

Blueprint for the Next Generation of Place-Based Policy

Policy Example—Community Restoration and Revitalization Fund

Advancing racial equity and boosting upward mobility across the United States will require a robust national commitment to reversing the legacy of segregation and disinvestment that disproportionately harms low-income communities of color. As policymakers design new place-based policies and programs and strengthen those already in place, they must contend with key design decisions that will determine how effective the policy is in catalyzing lasting improvements in places for the benefit of current and future residents.

This policy example outlining an approach for the design and implementation of the proposed **Community Restoration and Revitalization Fund (CRRF)** is a companion to the report, *A Blueprint for the Next Generation of Federal Place-Based Policy*.^{*} The blueprint offers a two-step process for policy analysis and program design that starts with high-level, analytical questions that help provide the aspirational framework for then addressing a series of specific design decisions. It aims to help federal agency officials, congressional staff, and policy advocates design place-based policies and programs that respond to the priorities of local practitioners to actively address racial inequity and injustice, bridge sectors and policy domains, respect and build community voice and power, deliver sufficient resources and lasting system reforms, and promote continuous learning.

^{*} With support from Blue Meridian Partners, the Urban Institute and PolicyLink developed a policy blueprint for the next generation of federal place-based policy. The blueprint offers actionable guidelines and examples federal policymakers can apply to both design new place-based policies and improve implementation practices at different scales and in different policy domains. It draws upon community voices, research evidence, and practitioner insights to lay out principles and a structure for incorporating lessons from the past into future place-based policies that confront long-standing racial inequities and injustices. This effort was informed by a policy working group that advised on lessons learned from past place-based programs, and it aims to clear a path forward for communities and policymakers interested in strengthening federal investments in place-based work and improving upward mobility for people regardless of where they live [Margery Austin Turner, James Ladi Williams, Justin Milner, Jessica Pizarek, and Ashleigh Gardere, *A Blueprint For the Next Generation of Federal Place-Based Policy* (Washington, DC: Urban Institute; Oakland, CA: PolicyLink)].

Figure 1. Key Design Questions

Design decision	Guidance
Which federal agency or agencies will implement this program?	<ul style="list-style-type: none"> ➤ Clearly define roles for lead and contributing agencies. ➤ Specify governance mechanisms for interagency collaboration.
What types of local entities will be eligible to receive funding?	<ul style="list-style-type: none"> ➤ Establish requirements that engage and strengthen entities with deep community relationships. ➤ Give weight to the full spectrum of qualifications and capacities required to lead place-based efforts across different geographies.
How will participating local entities be selected from among those eligible?	<ul style="list-style-type: none"> ➤ Clearly specify an equitable formula for allocating funding (if applicable). ➤ Define equitable selection criteria that advance the program’s aspirations. ➤ Establish mechanisms to monitor equity outcomes of the selection process.
What scale of federal funding will be provided?	<ul style="list-style-type: none"> ➤ Match funding to program goals for population-level impact. ➤ Consider giving participating organizations preference for other federal funding sources.
What additional supports will the program provide?	<ul style="list-style-type: none"> ➤ Provide flexibility with accountability. ➤ Build in needed technical assistance supports. ➤ Include support for data collection and learning.
What will participating organizations be obligated to do?	<ul style="list-style-type: none"> ➤ Specify both authorized and required activities. ➤ Formalize community ownership beyond engagement. ➤ Include pathways to partnership.
How will the program’s effectiveness be measured?	<ul style="list-style-type: none"> ➤ Establish a parsimonious set of data requirements. ➤ Encourage the use of multiple sources and types of data. ➤ Plan any formal evaluation from the outset.

Source: Authors’ analysis of federal place-based programs.

By offering recommendations across key design decisions, this policy example illustrates how the federal government can engage with cross-sector leaders from across the country to support more equitable, community-driven place-based planning around the use of federal resources.

Step 1: Frame the Aspiration

As a first step, it is essential to articulate the broader goals of the program and how it will improve the lives of real people.

