

# Stanford SOCIAL INNOVATION<sup>Review</sup>

---

## *Features*

### **Communities Need Neighborhood Trusts**

By Joseph Margulies

Stanford Social Innovation Review  
Spring 2019

Copyright © 2018 by Leland Stanford Jr. University  
All Rights Reserved

➔ The current approach to community revitalization has helped arrest and even reverse the degradation of American neighborhoods. But it cannot solve the problem without local ownership and control of assets and the decommodification of property.

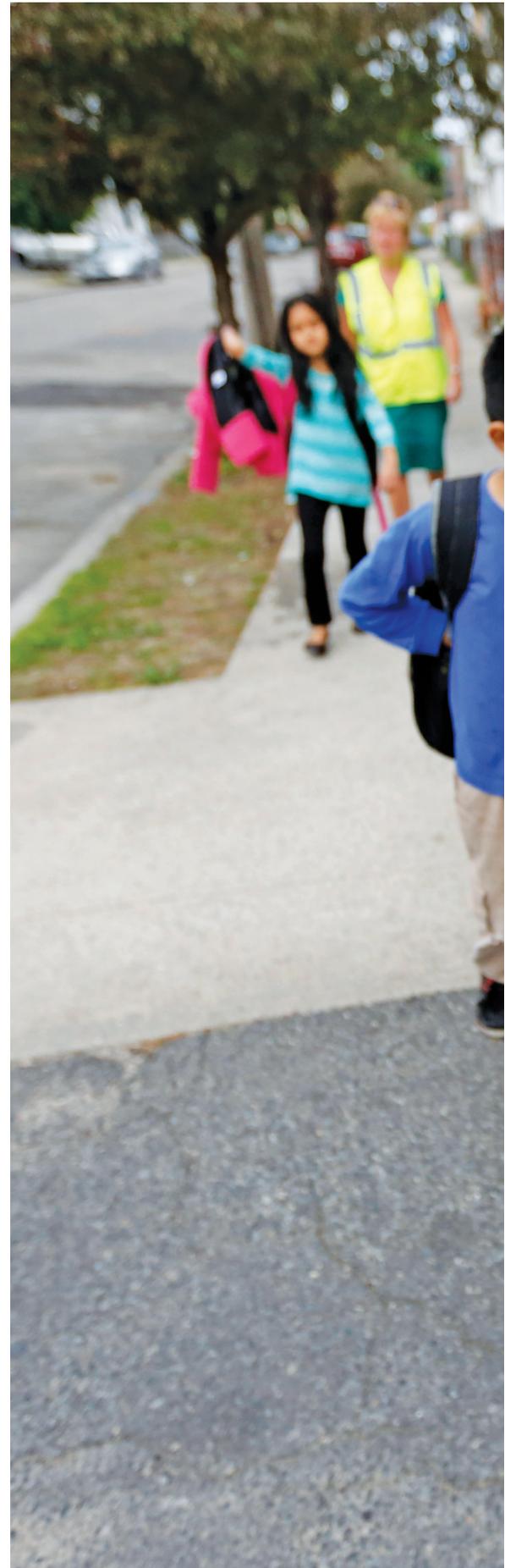
# Communities Need Neighborhood Trusts

BY JOSEPH MARGULIES

Every weekday morning, Yuselly Mendoza walks the streets of Olneyville, a low-income, predominantly Latino neighborhood on the west side of Providence, Rhode Island. She and another woman don bright yellow jackets and set out at 8:05 from the corner of Salmon Street and Manton Avenue, across the street from Sanchez Liquors and a vacant, weed-choked lot. They follow a route that meanders through the neighborhood, stopping along the way to pick up schoolchildren who walk with them, before reaching the William D'Abate Elementary School. A total of about 35 kids take the Walking School Bus, joining either with Yuselly on her walk (the "blue route") or with two other adults, who take a different path through the neighborhood (the "green route"). And every afternoon at 3:30, Yuselly and the

other women retrace their steps as they walk the children home. There'd be more kids on the bus if it weren't for rules that require a certain ratio of adults to children; since there isn't enough funding to hire another adult, the bus has a waiting list.

➔ *Eight-year-old Divya Dahal walks home from school with a group of grade school children escorted by Allyson Trenteseaux, program manager for Walking School Bus.*



Photograph by Steven Senne/Associated Press



As simple as it is, the Walking School Bus opens a window into the enormous complexity of community well-being. The bus is about education, of course. It's about getting kids to their local elementary school on time, which matters at least as much to parents in Olneyville as it does to parents anywhere. Though Olneyville is one of the poorest neighborhoods in Providence, D'Abate Elementary has very nearly the highest attendance rate in the city. But the bus is also about public safety. Like many poor, urban neighborhoods, Olneyville has far more than its share of challenges, and the group walks past some empty lots, abandoned buildings, and derelict houses. "The police used to be at this house all the time," Yuselly tells me, as we pass a property with the windows boarded shut and the electrical boxes stripped bare.

