives from diverse racial and ethnic backgrounds making economic development initiatives for all the residents. Clayton Turnbull, a Vice Chairman of the Empowerment Zone Board in 1998, opined that beyond the bricks and mortar, a "...relationship was being forged by a group of 30 white, black, Asian, and Latino community representatives who meet every month to discuss their neighborhoods' needs..." He added, "I mean, when was the last time a group like that got together in Boston and there weren't fights breaking out?"¹⁶

¹⁶ Brian C. Mooney, "Empowerment Zone may be gaining steam," *The Boston Globe*, March 21, 1998.

This idea was reiterated by another Boston Connects, Inc. board member who noted that EZ helped to bring together community representatives who typically would not be working as a team in Boston. This member described one green project sponsored and funded by the EZ which made it possible for Chinatown residents to work with residents from South Boston, two adjacent communities that have had little opportunities for collaborative initiatives. BCI was able to conduct its business and avoid neighborhood divisions, or the kinds of racial and ethnic divisions that seem to have been characteristic of empowerment zones in other parts of the nation.¹⁷ A government official involved with the Empowerment Zone also opined that neighborhoods working together facilitated collaborative planning and cooperation among local, city, and state leaders.

Size of the Empowerment Zone: Another challenge related to the planning and implementation of activities in such an expansive section of Boston had to do with the different needs of residents in the designated zone. The Empowerment Zone included more than 50,000 persons with a range of social and economic characteristics. Various sections of the Empowerment Zone look very different than other parts. As one informant pointed out, a continuing consideration for Boston Empowerment Zone's leadership revolved around how zone products and activities are tailored to meet the myriad needs of residents. They had to plan and respond to needs in ways that did not favor any particular set of needs or interests over another and that would reflect a broad and inclusive framework. One former city official wondered, retrospectively, if the size of the Empowerment Zone was simply too big. It would have been better if the Empowerment Zone had remained as a "compact geographic area with [a] focused effort" as noted by another knowledgeable observer. In fact, as this individual explained, the Empowerment Zone "was envisioned as a relatively small, socially and economically homogenous area, that could be transformed with real attention and tax benefits."

Governance for the Empowerment Zone: Both the leadership and the 24 member Board of the Empowerment Zone were committed to tapping community input and support; they funded community organizations as one way of involving residents; community organizations could access the leadership and staff of the Empowerment Zone quickly for information about opportunities or services. But, as asked by one observer, "when does a Board of 24 members become unwieldy?" A number of individuals who served as both elected and appointed board members expressed some frustration about the size of the board, as well as the combination of elected and appointed officials. One member interviewed for this report stated that this arrangement, "created an atmosphere that often paralyzed the processes to accomplish its mission." A few expressed the opinion that this kind of elected/appointed board overly favored mayoral appointees in terms of setting agendas for the Empowerment Zone.

Another critique offered regarding governance was its lack of focus on fundraising. But this was a result of an early decision on the part of the Empowerment Zone Board not to engage in fundraising activities. The major rationale was that fundraising would create a competitive situation with many community-based nonprofits seeking similar sources of funding.

¹⁷ See, for example, Ali Modarres, "Los Angeles Borders to Poverty: Empowerment Zones and the Spatial Politics of Development," in William Dennis Keating and Norman Krumholz (ed), *Rebuilding Urban Neighborhoods: Achievements, opportunities, and limits* (California: Sage Publications, Inc., 1999).

The Boston Empowerment Zone faced a number of organizational issues that limited the outreach and impact of its various initiatives. One continuing characteristic from the beginning was the size of the staff working on behalf of this program and all the activities. With only five people, the EZ staff is small. As of the summer of 2009, it consisted of Executive Director, Shirley Carrington (appointed as interim executive director in 2004), her Executive Assistant, Tory Stephens, Information Specialist, Judith Roderick, and two Program Managers, Sherry O'Brien and Tina Petigny.

Also, during the 10 years since 1999 a number of appointed seats went unfilled, and the elected seats did not guarantee that local residents with a range of expertise and resources would be elected to the Board. Adding to various periods of board instability was the fact that over a five year period a permanent executive director was never appointed by the mayor. This problem was exacerbated by the fact that the Empowerment Zone board neglected to follow its own by-laws regarding this matter. The Board was required to forward three names to the mayor in order for a finalist to be selected. After a failed attempt to come to agreement with the Mayor regarding a finalist in March 2006, the Board never followed up with another set of recommendations.

A few interviewees intimated that although the Mayor's office gave attention to specific development project within the Empowerment Zone, in its entirety, the Empowerment Zone did not seem consistently high on the City's list of priorities. As an example one person raised a concern that the Mayor was not forceful enough with unions in ensuring jobs for residents in some of the projects funded with Empowerment Zone resources. But another interviewee noted that the Mayor had to be cautious about how to work or advocate on behalf of a Board that was established as a community-based one. The Empowerment Zone board, in other words, was not simply another governmental agency. This suggested that the Mayor had to pay some deference to the fact that half of the Empowerment Zone board members were duly elected community representatives.

HUD relations and expectations: The national fanfare around the announcement of empowerment zones created great expectations at local levels across the nation and Boston was no exception. These expectations led to the development of an ambitious strategic plan for the initiation and implementation of Boston's Empowerment Zone. The strategy was described in the city's strategic plan, *Boston Connects People to Economic Opportunity* (October 1998) and included almost 200 pages of goals, objectives, and outcome criteria directly linked to federal and local fiscal and other resources. Actual federal funding, however, never matched the cost or commitments made/needed to meet the Empowerment Zone's objectives and related activities. As noted earlier, Boston was originally authorized to receive/awarded \$100 million over ten years. This was in addition to \$130 million in tax exempt bonding authority. However, \$100 million was not ever fully appropriated and in reality, the amount appropriated to Boston was \$25.6 million, barely more than a quarter of the originally-promised amount. Furthermore, the last appropriation, made in 2005, totaled only \$661,000.

Another concern that some local leaders had with HUD was the fact that only residents and businesses inside the Empowerment Zone boundaries could be served. HUD initially required that only residents in the Empowerment Zone could receive any range of benefits. Local community leaders and residents asked that businesses and residents living near, or adjacent, to

the Empowerment Zone be allowed to access services and resources provided therein. They argued that doing so would help to further connect neighborhoods with each other and would not detract from the fundamental Empowerment Zone strategy. Ultimately, HUD agreed to this interpretation and reported that Empowerment Zones can have flexibility in working with some residents and businesses outside designated zone boundaries.¹⁸

Need for information and data: Planning and organization of an information database which could be used for tracking the services implemented and people served, as well as assessing the impact of such services also proved to be a challenge of the Boston EZ. While businesses receiving contracts had to agree to „best faith estimates“ as a guide for hiring residents (a goal of 60% was adopted), there was really “no teeth” with this provision. A comprehensive database would have been the first step in allowing staff members to know whether or not, or to what extent, local residents were being hired. A second step would have been the design of enforcement mechanisms to monitor the employment of local residents. Both steps would require a comprehensive management information system.