What population outcomes does the program aim to improve and for whom?

Overview

The Community Restoration and Revitalization Fund (CRRF) aims to improve the social, economic, and civic fabric of communities that have experienced a history of disinvestment. To achieve this aim, the fund will invest in civic infrastructure—the people, institutions, and systems that can equitably steward investments in places- and support community-led projects that create fair, affordable, and accessible housing opportunities; prevent residential displacement; acquire and remediate blighted properties; and promote creation and retention of high-quality jobs. CRRF will fund programs in communities experiencing multiple signs of economic distress, including high and persistent poverty rates and high vacancy rates due to foreclosures—all of which are impacted by and perpetuate racial inequities in access to safe and affordable housing and homeownership.

Design & Implementation Recommendations

The potential impact of CRRF will be strengthened with clearer specificity around how initiatives financed through the fund will improve outcomes for low-income residents and residents of color living in those places (in the immediate future and long term). Centering aspirational outcomes for people, in addition to specific allowable strategies to pursue those outcomes, can help identify and shape decisions about how to advance racial equity in all aspects of program design and implementation by anchoring all subsequent work around addressing structural inequities perpetuated by existing policy and programs.

CRRF funding should be invested in larger strategic initiatives to build cross-sectoral initiatives over time that will ultimately impact the many issues (housing, access to good paying jobs, quality education, etc.) that realistically impact any resident living in a community experiencing disinvestment and persistent poverty. Local partnerships' ability to design and steward large-scale strategies may differ depending upon the existing capacity in that place, and HUD should be prepared to support a spectrum of grantees to plan and build their strategies toward population impact.

- ▶ **Define an overarching set of population-level outcomes across all CRRF investments.** The fund should outline an overarching set of population-level outcomes to measure improvements in the social, economic, and civic infrastructure of target communities to (1) drive a focus on outcomes central to the core goals of the fund, (2) encourage investment in long-term projects that match the fund's aspirations for transformational change, and (3) provide a framework to assess the efficacy of HUD's implementation strategy.

Given its scope and aspirations, national population-level outcomes for CRRF should include:

- Increased wealth of existing residents, especially low-income residents and residents of color
- Increased residential property ownership by existing residents, particularly low-income residents and residents of color
- Increased commercial property ownership by firms run by people of color and by owners who do not identify as male
- Increased access to permanently safe and affordable rental housing for low-income residents and residents of color

- ▶ **Give grantees flexibility to define local population-level outcomes aligned with core outcomes for CRRF funding.** Each CRRF-funded initiative should be anchored by a locally curated set of desired outcomes designed by and for impacted communities, consistent with the overarching population outcomes defined. HUD should support grantees in creating locally determined population-level outcomes and performance measures to assess how their grant-funded strategies and partnerships are building toward sustainable improvement for low-income residents and residents of color in the communities in which they are implementing their initiatives.

Step 2: Define Policy and Program Details

Design decisions will ultimately drive whether policies and programs truly advance upward mobility for the populations of interest. The questions and recommendations below offer a starting point for how decisionmakers should think the design and implementation of CRRF.

What types of local entities will be eligible to receive funding?

Overview

The fund is currently scoped to directly fund local partnerships led by nonprofit organizations, community development corporations, community housing development organizations, community-based development organizations, and community development financial institutions at the neighborhood, county, and census-tract level in communities that have experienced a variety of indicators of economic distress, disinvestment, and displacement (residential and commercial). Local grantees are also offered the opportunity to partner jointly with local, regional, and national entities to complement and expand existing capacity to implement funding.

