

Review of the New Communities Program: Towards Effective Implementation of Neighborhood Plans

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Executive Summary

In this review we take a close look at the New Communities Program (NCP) and its progress. Should support for NCP go forward and, if so, how might it be changed?

The NCP's core elements can be summarized as an on-going investment in a lead agency in each selected community; creation of comprehensive quality-of-life plans as powerful blueprints for change; emphasis on "doing while planning" (a fast-start approach); the provision of core staff support, technical assistance, and flexible venture capital to implement strategies and projects developed in the plans; facilitation of peer learning and organizational development; creation of partnerships to achieve greater results; emphasis on outcomes, with 'venture capital' awarded on a competitive basis; continuation for any given lead agency contingent on progress made in implementing community plans; and the linkage to renewable public and private resources. At present, NCP provides on-going support to fourteen (14) lead agencies working in sixteen (16) neighborhoods.

To inform this review, fifty-seven (57) people were interviewed, including LISC, MacArthur and lead agency staff, community residents, and some institutional leaders around the city and country. In order to get a more in-depth sense of NCP, we focused on seven of the lead agencies, going out to look and listen for ourselves.

Main Findings

Results-to-date: Neighborhoods have been selected, lead agencies identified, new staff hires made to carry out NCP work. Staff roles at LISC have been designed, deployed and amended. Similarly, staff roles at the foundation have been revised and clarified.

A community planning process has been undertaken in all neighborhoods. In most cases, the process succeeded in mobilizing key stakeholders as well as newcomers in a way that stimulated or renewed hope in the future. New relationships and trust have been created.

The primary products of this planning are the community plans. These plans have been debated, revised and published. They are now being translated into action steps. Many across the city (both inside and outside NCP neighborhoods) have seen and read them, and most people are impressed with them.

Strategy and project implementation has begun. Ideas have been turned into work plans. The search for good working partners, financing, legal and regulatory strategies has begun – the myriad of details that make projects and “deals” happen.

Organizational and leadership capacity among the lead agencies is improving. There is a sense of momentum and progress building among NCP participants – even in those areas that have experienced considerable difficulty (and sometimes open conflict) in the past.

Along with this pressure and hard work has come considerable turnover among personnel at all levels of NCP. This has raised concerns, and has been identified as a priority.

There is growing recognition of NCP as “shared work,” with a sense of common support, peer learning, and “network building” starting to emerge.

Key additional funders (such as Casey and Joyce) have added their support, each closely associated with particular aspects of the plans in some (but not all) of the neighborhoods. Important additional public commitments have been made, including especially those by the Mayor, and through him, by some key city department heads.

Leveraging has clearly started. LISC has recently reported that in NCP’s first four years, they have invested \$10.5 million in grants and made loan commitments of \$13.4 million across the 16 neighborhoods. In Year Four alone (the period ending in June 2006,) LISC has moved \$2.16 million into 107 different projects. In addition, they estimate that LISC loans and grants to date have leveraged \$69 million in non-LISC investments.

Finally, NCP has sparked a great deal of interest around the United States, and even internationally. This represents both a challenge and an opportunity.

How has the process worked so far? The overall process, while not perfect and still evolving, has worked remarkably well. Its key ingredients can be described as follows: introduction and consistent use of a common framework; flexibility around how the work is approached; recognition of significant differences in capacity and experience between lead agencies; provision of timely and relevant support in a competent and often ongoing way (including, especially, high quality communications support and planning;) active listening for problems as they emerge; reluctance to impose or control; willingness to rethink options and approaches; and persistence around core goals and timelines.

A key part of LISC’s philosophy has been the distribution of grants and loans on a “first come, first served” basis. It believes this competition will motivate and focus groups and people much more effectively than a guarantee of support regardless of the quality of proposals. It appears that this is true, and no one complained about this aspect of NCP practice. However, we think the gap between those getting the most resources and those getting the least is worth watching closely in the next phase.

How is LISC doing? The staff at LISC (and consultants deployed by them) are the heart of NCP and its prospects. Increasingly, they strike us and others (inside and outside NCP) as competent and confident in their role. Several aspects of their work stand out.

First, LISC programs officers have done an extremely good job. They are credited with keeping people informed, connected, and in some cases, motivated to act.

Second, the communications work has been superb. LISC-provided consultants have helped produce some key products (such as the plans), and are now at work developing “stories” and other means for both internal and external communication about progress ahead. In addition to a lively website for NCP, there is now also an increasingly active intranet through which NCP participants can share information, resources and concerns.