Inadequate strategic marketing: Over the course of the EZ, there were times when members of the private sector may have underestimated the Empowerment Zone as an arena for designing and developing economic initiatives. This was illustrated in 2005 when representatives of some corporations and a few foundations raised concerns about the lack of outreach or presence of BCI in economic issues facing the city.¹⁹ This sentiment was shared by several individuals who served on the Empowerment Zone Board at different times.

One individual complained that the lack of marketing of accomplishments created a situation where some successes were attributed solely to the city although the successes were based on multi-layered networks of people and interests working together at a grassroots level. Further, the general public did not associate much of the new development in their neighborhoods with the Empowerment Zone. The Empowerment Zone did little to address this misperception according to some observers. One business representative offered that this limitation prevented greater outreach and “[promotion to companies outside the Empowerment Zone who might have considered relocating into it]”. There should have been greater focus on promoting and sharing information about an investment strategy to attract more businesses. This would have probably helped in institutionalizing the Empowerment Zone into the city’s economic fabric.

The above challenges should not suggest that projects were free of political controversy. For example, tensions arose with the Stride Rite issue in 1998 when vacant land previously used by this company was transferred to the Boston Water and Sewer Commission rather than utilized to spur economic development in Roxbury.²⁰ In 2002 the Mayor announced that \$7 million in Empowerment Zone funds would be part of a financial package to support the development of the Crosstown Center. A number of community representatives expressed strong objections to this project on the basis of due process.²¹ Ultimately, the Empowerment Zone Board did support the mayor proposal, 17 to 3 votes.

¹⁸ *Federal Register*, Vol. 70, No. 109 (Wednesday, June 8, 2005), p. 33643

¹⁹ See, *Partnership Study for Boston Connects, Inc., Meeting of the Board of Directors*, September 29, 2005.

²⁰ See, Judy Rakowsky, “Sale angers leaders in Roxbury,” *The Boston Globe*, March 10, 1998.

²¹ Yawu Miller, “Empowerment Zone elects new board,” *Bay State Banner*, November 21, 2002.

In another episode, Columbus Center developers sought \$52 million in tax-exempt bonding. The Empowerment Zone board was requested to add the air rights along a section of the Massachusetts Turnpike as a developable site in order to make this development eligible for tax exempt bonds. The justification included the possibility of the creation of hundreds of jobs for residents. A major supporter for this decision, State Senator Diane Wilkerson, also proposed that it would mean opportunities for minority contractors, and access to lucrative space for small businesses. In the face of strong neighborhood opposition, however, the Mayor's proposal was adopted July 2007.²²

In spite of these and other controversies the Empowerment Zone projects did help to sustain a certain level of collaboration among businesses, government, and the community. Joseph D. Feaster, Jr., former Chairman of the first Boston Enhanced Enterprise Community Advisory Committee notes that collaboration between government and communities is important for fostering job growth. He cites this as an important lesson of the Empowerment Zone; it has "...show[n] that by leveraging government funds we can stimulate the economy."²³ He identifies the completion of the Hampton Inn and Suites and Best Western Roundhouse Hotel project as examples of this claim. The collaboration was an integral part of initiating and completing these projects under auspices of African-American developer Kirk Sykes, President and Managing Director of Urban Strategy America Fund, in partnership with the Corcoran Jennison Company. Such collaboration helped to transform the status of places considered economically depressed. As one city official offered in an interview for the report, "These projects removed blight, created jobs, improved the community image, and assisted community institutions. They have had and will continue to have a positive impact on the everyday lives of the people living and working in those areas of Boston."

Key Accomplishments

A potential limitation in reviewing and analyzing the entire Empowerment Zone in the aggregate, of course, is that the land area covered is quite extensive, as noted earlier. The Empowerment Zone is characterized by diverse populations, housing stocks, and business types. Nevertheless, there were several key accomplishments. Aside from program outputs, interviewees generally agreed that significant outcomes and accomplishments emerged from the work associated with the Boston Empowerment Zone. These include:

- *completion of capital projects and physical improvements;*
- *emergence of Empowerment Zone as an area of robust economic activities;*
- *supporting jobs for residents;*
- *assisting small and local businesses;*
- *enhancing capacity of neighborhood-based organizations and nonprofits;*

²² Thomas C. Palmer, "\$10M more sought for Columbus Center," *The Boston Globe*, July 13, 2007.

²³ Personal email correspondence with author

- *providing ‘voice’ for Empowerment Zone residents;*
- *strengthening collaboration among human services nonprofits;*
- *Elevating focus on emerging green economy among businesses and nonprofits.*

Completion of capital projects and physical improvements: Initiating, sponsoring, and helping to maintain partnerships for relatively large economic development projects is a major success for the Boston Empowerment Zone. Empowerment Zone-initiated partnerships can be credited with moving several capital projects from the planning stage to the bricks and mortar stage. The Empowerment Zone had authorization to issue \$130 million in tax exempt bonds for this purpose. As was the case with other Empowerment Zone initiatives across the country, there were potential obstacles in the use of tax exempt bonds. One potential problem involved the need to find matching funding for various projects; and the other was the requirement regarding IRS requirement that 35% of the generated jobs be held by local residents.²⁴ While a straightforward and laudable goal, the role of local government, unions, and availability of skilled labor could present obstacles to its implementation.

The bigger capital projects, with the largest amounts of utilized and committed Empowerment Zone bonds include:

<i>Best Western Roundhouse Hotel (Roxbury)</i>	<i>\$7,935,000</i>	<i>Completed March 2000</i>
<i>Pilot Seafood Distribution Ctr. (South Boston)</i>	<i>\$10,000,000</i>	<i>Completed February 2000</i>
<i>Crosstown Center (Roxbury)</i>	<i>\$43,420,000</i>	<i>Completed June 2004</i>
<i>Katsiroubus Brothers (Roxbury)</i>	<i>\$2,800,000</i>	<i>Completed July 2003</i>
<i>185 Franklin St</i>	<i>\$65,845,000</i>	<i>Allocated September 2009</i>

It should be noted that Hampton Inn and Suites Hotel, part of the Crosstown Center initiative, represented the first minority developed -and owned- hotel in the City, and actually in the entire New England region. Capital investments at this level in the neighborhood of Roxbury had not occurred over decades.

Other capital projects throughout the Empowerment Zone were funded by the Section 108/EDI program administered by the City’s Department of Neighborhood Development. Table 8 provides a list of these projects.

