



# The Sustainable Communities Initiative: *Collective Impact in Practice*

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## Introduction

When more than 400 representatives from the U.S. Department of Housing and Urban Development (HUD)'s Sustainable Communities Initiative (SCI) gathered in Washington, DC for their annual convening, they expected three intensive days of training, best practice exchange, and program evaluation; in other words, the usual meeting business. What they did not expect was a commencement exercise for the "graduating" grantees, complete with diplomas and a keynote speaker, which brought smiles to the faces of these hard-working local leaders, and the federal staff that supported them. While it was just one hour in the midst of three complex years of programming, it was a powerful moment to reflect on the enormity of the work grantees had undertaken and the positive effect

their networks of public agencies, elected officials, non-profit partners, private sector interests, and neighborhood advocates were having on their communities. Local and regional partners, working with a supportive federal government partner, embraced a collective impact approach to transform their neighborhoods, cities, and counties and position their communities to prosper far into the future. While participants credit HUD's Office of Economic Resilience (OER) with building a sense of community rarely experienced in a federal program, the real credit belongs to the 143 local grantee communities and regions pushing the next generation of planning and investment in housing, transportation, infrastructure, economic development, natural resources, workforce, and other critical community development issues. This program's impact stems from

the collaborative effort of the federal government, local organizations, and regional planning entities to ensure that these projects transform lives and catalyze new investment opportunities for the 119 million Americans living in communities benefiting from an SCI grant.

### **An Administration Priority with an Innovative Approach**

As the first term of the Obama Administration commenced, a tumultuous economic climate called for creative approaches to restore stability to the nation's economy, address intensifying income inequalities, and improve outcomes for families in communities across the United States. Creating a more efficient federal government better positioned to leverage its financial investments with strategically aligned policy initiatives was high on that list, especially if that investment used local solutions to strengthen neighborhoods and create jobs that could boost the economic recovery. Every agency was tasked to find ways to meet this objective. Recognizing that their agencies were in a position to make the biggest impact on connecting neighborhoods, increasing housing supply, and opening access to economic opportunity – HUD, the Department of Transportation (DOT), and the

Environmental Protection Agency (EPA) – established the Partnership for Sustainable Communities.

HUD, DOT, and EPA quickly agreed to a set of Livability Principles (see inset) to guide their work, which emphasized improved transportation choice, greater housing options, and locally-driven strategies to protect natural resources while respecting existing communities.

Each agency has taken a leadership role in advancing the Partnership since its inception. HUD focused on directing significant investment into long-range planning for place-based initiatives that would enable communities and regions to retool for the new economy. Why would the agency most recognized for maintaining healthy housing markets invest in local and regional planning in a way not seen in a generation? HUD Secretary Shaun Donovan recognized that at a time of historic economic distress, integrated, comprehensive planning was an economic turnaround strategy that would provide the nation the best chance for community recovery. With this relatively small investment, regions could attract partners to the table to decide how best to target public and private resources to projects that would attract new businesses, support a strong workforce, develop new housing to access economic opportunities – and exponentially grow the initial investment.

## **Partnership for Sustainable Communities Livability Principles**

### **Provide more transportation choices.**

Develop safe, reliable, and economical transportation choices to decrease household transportation costs, reduce our nation's dependence on foreign oil, improve air quality, reduce greenhouse gas emissions, and promote public health.

### **Promote equitable, affordable housing.**

Expand location- and energy-efficient housing choices for people of all ages, incomes, races, and ethnicities to increase mobility and lower the combined cost of housing and transportation.

### **Enhance economic competitiveness.**

Improve economic competitiveness through reliable and timely access to employment centers, educational opportunities, services and other basic needs by workers, as well as expanded business access to markets.

### **Support existing communities.**

Target federal funding toward existing communities—through strategies like transit-oriented, mixed-use development and land recycling—to increase community revitalization and the efficiency of public works investments and safeguard rural landscapes.

### **Coordinate and leverage federal policies and investment.**

Align federal policies and funding to remove barriers to collaboration, leverage funding, and increase the accountability and effectiveness of all levels of government to plan for future growth, including making smart energy choices such as locally generated renewable energy.

### **Value communities and neighborhoods.**

Enhance the unique characteristics of all communities by investing in healthy, safe, and walkable neighborhoods—rural, urban, or suburban.

In many ways, the approach taken by the Partnership mirrors the growing movement toward collective impact strategies. The core components of collective impact strategies – building a common agenda, creating shared measurement systems, identifying mutually reinforcing activities, promoting continuous communications, and supporting backbone organizations – have been embraced by increasing numbers of community builders as the best hope of resolving complex social and economic issues. The priority that collective impact puts on cross-sector partnerships brings the public, private, and philanthropic interests to the table with a posture of action and achieving meaningful outcomes for affected communities.