Third, LISC is seen by lead agency leaders as playing the role of “intermediary” between them and the broader political and business community, as well as the overall NCP. Both roles have been done well so far, but could be improved.

Fourth, LISC is seen as helping to find, fund and evaluate consultants. This is highly valued. It is expected that this role will be even more important in the work ahead.

Overall, our findings suggest LISC is doing very well. It has demonstrated a combination of skills, resources and learning that bode well for the future of NCP. Yet challenges do remain. How additional funds will be identified and distributed to support these projects? How can the requisite skills and other resources be found and provided to local groups in a timely and cost effective way? How will LISC manage to hold on to its impressive staff, and once retained, how will they be deployed in this next phase of the work?

How are the lead agencies doing? As important as LISC staff and consultants are to NCP, the lead agencies are even more central to its eventual success. We interviewed a total of thirty (30) people from seven (7) of the fourteen (14) groups, including Executive Directors, NCP Directors, Organizers, leaders of local partners, and community residents.

These people are pleased to be part of NCP. They are proud of their plans, but worried about where the money will come from. They are also refreshingly self-critical, and often name areas where they want to learn more or grow their capacity. We heard stories about how ineffective initial efforts to increase participation, design and facilitate meetings, and develop plans were improved upon. Lead agencies have created, or deepened, their connections to residents in their “home” community, as well as grown as organizations.

One of our principal findings is that many lead agencies have found a way to actually listen to and learn from residents rather than simply recruiting people to their existing agendas. This difference between organizing and mere recruitment is critically important.

It seems clear that different groups have benefited from NCP in very different ways. As expected, lower capacity groups report a real “boost” from their NCP participation but also report more challenges. Higher capacity groups say NCP has “moved” them beyond their pre-existing approaches. While LISC has struggled to mitigate these differences, there is a growing sense that lead agencies might begin to cluster into two groups. This could be divisive, and might erode the emergent sense of shared work and peer learning.

Key concerns among and about lead agencies cluster into three areas: money, projects (both development and implementation,) and organizational capacity building.

How is MacArthur doing? NCP represents a different kind of grantmaking for the MacArthur Foundation. The initial relationship between MacArthur and LISC was not entirely clear. It took some work to sort it all out. The individuals involved developed relationships and trust, learned how to keep lines of communication open and active, identified and solved problems together, re-evaluated roles and clarified expectations. The situation is more clear now. LISC operates NCP. MacArthur is in charge of other grantmaking in support of the strategy, as well as for evaluation.

The design and initial results of NCP underscore the value of providing multi-year and general operating support to both LISC and the various lead agencies. In effect, time and flexibility were “granted” to the NCP, not just money. MacArthur staff learned to join in the discussion rather than lead it, and to be present at the table rather than to convene it. By encouraging real-time feedback, MacArthur joined with LISC in promoting an open process which encouraged all involved, including MacArthur staff, to take a very useful “trial-and-error” approach. As NCP has rooted and grown in each neighborhood, and as interactions between LISC and those at the neighborhood level increased, so did the quality (and quantity) of feedback. By being present but not dominant at the NCP/LISC table where concerns and issues were being aired and options explored, MacArthur staff joined the NCP team without taking it over.

Recommendations for LISC/Chicago

- 1. Building / Retaining Core Staff:** The key to LISC success is its core staff. It will be important for NCP leadership at LISC to stay on, if possible, with a few additional skills (primarily related to project implementation) added through a new hire or two.
- 2. Increase Core support to lead agencies:** Core support to lead agencies is the foundation on which NCP rests. It demonstrates on-going commitment, practical benefit, and flexibility. The total of this core support should be increased.
- 3. Continue to distribute different kinds of funds, including both grants and loans:** The variety of funds provided by LISC help both lead agencies and their other partners. They also provide real flexibility. Their benefits are larger and more important than the monetary amounts might suggest. They demonstrate that NCP resources are distributed according to what the work requires rather than according to a pre-existing, rigid formula.
- 4. Be more intentional and visible in fundraising and partner development:** People are worried about where the money is going to come from in the next phase. Many are willing to help with this but are uncertain about how to do so. It is important that LISC be in the lead here, while being more transparent and explicit about how this might work.