²⁴ *Federal Register*, Vol. 70, No. 109 (Wednesday, June 8, 2005) p. 33647

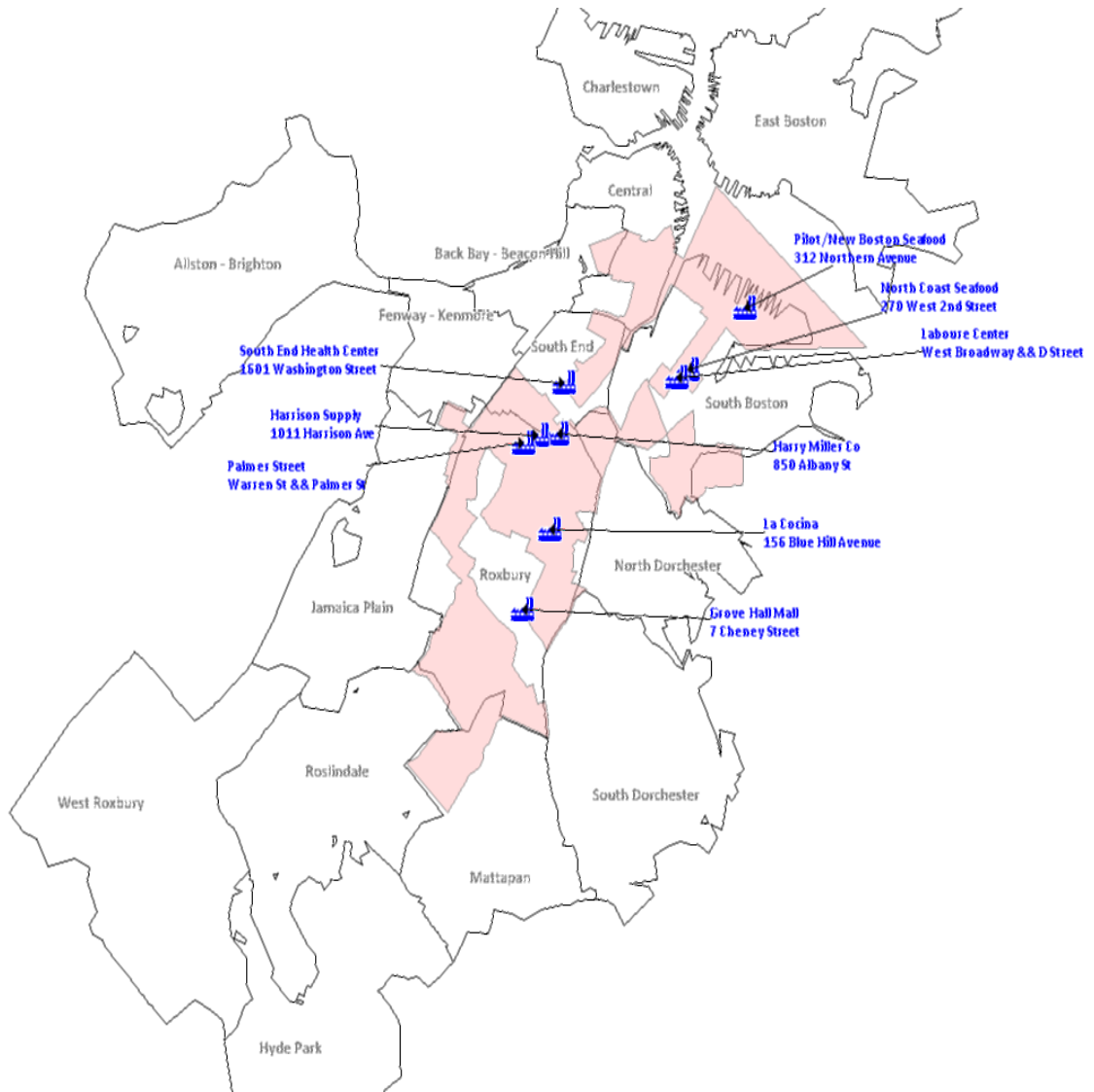
Table 8 Empowerment Zone Projects Funded and Completed with HUD Section 108 Loans and Economic Development Initiative Funding

HUD 108 Projects		Project Type	Total 108 Loan Amt	Total EDI Investment	Total Dev Cost	Jobs Retained	Jobs Created
Original Allocation			\$22,000,000	\$22,000,000			
Harry Miller Co		Commercial Textile Mfg	\$1,495,000	\$1,495,000	\$3,065,000	23	60
Harrison Supply		Hardware Store Working Capite	\$234,534	\$168,211	\$1,400,000	20	0
Fairfield Center	Roxbury	Office Building	\$3,000,000	\$1,500,000	\$8,300,000	104	10
Palladio Hall	Roxbury	Office Building	\$696,615	\$850,000	\$3,424,000	53	20
S. End Health Center	Boston	Health Center	\$3,330,000	\$2,900,000	\$27,000,000	141	90
North Coast Seafood	South Boston	Commercial Seafood Processor	\$1,425,140	\$1,425,000	\$15,000,000	0	118
Grove Hall Mall	Dorchester	Neighborhood Shopping Center	\$3,200,000	\$3,600,000	\$13,200,000	0	450
La Cocina	Roxbury	Neighborhood Restruant	\$300,000	\$245,000	\$953,000	5	15
Laboure Center	South Boston	Neighborhood health Center	\$1,500,000	\$1,500,000	\$9,500,000	60	15
Crosstown Hotel (BRA)	Roxbury	Hotel / Office / Retail	\$2,500,000	\$2,500,000	\$57,000,000	0	250
EZRZ		Debt Service reserve	\$0	\$1,210,000			
Palmer Street	Roxbury	Office Building	\$1,050,000	\$750,000	\$5,100,000	0	18
<u>Pilot/New Boston Seafood</u>	Boston	Commercial Seafood Processor	\$692,237	\$1,000,000	\$8,400,000	91	17
<hr/>							
Funds advanced			\$19,423,526	\$19,143,211	\$152,342,000		
Retained/Created Jobs						497	1045

Source: BCI, Inc (December 2009)

Map V shows the location of the projects listed in Table 8. The map indicates that the projects were distributed throughout the Empowerment Zone.

Map V: Location of Capital Projects Funded with Section 108 Loans and Economic Development Initiative Funding



Transformation of Empowerment Zone as an area of robust economic activities: A key accomplishment of the Empowerment Zone is the significant, positive change in perceptions about doing business in some areas in this part of the city. Prior to the creation of an Empowerment Zone, parts of the city within the boundary were plagued by negative connotations about conducting business there, as evidenced by the limited economic opportunities. However, today, areas in the Empowerment Zone reflect a wide range of economic activity. Although the problem of poverty is significant, some general indicators of economic activity show improvement in this part of the city. As noted earlier, for example, growth rates of per capita income and median household income are higher in the Empowerment Zone than in the rest of the City. As noted in the methodology, this does not mean that the improvement was caused by the Empowerment Zone, but it could mean that it represented a strategic framework that facilitated this development.

Review of consumer expenditures and accumulated household assets in Table 9 and based on data collected and reported in *Applied Geographic Solutions 2006: Consumer Expenditures and Household Finances* show that there is considerable level of spending power in this part of Boston. In total, the household aggregate income for 2009 was reported at more than \$1.1 billion. The Empowerment Zone reached aggregate consumer expenditures in the amount of \$963 million, including \$413 million in retail expenditures. Residents expended \$28 million in property taxes and \$71 million in utilities in 2009.

This represents an increase in consumer expenditures compared to 2006, when spending in the Empowerment Zone was \$866,011,000, including \$386.7 million in retail expenditures. In 2006 residents in the Empowerment Zone spent \$26.4 million in property taxes, and \$67.6 million in utilities.