The investment could not have been more timely, as around the country planning departments were enduring their most intensive funding cuts in decades. OER provided two types of grants: Regional Planning Grants ranged to \$5 million and were targeted at coordinating infrastructure investments to support strong regional economies in metro- and micropolitan regions over a 25-30 year time horizon. Community Challenge Grants of up to \$3 million focused on more neighborhood- and corridor-scale project planning. To reinforce the Livability Principles, the Office built the competition through a collaboratively produced, publicly-influenced process. An Advance Notice of Funding Availability and a national listening tour brought thousands of interested parties to the table to advise the agency on how to create the strongest program possible. Broad public engagement during the application process coupled with high demand for planning resources and a growing recognition that planning for sustainable development strengthens communities' economic resilience and competitiveness led to a tremendously competitive program. More than \$8.3 billion was requested in four rounds of competition with only \$250 million available for grantmaking. Applicants had to articulate a problem statement of the community conditions to be addressed, describe a set of outcomes that clearly demonstrated more effective alignment of planning initiatives at the local level, and set forth a roadmap for how a three-year integrated planning process would position them to bring together the requisite partners to move the community forward with collective intention. Outside of a few core outcomes required of those winning awards, wide latitude was given to applicants to address the issues most pressing for their communities. In the Regional Planning grants, a locally supportive nonprofit partner was required to be a part of the consortium governing the project to deepen opportunities for meaningful community engagement.

A cohort of 143 grantees in 48 states and the District of Columbia emerged from the two grant programs reflecting the diversity of communities across the nation. In South Florida, two regional planning councils worked to bring seven counties into coordinated long-range plan-

ning to envision growth and development over the next 50 years for more than six million residents. To the west, Opportunity Link bridged the interests of rural and frontier Montana communities spread across 31,000 square miles, the program's largest geographic range despite a population numbering less than 150,400. Some grantees had deep experience working with HUD, while others were first-time grantees with the agency. Grantees identified a dizzying array of issues to be addressed, reaching from core necessities to the cutting edge. For the City of Flint, a \$1.57 million grant allowed the first update of the zoning code in 51 years. Meanwhile, the Denver Regional Council of Governments was able to coordinate corridor planning to integrate land uses and economic development opportunities along what will soon be the nation's most expansive network of light rail service spanning more than 110 miles. The common thread across every grantee was partnerships – a fundamental component of every grantee's strategy regardless of the financial, political, or geographic scale of the planning effort.

### **Creating a Culture of Partnership in Government**

Creating a culture of partnership when working with federal agencies is no small task. The practice started with OER, which adopted a customer service orientation designed to help grantees navigate the federal government labyrinth and identify opportunities for simplifying processing, aligning workplans, and leveraging resources. A Government Technical Representative (GTR) stationed in OER, provided capacity building and trouble-shooting to the grantee for the duration of the project. The GTR served as a partner and government administrator, speaking to their grantees monthly and providing helpful resources as they monitored progress.

The partnership culture extended to the entire agency, as HUD identified mechanisms to elevate the work of the grantees. One such mechanism, Preferred Sustainability Status, gives enhanced access to training resources and bonus points in certain discretionary grant programs to those who demonstrated a high level of commitment to integrated planning through their applications. At the next circle of engagement, the Partnership agencies actively seek to leverage these investments in other EPA and DOT programs, with USDA becoming an increasing ally in this effort. OER transitioned from grantor to facilitator, working relentlessly to make connections in the federal arena.

The result of the healthy dialogue between government and grantee was a wealth of lessons learned for HUD and other federal agencies working with communities on planning and place-based initiatives, drawn from regular check-ins, grantee communities of practice, capacity building working groups, and direct communication.

## Building the Capacity of the Field: No Grantee Left Behind

With a mission to help all grantees complete deliverables that would help transform neighborhoods and communities, OER committed to capacity building to improve grantees' opportunities to accomplish their ambitious agendas. The theory of change prioritized community and peer exchange, tapping local expertise, fostering purposeful collaboration, and facilitating implementation.

OER held a separate competition designed to encourage highly-qualified national and regional intermediaries to propose ways to support grantees in their efforts and, by consequence, elevate the field of practice around the country. Eight intermediaries were awarded a total of \$10 million in two competitions to provide services. Working collaboratively with OER they developed curricula, conducted virtual trainings, held webinars, hosted in-person gatherings, facilitated peer exchange, and responded to direct queries for training assistance from grantees. These intermediaries also reached out at the direction of the grant's GTR.