5. Build local capacity for project implementation: LISC may want to think creatively about a menu of options for improving lead agency capacity for project implementation. This might include funding a project manager position for those groups that are prepared to pursue live projects, as well as having access to a pool of specialists with relevant skills, such as financial packaging, land acquisition, and developer contacts. The emphasis should be on making sure the “help” fits the reality of the plans.

6. Look for greater and more certain support from the City: The phase ahead will require greater cooperation and speedier responses from city departments. Some progress has been made on this front, but many people (especially in the business community) are still justifiably skeptical. Many have heard promises like this before and are looking for evidence of real operational support. They ask, how will things work differently?

7. Sustain, adapt and deepen the multifaceted communications work: It has proven to be a key asset in the initial phase. Keep it up. The current arrangement of “retaining” a pool of key people (such as writers, editors, and web site developers) may or may not be ideal for this next stage.

8. Don’t forget the ongoing importance of organizing: Genuine organizing has also proven to be an essential part of NCP and its initial impact. It helps translate the stated goals of NCP into concrete action and support for a shared agenda. The practice of trying to relate to and respect the many different “tables” that make up any neighborhood instead of trying to make the lead agencies into the only game in town, or “big table,” will continue to be very useful.

9. Develop a strategy and work plan to manage outside interest(s): Interest in NCP is already substantial, and is going to increase. It is important to remember that NCP is still evolving. It needs time and space, as well as resources, if it is to deliver on its very considerable promise; and to begin to tell its story in a faithful and effective way.

10. Maintain (and improve upon) the process: So far the LISC process has been good. It is described as open and flexible, alert and responsive, fair and balanced. This has not been easy to do, and will no doubt become even harder in the future – as the full “project implementation” phase really takes off. Increased differences between groups in terms of the level and seeming “success” of their efforts, a possible growing gap between the “haves” and “have nots,” and gaps in information and participation, all these will threaten to erode the quality of the process. A strong effort should be made to continue and improve upon the good process developed so far.

11. Focus more on shared or collective aspects of the work: There is now an appropriate emphasis on the importance of working with individual lead agencies and their community plans one-at-a-time. This focus on individual neighborhoods and lead agencies must be balanced with more active and effective ways of doing some things together. Training, peer learning, public forums, sponsoring shared apprentices or using common advisers – more ways need to be found to underscore the value of the collective or shared aspects of NCP. In addition, more attention ought to be given to the policy implications of all this work as it matures has something to say.

Recommendations for the MacArthur Foundation

- 1. Overall support:** Continue this approach to grantmaking. It is working. Continue support for LISC, and seriously consider increasing the total dollar commitment to LISC. Make another five-year grant.
- 2. Foundation staff commitment and role:** Retain a primary point person to manage the relationship between LISC/NCP and the foundation. The foundation must find a new one at the staff level, and this person must have “standing” in the foundation hierarchy.
- 3. Deepen the premises of this kind of grantmaking:** Allow the approach to mature, evolve, adapt, learn, and tell its own story. Along the way, avoid the language and logic of models and replications. Retain oversight while enforcing a “hands off” policy about administration and operational issues. Stay on the “team” but don’t take over, over-coach or try to micro-manage NCP and LISC. Share connections, ideas, and honest reactions.
- 4. Think more about ways to improve the broader context for the NCP:** Look more closely at the whole picture, and broader local context, and the long-term. Internally, re-open consideration of grantmaking in support of the local and regional infrastructure. Remain active in the cultivation of support for NCP, especially financial.
- 5. Help tell the story** and send the main messages in a way that protects the NCP from premature and intrusive “outside” interest. Try to reinforce LISC as the main source of information, and support them in their emerging role as NCP knowledge developer and storyteller.

(For both LISC and MacArthur)

- 6. Sustaining the momentum:** NCP is fast approaching that point when a “slump” might seem to set in. It will be important to keep things moving forward, and to sustain the perception of progress based on periodic stories to be circulated both inside and outside NCP.
- Any call for “sustaining the momentum” must be tempered by the recognition, often noted in this review, that this initiative is not a model, but a set of evolving and interrelated pathways and approaches. These various pathways have been impressively set in motion in NCP’s initial phase, now completed. We are very impressed with how much more promising the Foundation’s current grantmaking portfolio is in comparison to the one we examined five years ago. Down the line, with continued active learning by participants, careful documentation and the benefit of future evaluations, we expect that it will become clear which of NCP’s current pathways and approaches are most worthy of further investment, which require some adjustments but are worth retaining in a modified form, and which ought to be dropped for lack of impact.