Table 9: Summary of Consumer Expenditures in Boston EZ and Boston, 2009

	Empowerment Zone		Boston	
Aggregate household income	\$1,108,627,037		\$16,521,170,281	
Total expenditure	\$962,766,461	% base	\$12,615,957,199	% base
Total non-retail expenditures	\$549,400,581	57%	\$7,247,870,553	57%
Total retail expenditures	\$413,365,880	43%	\$5,368,086,646	43%
Apparel	\$47,293,419	5%	\$615,282,904	5%
Contributions	\$33,053,668	3%	\$478,885,876	4%
Education	\$24,394,487	3%	\$334,214,776	3%
Entertainment	\$52,710,829	5%	\$701,807,732	6%
Food and beverages	\$152,707,450	16%	\$1,934,897,030	15%
Food at home	\$82,507,763	9%	\$1,004,403,330	8%
Food away from home	\$59,053,900	6%	\$778,937,688	6%
Alcoholic beverages	\$11,145,786	1%	\$151,556,012	1%
Gifts	\$24,010,020	2%	\$339,830,050	3%
Health care	\$60,520,808	6%	\$757,680,833	6%
Health care insurance	\$29,238,324	3%	\$365,802,382	3%
Health care services	\$15,069,553	2%	\$186,988,614	1%
Health care supplies & equip	\$16,212,931	2%	\$204,889,836	2%
Household furnishings	\$40,470,864	4%	\$555,350,569	4%
Shelter	\$186,566,964	19%	\$2,450,160,408	19%
Mortgage interest	\$72,929,889	8%	\$1,009,143,613	8%
Property taxes	\$28,863,871	3%	\$407,050,965	3%
Misc Owned Dwelling Costs	\$24,973,532	3%	\$334,541,770	3%
Rental costs	\$49,027,652	5%	\$542,611,340	4%
Other lodging	\$10,772,027	1%	\$156,812,720	1%
Household operations	\$33,035,630	3%	\$460,750,121	4%
Babysitting and elderly care	\$8,186,727	1%	\$111,089,959	1%
Household services	\$5,700,976	1%	\$80,925,340	1%
Alimony And Child Support	\$4,828,527	1%	\$67,804,994	1%
Household Supplies	\$14,319,405	1%	\$200,929,828	2%
Miscellaneous expenses	\$16,457,132	2%	\$210,935,840	2%
Personal care	\$14,207,129	1%	\$183,980,271	1%
Personal insurance	\$9,340,847	1%	\$131,347,792	1%
Reading	\$3,139,023	0%	\$41,553,025	0%
Tobacco	\$6,904,254	1%	\$80,183,402	1%
Transportation	\$186,581,146	19%	\$2,454,014,425	19%
New vehicle purchase	\$44,373,442	5%	\$628,074,001	5%
Used vehicle purchase	\$30,789,307	3%	\$381,522,893	3%
Motorcycles (new and used)	\$1,169,807	0%	\$15,964,065	0%
Vehicle finance charges	\$9,153,120	1%	\$118,407,856	1%
Gasoline and oil	\$42,822,269	4%	\$542,633,891	4%
Vehicle repair & maintenance	\$15,217,915	2%	\$195,355,147	2%
Vehicle insurance	\$22,095,499	2%	\$281,667,992	2%
Public transportation	\$10,622,920	1%	\$148,123,704	1%
Other transportation costs	\$10,336,868	1%	\$142,264,876	1%
Utilities	\$71,372,791	7%	\$885,082,147	7%

Source: Applied Geographic Solutions, 2009 - Consumer Expenditures and Household Finances

Supporting jobs for residents: The Internal Revenue Service required that 35% of all jobs generated through development projects utilizing Empowerment Zone tax exempt bonds go to residents. In some cases, such as that of Crosstown Center development, the rate was surpassed in the first phase of development. After Phase I, however, the goal was not met. This was raised as a major concern by some interviewees. It seems that ample and effective mechanisms were not in place to both monitor and hold accountable businesses not in compliance with various job targets for residents. Over the years, this was an issue raised by the leadership of the Empowerment Zone and many of its board members. It was initially expected that more of the jobs retained and created as a result of economic development initiatives would go to residents.

Aside from the issue, however, the Empowerment Zone did register job growth that was higher than that for the city at least based on estimates reported as shown in the following table. In fact, the rate of job growth in the Employment Zone between 2000 and 2009 was significantly higher than the entire City of Boston. In the year 2000, as reported by the US Census Bureau, 20,566 persons 16+ years were employed within the Empowerment Zone. Based on estimates reported by Nielson Claritas this figure increased by 12.2 percent, to 23,080 employed persons 16+ years in 2009. For the same period, the percentage increase for Boston (excluding the Empowerment Zone) was 1.5 percent, as shown in the following table.

Table 10: Employed Persons Age 16+ in Boston EZ and Boston, 2000 and 2009

	EZ	Boston
2009 Estimated Employed Population Age 16 and Over by Occupation	23,080	292,253
Management, Business, and Financial Operations	2,355	47,150
Professional and Related Occupations	4,291	77,374
Service	5,639	52,976
Sales and Office	6,593	75,046
Farming, Fishing, and Forestry	25	233
Construction, Extraction, and Maintenance	1,283	14,691
Production, Transportation, and Material Moving	2,894	24,783
Percentage Increase in number of jobs from 2000	12.2%	2.2%*
2000 Employed Population Age 16 and Over by Occupation	20,566	285,859
Management, Business, and Financial Operations	2,036	46,948
Professional and Related Occupations	3,799	76,902
Service	5,107	50,839
Sales and Office	5,871	73,199
Farming, Fishing, and Forestry	21	223
Construction, Extraction, and Maintenance	1,134	14,118
Production, Transportation, and Material Moving	2,598	23,630

*This figure is reduced to 1.5% if the number of jobs in the Empowerment Zone are subtracted from Boston's total number of jobs.

Source: Nielson Claritas 2009 - Demographic Updates; US Census 2000

Assisting small and local businesses: Boston Connects was lauded by interviewees as supportive of small businesses; in particular, the outreach and information about the availability of a range of fiscal and taxation supports for small businesses and microenterprises within the Empowerment Zone was cited. This is quite important because as noted earlier, small businesses represent a backbone for economic activity in the Empowerment Zone.

A brochure published by Boston Connects, Inc., *Tax Incentive Information for Boston Empowerment Zone Businesses!*, describes a range of “Zone Benefits” for doing business in the Empowerment Zone. Besides tax-exempt bond financing, businesses operating within the Empowerment Zone could take advantage of a range of tax credits, including reduced capital gains taxes, accelerated depreciation on purchase of equipment, work opportunity tax credit, employment wage credit, new markets tax credit, welfare-to-work wage credit, environmental cleanup cost deduction, qualified zone academy bonds, and an Indian employment credit. Boston Connects produced reports and brochures, and held many meetings in the community to describe the major components and applications of each of these business support initiatives.