Ultimately, a national online Learning Network amongst the grantees was established that centralized these resources, simplified assistance access, and even allowed grantees to become assistance providers. Staff from the Boston regional grantee Metropolitan Area Planning Council had nationally recognized data management capacity; they

supported the intermediary team helping to infuse social equity measures into scenario planning. Reinforcing the work of the intermediaries is a network of more than 100 HUD field staff engaged as Sustainability Officers, rooted in the grantees' home communities, and tasked to make the agency more responsive at the local level.

Another core element of the strategy involved recognizing the talent inherent in this pioneering group of grantees. Many of the grantees brought significant planning, investment, and development experience to the process. An intentional approach to peer exchange became fundamental. Successful grantees kept an eye to implementation. Often that requires some degree of transformation in the bureaucratic or civic structure of local government and regions in order for the integrated approaches of the grantees to succeed. Grantees worked to build consensus, or at least interest, in creating cross-disciplinary plans. Additionally, great effort was invested to determine performance metrics that would allow for a common language of progress to emerge. The capacity building capstone was the annual grantee Convening, where grantees spend three days in deep exchange with one another, benefit from the event's presence in DC to connect with other national resource organizations and federal agencies, and calibrate their expectations for future planning and implementation work. And occasionally get recognized in a commencement ceremony.

### In-Practice Example: The Power of Partnership – Ranson, West Virginia

The West Virginia city of Ranson's relationship with The Partnership predates The Partnership. EPA brownfields assessment grants awarded in 2001, 2004, and 2006 to Ranson and neighboring Charles Town paved the way for American Public University's construction of an academic center—the first LEED-certified<sup>6</sup> commercial building in West Virginia—on a former brownfield. The university's investment will attract hundreds of jobs.

To build on this momentum, Ranson and Charles Town applied for and received an EPA Brownfields Area-Wide Planning Grant, a HUD Community Challenge Planning Grant, and a DOT TIGER II Planning Grant in 2010. Coordination of the three grants allowed the communities to develop a cohesive plan that uses vacant, previously contaminated land for economic development, links transportation to land use, protects the environment, and provides more affordable housing.

The city of Ranson received technical assistance through EPA's Building Blocks for Sustainable Communities Program to strengthen and articulate the plan. EPA worked with elected officials, stakeholders, and the public to identify areas for growth and analyze existing community tools. This assistance, provided in May 2011, resulted in a clear and specific action plan that helped Ranson implement the three grants ahead of schedule. In April 2012, Ranson's city council unanimously approved proposals to enact a new zoning code and comprehensive plan, moving the community one step closer to realizing its vision for growth. By braiding funding streams, the Partnership demonstrated that it could be a proactive, productive partner in a collective impact strategy.

"All the stars aligned – transportation, zoning, the environment, workforce housing," noted Ranson City Manager Andy Blake. "The Partnership allowed us to refine our plans into implementable steps to create a sustainable community for generations to come."

## Results

Planning is great, but at the end of the day results matter. In communities struggling to recover from the economic downturn, grantees needed real solutions that improve socioeconomic outcomes for families and increase investment potential for cities and towns were what grantees needed. Improved land use decisions that addressed location affordability, economic development strategies that leverage regional transportation assets, and initiatives that help people put money back in their pockets by looking at the planning and development issues together were the core products that began to emerge from planning processes.

By the second year of the process, most regions had worked through issues of meaningful engagement of communities and were trying to create clear forward-moving visions. In Maine, the Greater Portland Regional Planning Council used municipally-based demonstration grants to reinforce the notion that the Regional Planning Grant had tangible outcomes. Houston Galveston Area Council produced a strategy to address a crisis in land use that has evolved over decades in the absence of effective zoning. Seattle's Puget Sound Regional Council developed a regional compact which has already secured signatures from more than 26 jurisdictions and organizations committing to embrace the principles of the planning document created during the grant. The Hopi Tribe completed master planning for a new community that will link the existing mesas, provide community development opportunities for their nation, and connect them more effectively with the neighboring Navajo nation.

With 143 grantees, the results from the program are beginning to pour in and some themes are emerging. The most successful grantees are utilizing their networks to:

- **Harness market forces.** The City and County of Honolulu used its planning process to investigate new methods of affordable housing construction and preservation in the nation's toughest market. Now they are leveraging private investment through a loan fund targeted at properties along future transit lines, bringing business and municipal interests into new project developments.
- **Improve local infrastructure.** St. Charles Parish, Louisiana is using its Challenge grant to rework the road and technology infrastructure of its principal business corridor, increasing economic development opportunities and reducing transit time to the community's lone hospital.
- **Develop innovative financing mechanisms.** Plans take money to realize. Nearly every grantee is working to broaden its array of financing mechanisms to support project implementation.