Design & Implementation Recommendations

- ▶ **Give weight to the full spectrum of qualifications and capacities required to lead place-based efforts across different geographies.** Eligibility requirements should reflect the diverse circumstances and needs of frontline communities and the varying capacities of organizations proximate to and deeply connected to those communities, including a variety of capabilities around:
 - Organizational and strategic capacity
 - Strategic and accountable partnerships
 - Policy and systems influence
 - Data use
 - Community engagement
 - Sustainable financing
 - Communications

These capacities, and the nonlinear process by which place-based partnerships develop them, are further discussed in [A Developmental Pathway for Achieving Promise Neighborhood Results](#), a tool intended to highlight key milestones in the development of cross-sectoral place-based initiatives, and most importantly, the achievement of scalable results for communities impacted by racial and economic inequity. While this tool will not fully or uniformly capture the developmental journey of cross-sectoral, place-based partnerships, it provides a suggested foundation from which to begin considering tailored supports for a spectrum of communities and is meant to support early thinking around CRRF.

- ▶ **Promote partnerships and resource-sharing among grantees.** The range of eligible entities written into current CRRF legislation is sufficiently broad to support place-based initiatives. However, it will be key for HUD to deploy funds strategically, require power- and resource-sharing amongst partnerships, and design and offer technical assistance/capacity-building supports to ensure that funds are equitably stewarded across communities. This matters to avoid biasing CRRF investments towards large, well-capitalized organizations.

How will participating local entities be selected from among those eligible?

Overview

While current legislation defines a set of eligible activities that CRRF grants can support, the legislation does not define an explicit selection criteria that governs how grantees will be selected from among those eligible. More specifically, the language lacks definition around how the fund will prioritize equitable investment in civic infrastructure.

Design & Implementation Recommendations

- ▶ **Equitably allocate funding geographically.** HUD should specify a system for allocating funding across geographies that ensures resources flow equitably across urban, rural, and regional places in order to avoid excluding or underfunding communities based on population size. This should also intentionally consider how funds are equitably distributed to Indigenous communities, the majority of whom have historically been relocated from federally recognized tribal lands. As with other federal programs, including Promise Neighborhoods, HUD should consider creating separate categories for funding based on geographic typographies.

- ▶ **Specify selection criteria that account for varying organizational capacities and needs.** It is important to acknowledge that some traditional selection factors—including experience managing federal grants or participation in other related programs—may exclude organizations with the strongest community ties. These criteria should reflect the full spectrum of organizational strengths and capacities needed to achieve the variety of goals set forth in the fund, including deep engagement with frontline communities and leadership by community members. They should encourage investment in local partnerships that enable established “backbone” organizations to engage with and connect funding to a variety of community partners, including newer, smaller, and more representative organizations, and should take care not to exclude organizations based on size, total funding levels, or a track record of federal grants management.

Priority selection should be given to applicants leading the following types of initiatives:

- **High-impact initiatives** that focus energy and attention on effective cross-sector strategies (using civic infrastructure to bridge housing solutions to other challenges); galvanize additional financial and in-kind support from public, philanthropic, and private sources; and hold potential to scale.
- **Initiatives that are heavily governed by and with residents and resident-led organizations representing impacted communities.** Funding should be equitably prioritized to grantees who demonstrate existing meaningful, formalized connections to grassroots leadership. Funding should be heavily allocated directly to resident-led initiatives, organizations, and vendors wherever possible.
- **Initiatives that include strategies to identify and counter policies and systems that strip wealth from individuals and communities of color who are low income, and rather build wealth and ownership through their development strategies.** CRRF design and implementation should simultaneously prioritize investments that not only prevent further harm, but also substantially build the wealth of impacted residents living in a community where an initiative is taking place.
- Initiatives that have **demonstrated experience and mechanisms to quickly disperse grant funds to community partners** through subcontracting or subgrants, or intend to use planning funds to create a strategic plan to do so (potentially with a fiduciary partner).

What will participating organizations be obligated to do?

Overview

CRRF funds are currently designed to be available to grantees in two phases: (1) planning grants, and (2) implementation grants. All grant funds may be used to support civic infrastructure and housing-related activities, and must include at least one civic infrastructure and at least one housing-related activity, with various tiers of activities based on the phase of the grant.