Microloans to very small businesses represented an important tool for enhancing the capacity of this sector. Over the history of the Empowerment Zone approximately 350 small businesses received some form of technical assistance, including small business loans.²⁵ In 2004, a fund of \$500,000 was established for providing low-cost loans to businesses in the Empowerment Zone to expand operations, or for starting new businesses.

Many of the small businesses assisted employ less than five workers but they represent an integral part of the social capital and sense of community in various parts of the Empowerment Zone. An informant opined that assisting this small business sector makes for a positive “psychological difference” in the community. While these businesses may be struggling, and in some cases “barely making ends meet”, it is the “Mom and Pop” jobs in the Empowerment Zone that represent a significant part of the employed workforce. And, it is this sector which plays prominent role in providing a positive or negative impression of a neighborhood. As noted by another key informant and community activist, for instance, “As you go from one section of the Empowerment Zone to another there are new and stabilized businesses via the help and support of the BCI staff and board.”²⁶

Enhancing capacity of neighborhood-based organizations and nonprofits: Boston Connects, Inc. has been effective in engaging a range of civic and nonprofit organizations in the delivery of economic and human support services to residents of the Empowerment Zone. BCI has impressively networked with many smaller community-based nonprofits and included these organizations as vendors and providers for a range of Empowerment Zone services. The Empowerment Zone’s approach to smaller nonprofits reflected what one observer described as a „relationship of trust“. Organizations in this sector were recruited and funded so that they could pursue common goals on their terms. This not only served to enhance the capacity of this sector, but also elevated the importance of smaller community-based nonprofits as partners in local economic development.

²⁵ Shirley Carrington, e-mail correspondence, October 7, 2009.

²⁶ Anonymous email correspondence with author, October 7, 2009.

According to information provided by the Empowerment Zone staff, 55 such organizations have received capacity-building assistance. The overwhelming majority of these organizations are based within the Empowerment Zone, while a few are adjacent or near its boundaries. (See Appendix B for a list of these organizations and nonprofits). Between 2000 and 2009, the Empowerment Zone expended more than \$10 million (\$10,411,361) in the area of human services and workforce development. Nearly half, \$4.9 million was spent on programs and services pertaining to workforce development and training. This included Family Opportunity Networks (\$1,067,040); GED preparation and alternative education services (\$1,209,104); Group Skills Training (\$1,917,623); and Work Readiness (\$746,858). These amounts represented significant levels of funding directed to community-based and smaller nonprofit organizations serving residents in the Empowerment Zone.²⁷

Approximately \$3.5 million was spent on programs targeting youth employment. Services for reintegrating ex-offenders totaled \$519,075 under the Empowerment Zone, and expenses to enhance awareness about technology totaled \$637,382. BCI had provided direct funding to enable community based organizations to retain and train youth in the Empowerment Zone. One example of this activity is the summer 2009 youth program with Alternatives for Community and Environment (ACE) under a green jobs initiative. Other examples include support provided to Bike Not Bombs, Sociedad Latina, DSNI, Project Hip Hop, and other smaller nonprofits to hire youth in the summer, and year-round jobs.

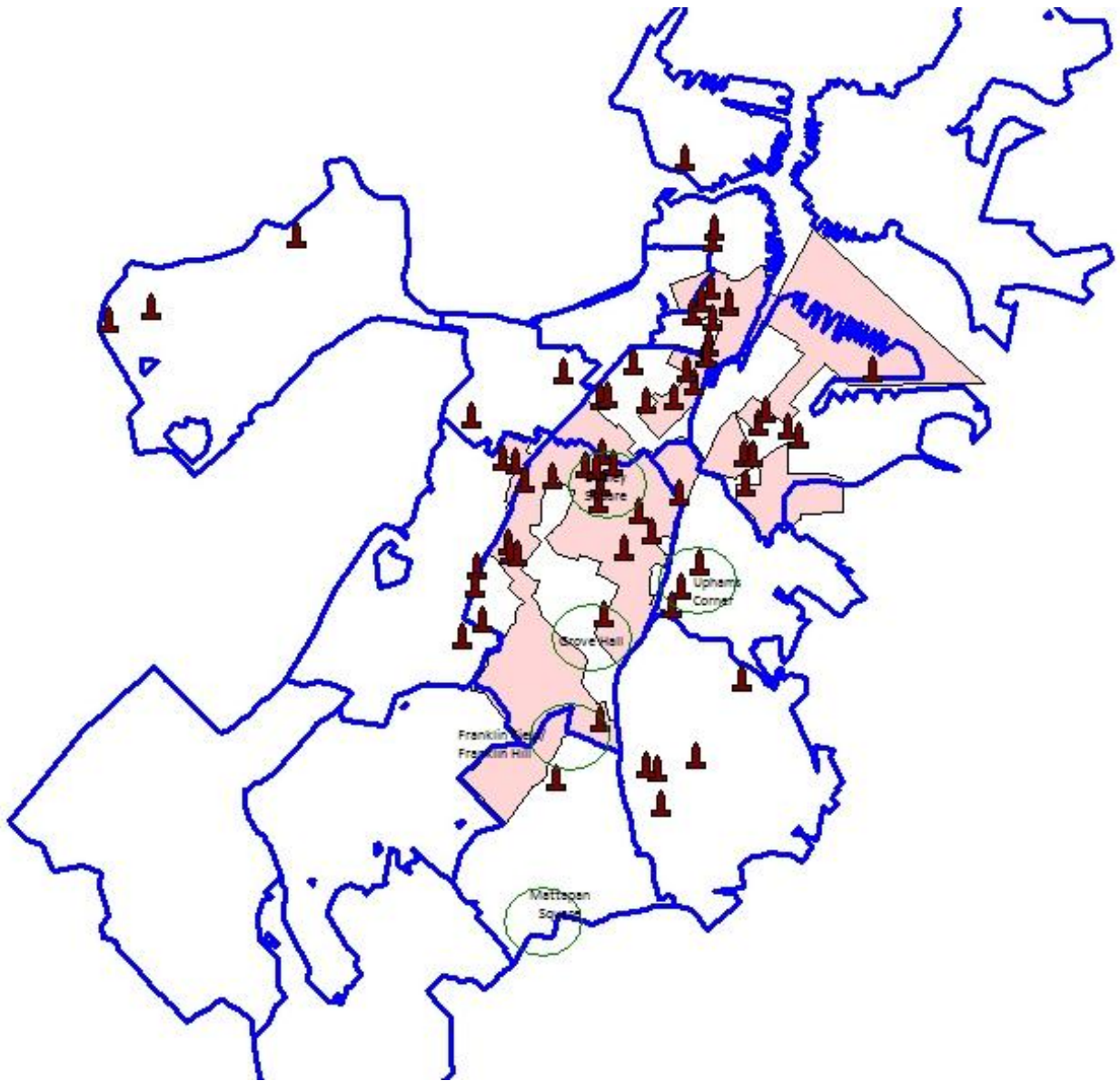
In addition to local nonprofits, the Empowerment Zone has contributed to enhancing the capacity of community development corporations in this part of the city. The Grove Hall Retail Mall involved a partnership with the NDC of Grove Hall. This initiative was triggered by Unity Plaza, which was developed under the leadership of Minister Don Muhammad of Mosque No. 11, and also Sister Virginia Morrison, Executive Director of the Grove Hall Neighborhood Development Corporation.²⁸ The Empowerment Zone board extended \$7.5 million to complete the development, today known as Grove Hall Mecca. The staff and board also worked closely with the Nuestra Comunidad CDC and provided this organization \$550,000 for its development plans to expand the business operations of the Merengue Restaurant.