- **Integrate development disciplines.** Often the comprehensive nature of the planning processes has brought together divisions of governments such as departments of health and planning that had never previously collaborated for a common cause.
- **Achieving catalytic use of land assets.** In Salt Lake County, community leaders followed up on its landmark Envision Utah planning process with a series of development strategies and tools for local communities designed to meet the ambitious goal of concentrating 30 percent of the region's future development on three percent of its land area.
- **Involving employment anchors in long range development activity.** In Memphis, the Aerotropolis strategy acknowledges the intensive engine that the logistics sector represents for regional employment, and the chance to improve outcomes for working families and traditionally disadvantaged populations.
- **Expanding the network of stakeholders from those concerned with planning for the future to include those who can make it happen.** The pivot to implementation is a preoccupation of every grantee completing their planning and grantees are learning how best to kickstart the implementation process for their own initiatives. The Piedmont Authority for Regional Transportation is one of many grantees bringing business and philanthropic leaders into the planning process, ensuring resonance with the resulting plan and investment in its successful implementation.

## Lessons Learned

Several areas of focus have emerged among the grantees, all of which resonate strongly with the Partnership's six livability principles:

- Integrated housing and transportation. The planners for the Wasatch Front in Utah were acknowledged as national leaders on transportation issues. But the chance to pair that expertise with a priority on housing dramatically enriched the conversation, and the resulting strategy has promising potential for economic development and enhanced resident access to amenities.
- A focus on economic resilience. Any number of grantees made economic resilience their top priority following the economic downturn of 2008-2009. Grantees used specific economic development tactics, as well as linking housing, transportation, and infrastructure strategies to generate investment. But perhaps no grantee better used the opportunity to plot a course for a more resilient future than Thunder Valley Community Development Corporation, which helped the

## In-Practice Example: Planning to Soothe Growing Pains – Puget Sound Region, Washington

Nearly 4 million people call the metropolitan Seattle home, living in a beautiful mix of urban and rural landscapes. Its desirability as a place to live, work, and play has strained the region's affordability, with more and more families forced to move farther from job centers in search of cheaper housing. Implementation of a long-term vision for land use, economic development, and transportation is challenged by growing population (an estimated 1.5 million new residents by 2040), and the difficult task of coordinating consistent policies across more than 80 cities and towns. The Puget Sound Regional Council used its \$4.99 million SCI grant to build a consortium of cities, counties, and public and nonprofit partners that would put jobs and opportunity closer to where people live through its Growing Transit Communities project.

This initiative invests in strategic transit corridors and uses innovative technology and community capacity-building to ensure equitable, meaningful participation in decision-making. To keep an opportunity frame at the project's forefront, the organizationally diverse steering committee designated one of its two project co-Chairs to focus on equity issues, a powerful statement about the value of inclusion and diverse leadership being central to the region's future.

The benefits for the region are manifold. The grant sets the stage for a regional acquisition fund for transit-oriented, affordable housing development. An array of demonstration projects provides benefits to local residents estimated at \$25 million, based on cost-savings that include reduced congestion and decreased accident risks. More than \$400,000 has been distributed to community-based organizations to participate in planning – the first time that many of these organizations have had significant resources to advance their neighborhood planning efforts to comprehensive regional planning.

Catalyst projects demonstrate how integrated planning supports economic vitality and enhanced livability for the region and its communities. In the mid-size port city of Tacoma, the initiative attracts regional investment by developing a subarea plan that helps prepare for an estimated 60,000 new jobs by 2030, and provides \$5.8 million in immediate cost savings to developers by avoiding project-by-project reviews.

In 2011, five projects from Tacoma and Seattle received more than \$15 million in competitive funding from HUD, in part due to a Preferred Sustainability Status designation given to projects aligned with the Growing Transit Communities objectives.

Project manager Ben Bakkenta notes, "What's impressed me the most is how we're working with residents and communities in ways we never have before. This not only builds support for a shared vision, but builds the local capacity to make that vision a reality."

Oglala Lakota Tribe (South Dakota) establish its first long-range development plan.