Design & Implementation Recommendations

- ▶ **Build accountability for improved community governance.** The fund is well-positioned to institute significant process shifts in how federal funds are leveraged to expand, enhance, and institutionalize community governance—beyond engagement—in place-based initiatives. Beyond mere community engagement as an input for the development of cross-sectoral partnerships and initiatives, ensuring equitable leadership by and funding to frontline community leaders establishes an important precedent around the manifestation of ownership of, authority over, and ultimately, benefit from, economic development in a community.

HUD should intentionally consider how organizations authentically organizations receiving CRRF funding are in relationship with and incorporating strategic direction from frontline communities and their leadership. HUD should require funded initiatives to establish governance and accountability practices that moderate power dynamics between historically excluded organizations and the philanthropic, government, and private actors who have historically exercised power in frontline communities. Beyond community engagement around existing plans, grantees should be supported in cementing partnership with resident and community leaders as partners in designing, implementing, iterating, and eventually scaling initiatives as a strategy for building longer lasting civic infrastructure. This should include the creation of formalized roles, authorities, governance structures, and agreements, and where appropriate should outline where decision-making should be ceded to community-led organizations and frontline residents. Specifically, HUD should establish expectations for how less connected, but potentially better-resourced, grantees will incorporate meaningful community governance into funded activities.

- ▶ **Build pathways to partnership that equitably redistribute funding.** Understanding that building partnership infrastructure is a long-term investment, grantees should be supported in budgeting for participation and capacity building with community partners, including a regranting strategy that ensures CRRF funding flows directly to residents and community leaders investing their time and expertise into the initiative. Ideally, intermediary partners will play backbone roles in coordinating multisector initiatives with dedicated funded allocated to those roles, and should also be structured for significant pass-through of funding to partners, acting as a funnel for CRRF dollars directly to

frontline communities. HUD should provide clear guidelines about whether and for what purposes CRRF funds can be subgranted to other local organizations, and require resource-sharing across partnerships wherever allowable—including equitable contracting and procurement processes.

How will the program's effectiveness be measured?

Overview

There is no language outlined in current legislation to assert if or how CRRF-funded activities will be measured for effectiveness or equitable impact. Current legislation allows grantees to utilize funds for various engagement and planning activities; however, these activities are not required and do not include establishing assessment protocols. While technical assistance and capacity building are named as complementary supports to grantees, current legislation does not outline if or how those funds will be utilized to support grantees in assessing effectiveness of their strategies, including data collection and continuous improvement systems.

Design & Implementation Recommendations

➤ **Support grantees in building continuous improvement systems that map to local priorities.**

As discussed in the first section of this memo, *What population outcomes does the program aim to improve and for whom?*, the aspirations of CRRF to support communities' social, economic, and civic fabric through deep investments in affordable housing systems and economic development will be served by investing in infrastructure for grantees that allows them to regularly assess whether and how their strategies are contributing to meaningful improvements in the economic well-being and housing security of low-income residents and residents of color—and whether those changes can be sustained and scaled over time.

➤ **Establish a parsimonious set of data requirements.** If not already identified, HUD should support grantees in identifying the outcomes that all participating organizations in the partnership will be responsible for advancing, and then identify the essential data to collect and report, keeping the list of requirements tightly focused on the most important information. HUD should only require the collection of data that will be used for continuous learning, performance assessment, or evaluation commonly prioritized across grantee communities and within each community. Wherever possible, HUD should be intentional about avoiding a proliferation of measurement requirements across federal agencies and align them with local agendas, particularly in communities that are braiding multiple funding streams.