Map VI shows the location of community-based and human service organizations that provide services to residents per contracts with or grants from the Empowerment Zone. As illustrated, there is a geographic dispersion of community-based organizations throughout the Empowerment Zone. In some cases, local nonprofits outside the area were contracted for services to residents in the Empowerment Zone. (A list of the names of civic organizations retained for grants and contracts is provided in Appendix B).

²⁷ Fiscal data analysis prepared by Matthew Bruce, Mayor's Office of Jobs and Community Services reported in Shirley Carrington e-mail to author, March 16, 2009.

²⁸ Yvonne Abraham, "Rising from the ashes: Grove Hall revival ignites optimism," *The Boston Globe*, September 21, 1999.

Map VI Location of Community-based Organizations Working with Empowerment Zone



Providing voice to Empowerment Zone residents: As noted by a former city official the Empowerment Zone was essentially about supporting “everyday people to become involved with planning for their communities.” Very importantly, Boston Connects, Inc. facilitated the tapping of community voices to participate in local economic decision-making. In its earliest regulations HUD emphasized that to the “greatest extent feasible” the opportunities and resources be utilized to benefit “low- and very low-income persons and to businesses that provide economic opportunities for these persons” and further, there must be “efforts to encourage the use of minority and women’s business enterprises in connection with grant funded activities.”²⁹ But, this was not followed uniformly in empowerment zones across the country. Some empowerment zones were criticized for resisting and ignoring community involvement and input regarding strategies and implementation.³⁰ There was general agreement among interviewees that BCI was very supportive of inviting and encouraging community participation at different levels of decision-making. One interviewee highlighted this as an important accomplishment: the Empowerment Zone “has provided communities of color and low-income communities a more direct way, albeit insufficient, to influence the economic development in their neighborhoods.” In addition to elected officials, the Empowerment Zone interacted with and involved community-based nonprofits, small and local businesses, religious organizations, and a range of civic leaders in its activities.

Expanding and strengthening collaboration among human services organizations: In a 2006 Tufts University graduate thesis focusing on Boston’s Empowerment Zone Tali Rausch concluded that provision of certain kinds of basic services to residents was extensive and significant. From 2000 to 2005, for instance, 2,021 residents participated in various kinds of educational and job training programs; 2,265 youth were placed in jobs; 1,412 families were connected to child care programs under the auspices of the Empowerment Zone. Further, 86 small businesses received some kind of financial assistance and 210 businesses received technical assistance services.³¹ Since 2006 approximately seven thousand persons have been served through various education and job training programs –job readiness and soft skills, English skills, and GED preparation as a result of grants and contracts between the Empowerment Zone and local nonprofits.

BCI has provided major funding towards encouraging nonprofits to pursue missions and goals in a collaborative way. The Empowerment Zone staff has utilized coalition-building and support for collaboration in supporting a range of human service organizations. One example of this is the \$1.1 million committed to community-based organizations under its Family Opportunity Networks (FON) program in 2004. The purpose of FON was to use comprehensive social services to remove barriers to employment faced by families in the Empowerment Zone. Approximately a thousand families received services under FON. Recently (2009) funding was

²⁹ See, 1999 Empowerment Zone Planning and Implementation Grant NO. EZ-99-MA-0005: Grant Agreement, and Cardell Cooper, MEMORANDUM OF AGREEMENT Boston Connects Empowerment Zone, July 15, 1999; also, Zane, Dennis, EZ/EC Coordinator, DEEZ. Memo to Cardell Cooper, Assistant Secretary for Community Planning and Development, Washington, DC. 1 July 1999.

³⁰ See, for example, Marilyn Gittell, “Empowerment Zones: An Opportunity Missed” The Howard Samuels State Management and Policy Center, University Center of the City University of New York, 2001; and, Arlene Davila, “Empowered Culture? New York City’s Empowerment Zone and the Selling of El Barrio” in J. Jennings, *Race, Politics, and Community Development in U.S. Cities*, *The Annals of the American Academy of Political and Social Science*, Vol. 594 (July 2004).

³¹ See Rausch, Table 5.2

provided for a consultant to assist a number of community organizations (ACE, Boston Workers Alliance, and the Chinese Progressive Association) to develop a business plan for starting a community-owned energy efficiency services company.

The Executive Director of the Empowerment Zone and the Board also made a decision to become involved with CORI reform 2007. CORI was targeted for attention because of the number of residents and families who were affected by this sweeping state regulation. The current CORI system represents a obstacle to many residents in terms of receiving job training and employment placement. This situation also has a negative impact on the social and economic well-being of children and families. Under the Empowerment Zone's initiative staff helped to establish partnerships with long-standing community based organizations and nonprofits such as STRIVE, Project Place; Aid to Incarcerated Mothers; Community Work Services; South End Neighborhood Action Program, and Veterans Benefits Clearinghouse. These organizations provided a range of services for people with CORIs

Encouraging focus on emerging green economy among businesses and nonprofits: A recent collaborative initiative is "Greening the Empowerment Zone." This initiative includes three components: designing strategies for the creation of green jobs through capital investments; workforce training to prepare residents for new, "green collar" jobs; and a public education campaign focusing on environmental sustainability so that residents are aware of the emerging opportunities in the unfolding green economy. Part of this initiative includes an Energy Efficiency Loan pool of \$2.5 million for businesses and nonprofits seeking financial assistance interested in enhancing energy efficiency in their operations. Additionally, \$100,000 has been committed to develop 30 training job slots at five agencies in the Empowerment Zone to help develop a Green Youth Corp. Organizations like Next Step Living and the Asian-American Civic Association, and Youthbuild Boston have been supported to help plan strategies for green job training programs.

Conclusion: Lessons for Neighborhood Revitalization in Boston

As explained at the outset of this report the aim of Empowerment Zones as outlined by HUD was to initiate and implement programs that would generate economic opportunities for residents; create sustainable community development; build broad participation among community-based partners; and generate a strategic vision for change in the community. As this report illustrates, despite facing various challenges along the way the supporters, participants, and leaders of Boston's Empowerment Zone, represented by its operating arm, Boston Connects, Inc., did generate and complete activities consistent with HUD's initial mandate. In this way, BCI has helped to change the economic face of a part of the city which prior to 2000, was considered blighted and distressed.

The ten year experience and experiment that has been the Boston Empowerment Zone has produced a number of lessons that can be applied to neighborhood revitalization efforts in the city. These lessons touch upon the importance of collaboration between and among businesses and nonprofits; the collection and analysis of data to both monitor and share information about progress of initiatives; nurturing community-based participation and advocacy; need to focus on small and local businesses for neighborhood revitalization; and the importance of building a vision and plan for reducing poverty in the city. It would be unfortunate for the city not to look upon this episode and consider what it can learn from it in terms of improving living conditions and enhancing economic opportunities for everyone, and every neighborhood, in Boston.

