



FEDERAL RESERVE BANK
OF SAN FRANCISCO

**Community Economics Project
Frequently Asked Questions**

Q. Why is the Community Economics Project necessary?

A. Every community has an economy. Yet, prosperity and opportunity are unequally distributed in America. While some communities thrive and enjoy numerous community based amenities such as restaurants, grocery stores, retail stores, public spaces, etc., other communities are characterized by blight and scarcity. As a result, the residents of these neighborhoods must travel to other places to get the goods and services they need. The Community Economics Project is intended to reverse years of redlining and disinvestment by encouraging locally inspired revitalization and investment.

Q. What is the specific goal of the Community Economics Project?

A. The ultimate goal of the Community Economics Project is to restore economic vibrancy to under optimized commercial corridors by reducing vacant retail spaces, attracting new businesses, supporting existing businesses to grow, and improving the overall safety and appeal of these corridors for patrons.

Q. How will the Community Economics Project achieve this goal?

A. This project involves a multi-pronged strategy that engages property owners, entrepreneurs and residents. Step one is to facilitate access to unoccupied spaces of all sizes and types by working proactively with property owners. Step two will focus primarily on working with individuals who want to start, maintain or grow a business in one of the spaces. Step three is to encourage local residents to spend more with these businesses so that money stays in the community and creates more jobs. These steps should happen concurrently so that they complement and reinforce each other.

Q. What is the significance of focusing on a neighborhood business district?

A. A thriving neighborhood business district is often the anchor of a strong local economy by creating employment opportunities, attracting dollars from outside the community, reducing economic leakage, and increasing the local tax base. A vibrant business district can also add to a neighborhood's desirability and market value and improve community pride.

Q. Where will the Community Economics Project take place?

A. Anywhere it's needed. The ideal neighborhood for this project is one that has a neglected commercial corridor surrounded by a dense residential community. Neighborhoods that have an existing champion who can lead and maintain the momentum of the project will have an advantage over those that don't. A champion can be a group of residents, business owner, elected official, community development corporation or other organization that has a stake in the community. Whomever steps up to take the lead will be given the technical assistance and support needed to execute the specific steps necessary to begin revitalizing the corridor.

Q. Can I participate if I am not a leader or champion?

A. Yes. Anyone and everyone can participate in the trainings, workshops, and activities that will be offered through the Community Economics Project. In addition to the trainings and workshops, there will be many opportunities for residents to provide input and shape the direction of the neighborhood through periodic listening sessions, surveys and events.

Q. Will the Community Economics Project promote gentrification?

A. NO. Gentrification is neither the goal nor the unintended consequence of this project. Gentrification often results from the displacement of renters with fragile housing tenure and homeowners being pushed out by more affluent individuals. These higher income residents may attract investors that sometimes displace businesses as well. This project seeks to foster economic stability and opportunity for existing residents and businesses in order to resist gentrification and displacement.

Q. Who is behind the Community Economics Project?

A. The Community Economics Project is spearheaded by Lena Robinson, regional manager in community development at the Federal Reserve Bank of San Francisco. Building on an extensive network of partners and leveraging expertise and best practices from across the country, Ms. Robinson sees this Project as an important strategy to achieve the department's mission of achieving financial stability for low-income households and economic growth for low-income communities. Recognizing that the Community Economics Project strategy alone is not enough to address the numerous other factors that contribute to economic disparity, it will be augmented by other community development programs that focus on education and youth, workforce development, affordable housing creation, asset building and expanded health access.

Q. Is the Federal Reserve providing funding for this work?

A. Yes. The staff time dedicated to organizing the multifaceted framework of the Community Economics Project is being paid for by the Federal Reserve Bank of San Francisco. The decision to allow a staff person to dedicate the bulk of her time to one project represents a significant investment by the Federal Reserve. There will also be investments made in training, workshops, and other activities intended to build the capacity of individuals and organizations that are committed to transforming the economic future of their community. As communities embark on the effort to achieve community revitalization, they will help to attract additional funding from both public and private sources in the form of grants, investments, and loans.

Q. How long will the Community Economics Project last?

A. There is no designated sunset or completion date. A project of this complexity may not produce results or changes that are immediately obvious. It may take several years of work to see improvement in employment and income gains, community engagement, and business ownership before a neighborhood reaches a stage of stability. At the right time, the ideal exit strategy is to turn the project over to a dedicated management organization. The most successful commercial corridors are often organized as a community benefit district (CBD) where businesses contribute to a fund that will provide mutually shared benefits such as beautification, branding, marketing, security, event management, etc.

Q. How do chain stores and national franchises fit into the Community Economics Project strategy?

A. National franchises can serve as critical anchors for economic revitalization and neighborhood stabilization because they often occupy larger spaces and sign multi-year leases. Hopefully, these national chains engage in responsible employment practices that include paying a living wage, hiring local residents and providing decent work conditions that prioritize safety and a full schedule for employees that want it. Residents should feel empowered to demand conditions that support the community as much they do the shareholders and to reject companies that only operate from a profit driven motivation.

Please direct any additional questions to Lena Robinson at the Federal Reserve Bank of San Francisco: lana.robinson@sf.frb.org or 415-974-2717