- ▶ **Hold realistic expectations for measuring effectiveness over time.** Learning from past and current federal place-based investments, HUD should hold realistic flexibility around outcomes for at least the first 2–3 years of implementation for nascent partnerships as data infrastructure and continuous improvement systems are built.
- ▶ **Focus on supporting grantees' progress toward agreed-upon performance measures and progress toward goals, leaving flexibility around strategy.** In addition to more visionary local population-level metrics, HUD should support grantees in establishing performance measures to assess short-term progress. As a tenet of supporting the agency's own continuous improvement, HUD should dedicate its focus to helping them map efficacy toward those outcomes and leave flexibility for adapting strategy.
- ▶ **Center equitable forms of data, data collection, and democratic access to data for community partners.** HUD and participating agencies should be prepared to support local grantees in developing and utilizing data infrastructure to support continuous improvement of strategies. This should feature:
 - Setting meaningful metrics that chart progress toward population-level change.
 - Allowing collection of quantitative and qualitative data that illustrates those metrics, even if in untraditional academic ways. For example, this could include resident-led surveys that do not necessarily meet burdensome methods requirements traditionally associated with federal grants.
 - Supporting data collection in small geographic geographies and where infrastructure is not available, make access to alternative data centers available. If local grantees or partners do not have sufficient infrastructure to access or collect this data, allocate capacity-building funds to connect grantees to research organizations with supportive capacity.
 - Wherever possible, proactively connecting appropriate federal agencies to provide data related to metrics.
- ▶ **Prioritize capacity building and technical assistance to build continuous improvement infrastructure for local grantees.** As discussed with greater depth in the following section, HUD should commit significant funding to planning for and delivering capacity building and technical assistance to build permanent continuous improvement infrastructure with local grantees.

What technical assistance and capacity-building supports will the federal government provide to grantees?

Overview

Funds will be available for technical assistance; capacity building; and program support to applicants, potential applicants, and recipients. There is no language written into current legislation that details what technical assistance, capacity building, or support could include or by whom, although previous descriptions of the fund's design from the White House noted that technical support and capacity-building support could be offered by either HUD or qualifying nonprofits, philanthropy, community development financial institutions, and/or local government agencies.

Design & Implementation Recommendations

- ▶ **Develop a suite of capacity-building supports and strategically build in time and resources on the front end of grantmaking to assess and understand what tailored set of supports each investee might need.** Cross-sectoral partnerships stewarding high-impact, scalable strategies are often built and developed along a spectrum of key capacities. Those that intentionally engage in processes of continuous improvement will most likely not experience linear or consistent development, but rather find themselves cycling through developmental phases for various capacities. Wherever possible, federal partners should connect with and leverage established technical assistance and capacity-building supports in complementary federal programs as well as existing technical assistance hubs led by nonprofit and philanthropic institutions.
- ▶ **Prioritize capacity building and technical assistance to build continuous improvement infrastructure for local grantees.**
 - Fund technical assistance to support grantees in connecting data infrastructure and reporting requirements to continuous improvement systems.
 - Facilitate or fund facilitation of cross-partner collaboration in continuous improvement systems.
 - Where available, utilize continuous improvement processes (either facilitated by HUD or an intermediary) to support cross-regional collaboration and promote alignment of strategy and resources around common policy priorities and systems interventions. This is intended to help bridge initiatives across localities and build broader regional strategy.

- ▶ **Prioritize technical assistance providers with demonstrated experience supporting the policy, programmatic, and organizational needs of grantees.** HUD should assess the variety of policy, programmatic, and organizational supports that grantees may require across a developmental spectrum and assemble a team of technical assistance providers accordingly. HUD should not only seek out providers that have demonstrated experience offering these specific types of support, but should also prioritize engagement with providers that have effectively offered these supports to communities building these systems with deep community governance.
- ▶ **Be mindful of how power may manifest in relationships between grantees and technical assistance providers.** Because technical assistance partners are often directly contracted by federal agencies and are often larger institutions without local ties to grantee communities or the entities leading funding initiatives, HUD should be explicitly intentional in how it scopes roles and expectations between technical assistance providers and grantees. Technical assistance providers should provide responsive tools and capacity-building resources at the invitation of grantees.

Which federal agency or agencies will implement this program?

Overview

As outlined in current legislation, CRRF will be implemented through the Department of Housing and Urban Development (HUD). There is no mention of whether additional federal agencies will be involved.