Collaboration across sectors, including businesses and nonprofits, represents an important component for neighborhood revitalization

As suggested by the executive director of one community-based organization, and former board member of the Empowerment Zone, the strengthening of neighborhoods should be a major part of local economic development. Building and encouraging strategic collaboration between economic and non-economic actors, and among economic actors, should be approached as a key component of overall economic development. The collaborative orientation reflected in the work of the Empowerment Zone should be continued, and expanded. The design of future strategies for neighborhood revitalization should include as critical pieces the development of collaborative relationships between economic and non-economic actors.

One potential kind of network that was not pursued under Empowerment Zone, but should be considered, is the linking of local public schools, or community health centers, or residents of public housing to each other, and as part of local economic development. Public housing was actually highlighted as a potential opportunity to involve residents by the U.S. Government Accountability Office in its early empowerment zone progress report to the U.S. Congress.³² With very few exceptions, issues of housing, especially, have been treated separately than issues related to local economic development.³³ These areas have not been extensively engaged in

³² See, U.S. Government Accountability Office. *Empowerment Zone and Enterprise Community Program: Improvements Occurred in Communities, but the Effect of the Program is Unclear* (GAO-06-727): 2006.

³³ See Karen Chapple, "Overcoming Mismatch: Beyond Dispersal, Mobility, and Development Strategies," *Journal of the American Planning Association*, Vol. 72, No.3, 2006. For a case study of one federal initiative that did connect the rehabilitation of affordable housing and local economic development, see James Jennings and Melvyn Colon, "The Demonstration Disposition

economic activities under the Empowerment Zone, but they could represent creative venues pieces for successful strategies aimed at economically enhancing local areas. Public schools, public housing, and public health facilities are spaces which bring people together around services. These three civic entities, in particular, serve thousands of vulnerable youth and families; and through their services reach directly or indirectly other thousands of workers and potential workers living in the Empowerment Zone. They represent spaces for communication, education and training, and developing social capital.

Marketing strategies and monitoring systems should be designed early and organized to support collaboration across sectors

Given the multi-layered tasks planned and implemented by the Empowerment Zone in its ten year history, public relations and marketing emerged as very important tools for collaboration. One former board member expressed frustration, for example, that the contributions associated with Boston Connects, Inc., and the Empowerment Zone seems to always be overlooked when final results were reported in the media. There was not enough highlighting of this kind work and all it took to complete projects. As a result, she noted, “The community thinks the board does nothing.” But this perception belies how the Empowerment Zone played a major role in facilitating the initiation and completion of projects. Effective marketing and explanation of programs and availability of resources is a necessary initial step in building partnerships for collaborative undertakings. It was also a potential glue to keep interests working together which may have reflected political, neighborhood, and even racial differences. The effectiveness of marketing strategies can be enhanced with information about work performance, outcomes, and impact.

Designing systems for the collection of data and information and to measure outcomes and impacts are important for building support for local economic development. Clearly, in the case of the Boston Empowerment Zone and others, there was little guidance and direction from Washington D.C. about how to pursue the development of systems for tracking and analyzing the impact of activities. As noted in a U.S. GAO report, federal agencies “did not provide the states, EZs, and ECs with clear guidance on how to monitor the program grant funds...”³⁴ However, this is an area which should be approached as fundamental in future economic development strategies. In Boston, this means that proposals dealing with economic development should incorporate an evidentiary base for claims about expected number of jobs or benefits.

Community-based participation and advocacy should be encouraged and supported an important component of local economic development strategies

Some interviewees noted that greater community mobilization might have resulted in more jobs for residents. This suggests that future local economic development strategies and initiatives might be more efficacious if advocacy and community mobilization is somehow incorporated. As noted by Shirley Carrington in an interview for this report, “...advocating for systemic

Program in Boston, Massachusetts: Lessons for Resident Empowerment, Economic Development, and Government Partnerships,” *National Political Science Review* Vol. 10 (February 2005).

³⁴ U.S. GAO, “Empowerment Zone and Enterprise Community Program” GAO-06-727 (September 2006), p. 21

changes that would have created more opportunities for economic development, i.e., access to union jobs for residents of the empowerment zone and city” might have produced more benefits for residents. The Empowerment Zone provided a space for residents in negotiations for jobs and other services. Review of board meeting notes over several years indicates that the Empowerment Zone was also supportive of the interim director advocating for specific jobs and types of jobs for residents. The Empowerment Zone did not have the organizational, political, or financial clout to enforce some agreements. Further, it would be difficult for a small staff to adopt an aggressive monitoring role in evaluating agreements for jobs. This would especially be the case in the absence of enforcement mechanisms regarding job agreements with businesses.

Direct support to small, local, neighborhood-based businesses, with the aim of increasing the capacity of this sector, should be an integral component of local economic development and neighborhood revitalization;

The smaller and local businesses represent an important arena for stimulating economic growth and generating employment opportunities within a community. Direct investment and resources targeted to this sector may be more effective in generating jobs and a range of economic activities than tax credits for much bigger capital projects. Certainly tax credits were important in helping to spur capital projects; and as noted earlier, these projects helped to change perceptions about some neighborhood areas. They represented important economic assets in various areas of the city. It is not clear that focusing on tax credits aimed at attracting big businesses is the most effective tool for generating local economic activity, creating or retaining jobs, or as an anti-poverty tool. This is an opinion expressed by several interviewees in Boston, but one which resonates with statements from people involved with other empowerment zones across the country.

In a statement to the US House Ways and Means Committee in 2009, for example, a representative of Empowerment Zone directors across the nation who supported tax credit strategies also cautioned that: “Our concern about EC/EZ/RC tax incentives programs is that the value of the tax incentives...have over recent years dwarfed the funds being spent directly on the visible issues that our research has proven critical to business success in the zone. While over \$11 billion has been allocated to the tax incentives portion of the EC/EZ/RC programs, just \$390 million has been appropriated since 1999 in grant funds to the Round II Urban Empowerment Zones...”³⁵

Again, Jonathan Beard, the President of the Columbus Empowerment Zone:

While tax incentives are offering benefits to zone businesses, they cannot reliably address the majority of issues that compound distressed community’s problems. As relayed in the earlier anecdotes, our community is similar to others: most older, distressed communities have brownfields, small lot sizes and scattered property ownership that forces constraints on land assembly for development, low educational levels of working age residents, chronic unemployment, inadequate infrastructure for 21st Century

³⁵ Statement for the Record, Jonathan C. Beard, US House Ways and Means Committee (October 7, 2009). Accessible at: <http://waysandmeans.house.gov/hearings>

businesses, poor markets for retail, etc. These are issues that few federal tax incentives can address—they are issues best resolved through direct investment.³⁶

This assessment has implications regarding policies and strategies for strengthening neighborhood-based businesses. It suggests a focus on capacity-building; retention of small businesses; and linking the creation and retention of jobs with this sector.