- Aligned workforce development and regional planning. Several regions used their SCI grants to take a deeper look at how they could strengthen the workforce development aspects of their regional plans. On opposite coasts Baltimore and the San Francisco Bay Area focused on bringing low- and moderate-wage workers into better career paths and connecting training to housing and transportation access.
- A new commitment to engagement, particularly for traditionally underrepresented populations. A fundamental aspect of the planning grant programs involves forging a meaningful place at the decision-making table for communities that usually have no role in long-range planning. Lane County, Oregon staff commissioned a research paper to determine what factors kept invisible communities, particularly the growing undocumented immigrant community, from participating in civil society. Its findings achieved national relevance and framed subsequent outreach strategies in the region.
- Equity in outcomes means planning for equity. From the onset, the Puget Sound Regional Council recognized that if they wanted to see different outcomes for marginalized communities a different kind of planning conversation would have to happen. So they built a governing structure for the project that featured an Equity co-Chair, bringing these issues into focus in nearly every aspect of the planning process.
- Alignment of diverse issues, such as health, arts, and culture. Many grantees saw the opportunity to build to more collective buy-in of the initiative (and an increased likelihood of implementation) by blending diverse but related issues. It also helped to bring more

local relevance to the frame of the program. In North-west Vermont, the entire project became structured around health outcomes that were more meaningful to the residents of the region.

### **The Power of Partnerships**

An important commonality that emerged from this initiative was the incredible depth of partnerships across grantees, underscoring the value of a collective impact approach for community development. Partnerships were rich across most grantee communities. As graduates emerge from the program, many national community development intermediaries are finding ways to build off the work that has already been done and help regions implement their plans. Philanthropy continues its stewardship of sustainable community development issues; the sector was investing in many of the places most concerned with these issues long before HUD or the Administration re-visited the issue, and in many places are generational partners with community. Many grantees have worked to engage local foundations and philanthropists, who understand the value of collective action impact as well as anyone. In 2013, HUD and Living Cities, a collaborative of foundations and financial institutions, signed a memorandum of understanding to increase coordination between the two entities to help regions strengthen their capital absorption capacity to increase investment readiness, share lessons learned with the field, and test new models.

While the Partnership began as an alliance between three agencies, several other Federal agencies have assisted Partnership work and grantees, helping communities cut through red tape by aligning planning requirements and reducing unnecessary duplication. The Economic Development Authority partnered with HUD to allow its Comprehensive Economic Development Strategy planning requirements to be met by qualifying Regional Planning grants, reducing bureaucracy and improving access to vital planning dollars for scores of moderate-sized communities participating in the Initiative. DOT co-invested in one of the rounds of Challenge grant competition, creating a rare multiple-agency grant opportunity that underscored the critical importance of aligning housing and transportation planning. EPA provided resources for the capacity building for grantees, integrating important water and brownfields issues into communities' long-range planning. And federal-state partnerships began to take shape, with a handful of statewide grant recipients in the cohort who used the moment to reframe state policy priorities for economic resilience and sustainable development.

### **Conclusion: Poised to Put Plans to Action**

As two-thirds of the community of grantees who comprise the HUD Sustainable Communities Initiative complete their planning processes, a broad array of elected officials, federal agencies, philanthropies, advocates, private sector interests, and community development entities wait to see just how much of the potential of the program can be achieved. SCI grantees are direct beneficiaries of a collective impact approach wherein the federal government is an effective partner. That partnership has come in several ways. As local communities have built a common agenda, multiple Partnership (and other federal) agencies have worked to acknowledge and support those agendas, coordinating investments and contributing staff time to those initiatives. The Partnership moves closer to developing performance measures that are locally relevant, nationally collectible, and adequate to the task of demonstrating progress toward sustainable development practices. At the Partnership and amongst numerous other federal agencies, there is increasing skill developing to find the mutually reinforcing activities while avoiding unnecessary redundancy. And by supporting backbone organizations within these regions (the lead grantee), the federal government facilitates cross-sector partnerships equipped to take on the complex housing, transportation, and workforce development issues most central to a strong economic recovery. Collective impact cannot transpire unless local leadership owns the process, but the SCI grants have demonstrated that the federal government can be a significant contributor.

Early evidence points to three key determinants of grantee success as communities and regions put their plans into motion. First, communities that are positioned to achieve the ambitious outcomes set forth in their original proposals took advantage of a planning framework for sustainable economic growth that was facilitated via federal resources but ultimately forged in local communities. Second, cross-sector partnerships are core to nearly every grantee – they are the only way that grantees can develop solutions to match the complexity of the issues facing local communities. Third, those who developed governance structures that capitalized on the power inherent in collective strategy development and discourse are now poised to move into action with significant implementation momentum. Only with the full participation of every sector can these communities and regions achieve the lofty, hugely important economic, social, and environmental outcomes that will serve all populations in the decades to come. **CI**