Design & Implementation Recommendations

- ▶ **Be strategically aligned and streamlined within and across participating and adjacent agencies.** While CRRF is currently designed to be housed in and deployed by HUD, implementers at HUD should be aware of ways in which other agency and HUD offices may interact with CRRF funding, particularly agencies interacting at the field-office level. In addition to offering waivers, HUD implementers should assess how existing programs within HUD and those deployed by other agencies may be combined with CRRF funds to support the scope and scale of initiatives. This should include an analysis of where agency- and program-specific requirements need to be permanently removed, aligned, and/or streamlined in order to support grantees to use funds for discrete projects as well as catalytic investments.
- ▶ **Invite communities to flag as well as affirmatively identify and remove administrative policy and regulatory barriers.** HUD should proactively partner with other agencies to identify barriers that impede grantees from braiding and blending funds to immediately respond to community needs as well as plan for long-term sustainability of cross-sectoral initiatives.

What scale of federal funding will be provided?

Overview

Current legislation establishes \$3 billion in funding for CRRF, including allocations for:

- Planning and implementation grants.
- Funding for eligible recipients to create, expand, and maintain community land trusts and shared equity homeownership, including through the acquisition, rehabilitation, and new construction of affordable, accessible housing.
- Technical assistance; capacity building; and program support to applicants, potential applicants, and recipients.

Up to 20 percent of a recipient's grant may be used for administrative costs.

Design & Implementation Recommendations

- ▶ **Fund initiatives that bridge sectors and domains.** As discussed previously in the memo, CRRF funding should not merely be an investment in discrete projects, but rather projects as components of larger strategies to build cross-sectoral initiatives over time that will ultimately impact the many issues (housing, access to good-paying jobs, quality education, etc.) that realistically impact any resident living in a community experiencing disinvestment and persistent poverty. This will require sustained investment beyond one-time funding.
- ▶ **Fund initiatives based upon a realistic timeframe for building and scaling cross-sectoral, place-based partnerships (beyond point-in-time, shovel-ready projects).** HUD should realistically assess the required phasing and duration of federal support necessary to sustain each funded initiative, taking developmental sequencing of several capacities into account. This is not only critical for ensuring that funded projects are completed, but that initiatives are able to live into the long-term timeframe necessary to meaningfully and sustainably shift wealth and power in a community, beyond the scope of discrete projects or investments. Grantees may fall along a spectrum of readiness, and will require different configurations of funding and supports beyond planning and implementation phases. Instead, HUD should consider a more nuanced spectrum of grantmaking that includes:
 - Planning
 - Early Implementation
 - Full Implementation
 - Reaching Scale
 - Sustaining Results

- ▶ **Ensure that all grantees have the opportunity to access implementation funding,** as long as they are demonstrate meaningful progress towards the results they have laid out for their initiative. Building upon the evolution of existing place-based programs like Promise Neighborhoods, HUD should plan for an investment window of at least 10 years with any given community, understanding that this may require congressional approval to extend the life of the fund beyond its initial 10-year scope as outlined in the Build Back Better Act.
- ▶ **Appropriately fund and scale the role of intermediary organizations.** The fund should support and scale proven models of intermediary organizations (backbone agencies, “community quarterbacks,” etc.). So as not to detract resources from direct investment in resident-led organizations, federal implementers should also allocate capacity-building and technical assistance funds to support administrative and fiscal functions of intermediary organizations—particularly to support frontline organizations that may not have sufficient infrastructure to field large federal grants. HUD should also outline guidelines for clean grantmaking in which funds are quickly allocated to community-led initiatives with pre-established, agreed-upon accountability metrics and governance roles.
- ▶ **Connect and leverage private/philanthropic funding.** Acknowledging that investing in this form of civic infrastructure requires robust capital—not always present in and available to communities experiencing persistent poverty, especially those in rural and tribal places—HUD should facilitate philanthropic partnerships on behalf of grantees, depending upon existing capacity. Identifying the scale of a community-led project, as well as potential sources of both public and private funding, can help communities develop strategies for leveraging other public dollars as well as private capital and align those strategies with community benefit outcomes (such as protecting existing residents from displacement).



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