A comprehensive anti-poverty strategy and agenda should be organized as part of local economic development

In some cities the establishment of Empowerment Zones was viewed as a strategy for reducing poverty.³⁷ Unlike the case with empowerment zone designations in some other cities, however, the “theory of change” associated with Boston’s Empowerment Zone did not directly aim at reducing poverty. In fact, poverty reduction for families and individuals residing in Boston’s Empowerment Zone was not an explicit goal of the initiative’s mission, strategies, or activities. Rather, poverty reduction was an anticipated/expected outcome of EZ designation based on the assumption that healthier and more robust economic development would address poverty, albeit, indirectly. As noted by one developer who was intricately involved with the Empowerment Zone, the mission of this project was “to promote economic development and employment in Boston’s Empowerment Zone, and to act as a catalyst for change and improvement.”

In spite of this caveat and the accomplishments of the Empowerment Zone in its relatively short history, we are reminded that poverty in Boston remains a huge problem. Many parts of the Empowerment Zone still comprise some of the most highly economically distressed and impoverished areas of the city. The problem of poverty and its manifestations require direct commitment on the part of government and communities. Furthermore, its reduction should be a direct target for local economic development. There has to be a stronger and more concrete connection between the focus on economic development and the reduction of poverty in Boston. Strategies and related activities cannot be bounded by the presumption that a rising economic tide will lift all boats. Targeted linkages between particular economic development activities and initiatives should be conceptualized in terms of potential *and direct* impacts on the reduction of poverty in neighborhoods.

The leadership of the City of Boston should consider how to take advantage of the accomplishments of the Empowerment Zone, as well as the lessons emerging from the challenges facing this initiative. As discussed earlier in this report, the Empowerment Zone certainly did not present a panacea for a range of economic challenges facing neighborhoods. Credit for important economic accomplishments over the last decade or so cannot be exclusively ascribed to the Empowerment Zone. It did, however, provide a framework for collaboration among the private sector, government, and neighborhoods. A framework that emphasized the social and economic well-being of neighborhoods, its youth and families, and its community-

³⁶ Ibid.

³⁷ See Ali Modarres, “Los Angeles Borders to Poverty: Empowerment Zones and the Spatial Politics of Development,” in William Dennis Keating and Norman Krumholz, *Rebuilding Urban Neighborhoods: Achievements, Opportunities, and Limits* (California: Sage Publications, Inc., 1999). Also see James H. Spencer, “People, Places, and Policy: A Politically Relevant Framework for Efforts to Reduce Concentrated Poverty,” *The Policy Studies Journal*, Vol. 32, No. 4 (2004).

based organizations. In the words of one long-serving Empowerment Zone board member, it helped to sustain “A new place that encourages people to become intimately involved in the improving the quality of life for themselves as well as their neighborhoods. A place that is vibrant with job opportunities, neighborhoods that have the ability to provide the necessary goods and services that every community needs to survive. And most importantly, the bringing together communities that were once isolated and estranged to working together for the one common goal.” This is a framework that should remain an important component of Boston’s vision for the future.

Appendix A: Empowerment Zone Board Members, 2005 – 2009

Boston Connects, Inc. Board (2009)

*Paul A. Dobson
Gloria Coney
Anh Thi Nguyen
Kori Redepenning
Mark McGonagle
Joelee Baker-Bey
Frederick Umeh
H. Tia Juana Malone
Carlos Henriquez
Donna Brown
Mike Foley
Mike Glavin
Larry Mayes
Michael Monahan
Reggie Nunnally
Dr. Vanessa Calderon-Rosado*

Boston Connects, Inc. Board (2008)

*Paul A. Dobson
Gloria Coney
Anh Thi Nguyen
Tina Masciocchi
Mark McGonagle
Joelee Baker-Bey
Trina Ruffin
Frederick Umeh
H. Tia Juana Malone
Carlos Henriquez
Donna Brown
Ralph Cooper
Mike Foley
Mike Glavin
Courtney Ho Ha
Larry Mayes
Michael Monahan
Reggie Nunnally
Dr. Vanessa Calderon-Rosado
Ronald L. Walker II
Jerome Smith
Kori Redepenning*

Boston Connects, Inc. Board (2007)

*Joelee Baker-Bey
Gloria Coney
Anh Thi Nguyen
Tina Masciocchi
Liz Miranda
Mike Foley
Mike Glavin
Charlotte Golar Richie
George Greenidge
Larry Mayes
Roland McCall
Frederick Umeh
Ralph Cooper
Carlos Henriquez*

Boston Connects, Inc. Board (2006)

*Gloria Coney
Tina Masciocchi
Julia Flashner
Joelee Baker-Bey
Robert Kinney
Frederick Umeh
Elizabeth Miranda
Ralph Cooper
George Greenidge
Larry Mayes
Rev. Roland McCall
Mark Maloney, Director
Charlotte Golar Richie
Mike Foley
Mike Glavin*

Boston Connects, Inc. Board (2005)

*Joelee Baker-Bey
Gloria Coney
Ralph Cooper
Julia Flashner
Mike Foley
Mike Glavin
Charlotte Golar Richie
George Greenidge
Robert Kinney
Mark Maloney
Elizabeth Miranda
Larry Mayes
Roland McCall
Jayne Talbot
Frederick Umeh
Dr. Joan Wallace-Benjamin*

Appendix B: Nonprofits and Community-based Organizations Receiving Funding Under Boston Empowerment Zone

ABCD
ACEDONE
Aid to Incarcerated Mothers
Alternatives for Community and Environment
Asian American Civic Association
Bikes Not Bombs
Black Ministerial Alliance
Boston Centers for Youth and Families
Boston Education and Skills Training
Boston Public Health Commission
Boston Workers Alliance
Bridge Over Troubled Waters
Brookview House
Career Centers
The Workplace
Roxbury Resource Center
South Boston Resource Center
Allston/Brighton Resource Center
Codman Square Heath Center
Community Work Services
Condon Community Center
Crittenton Hastings House
Dimock Community Health Center
Dorchester Bay CDC
Dorchester YMCA
DSNI
El Centro
ESAC
Federated Dorchester
Neighborhood
Haitian Multi-Service Center
JFYNetworks
JVS
La Alianza
Laboure
Lena Park CDC
Madison Park CDC

Morgan Memorial
Mujeres Unidas en Accion
Next Step Living
Notre Dame EC
Operation ABLE
Paris Education and Outreach
PIC
Pine Street
Project Place
Roxbury Multi Service Center
SnapChef
Sociedad Latina
South End Neighborhood Action Program
Stanley Jones Clean Slate
STRIVE
Timothy Smith
Tremont Credit Union
Women In the Building Trades
X-cel Education
YearUp
YouthBuild Boston
The City School
Hyde Square Task force
Inquilinos Boricuas en Accion (IBA)
Medicine Wheel Production
South Boston Action Council
South End Technology Center
Spontaneous Celebrations
WEATOC
MYTOWN
Project HIPHOP
Bird Street Community Center
Teen Voices
Anchor Academy
Bunker Hill Community College

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