The bus is also about public health. The green and blue routes are each about a mile long, and because the kids walk to and from school, they get much-needed exercise and time outdoors. And maybe, in a less obvious way, it's about work, since the Walking School Bus gives parents the freedom and peace of mind to go to their jobs without wondering whether their children will get to school safely and on time. Yuselly told me she changed the start time for her route from 8:20 to 8:05 to accommodate one of the parents on the line, who had to be at work at 8:30 but wanted to be home when her child left the house.

Ultimately, the Walking School Bus is about the idea of community itself, with its creative and visible demonstration of communal self-help and intricate relationship building—about neighbors providing transportation without vehicles, public safety without police, and public health without doctors or nurses. Yuselly, who has been the bus "captain" since the project began three years ago, has gotten to know the children on her route, and when one of them misses a couple days, she makes a point of alerting the child's teacher. Before long, someone has called the home or paid a visit to make sure everything is okay. Maybe academics have the Walking School Bus in mind when they toss around terms such as "collective efficacy," "social cohesion," and "social capital."

The Walking School Bus thus reminds us that community well-being is never a matter of just one factor. The many qualities that combine to create a thriving neighborhood are interwoven and mutually dependent, and a small, inexpensive, local initiative can have an outsize effect by rippling and compounding through its blocks. Imagine what would happen—to public health, public safety, education, jobs, and the fabric of the community—if the Walking School Bus stopped running. Now multiply that by a hundred comparable small programs that lace through a low-income area. When it comes to neighborhood well-being, it's all connected, and support for (or neglect of) one affects all the others.

For decades, this complex interconnectedness has confounded attempts to transform distressed neighborhoods like Olneyville. The Walking School Bus captures perfectly the current approach to this puzzle, starting with the rich web of connections that brought it into being. The bus is funded by the Rhode Island Department of Health (RIDOH), which received a grant from the Centers for Disease Control and Prevention in Atlanta (CDC). RIDOH, in turn, funds nine organizations across the state, including ONE Neighborhood Builders, a community development corporation in Olneyville with a long record of collaborative community building in the neighbor-

**Joseph Margulies** is a professor of law and government at Cornell University. He is the author of *What Changed When Everything Changed: 9/11 and the Making of National Identity and Guantánamo and the Abuse of*

*Presidential Power*. He has written about national security, criminal justice, and community well-being for *The New York Review of Books*, *Boston Review*, and *Verdict*, among other publications.

hood. ONE Neighborhood acts as a backbone organization for about a dozen other nonprofits. It disburses the funds, provides organizational support, and takes the laboring oar in building relationships among the various groups, of which the school bus is one. The entire model is a collaborative, nonconfrontational approach that draws on residents, nonprofit providers, foundations, philanthropies, the public sector, and private enterprise. I call it a "congenial partnership."<sup>1</sup>

But, as successful as it is, the partnership will not save Olneyville, just as it has not saved hundreds of other neighborhoods like it around the country. With only very rare exceptions, the programs created by the partnership are not securely funded; outsiders, rather than the community itself, control the funding; and the members of the partnership bend to the same market and political forces that will eventually make neighborhoods like Olneyville unaffordable to the working poor. To save Olneyville, we need more than a congenial partnership. We need something that is funded adequately, controlled locally, and organized communally. That something is a neighborhood trust.

#### THE CONGENIAL PARTNERSHIP IS NOT ENOUGH

Neighborhoods like Olneyville do not just happen. They are the predictable result of specific public and private choices. In broad terms, the history of Olneyville is the history of thousands of urban neighborhoods across the country: increasing postwar white flight and suburbanization encouraged by local, state, and national housing policy; accelerating urban job loss and disinvestment; social and economic dislocation caused by years of misguided "urban renewal" and highway construction; rising crime, disorder, and overpolicing; diminishing social capital; and collapsing infrastructure. It is the well-known story of urban America in the second half of the 20th century.<sup>2</sup>

Because of its overreliance on the textile industry, Providence collapsed sooner and harder than many other industrial cities; Olneyville fell victim to the same fate, becoming more racially and economically segregated and more socially isolated. Over the past several decades, its racial and ethnic mix has shifted from white to Latino, while the isolation has intensified as the neighborhood becomes home to more residents who are undocumented and who speak English only as a second (or third) language.<sup>3</sup>

The congenial partnership has taken shape over the past several decades in an effort to reverse this long decline, and initiatives like the Walking School Bus—the emblematic product of this partnership—are exceedingly popular. I have been studying and writing about Olneyville for several years, as part of a book on neighborhood well-being, and have found these initiatives everywhere. The same sort of partnership that established the bus also created the computer education classes at the Olneyville branch of the public library and the financial literacy and after-school programs at D'Abate Elementary. It gives to Family Service of Rhode Island a grant that funds social workers to accompany Providence police officers on

calls that will likely prove especially traumatic, such as the death of a child. It brings public and private capital into the neighborhood to build affordable housing. It allows a mobile food pantry to set up at D'Abate every Thursday evening to offer Olneyville residents ready access to affordable, healthful, and culturally appropriate food. It keeps the doors open at a free clinic for Olneyville residents who have no health insurance.

There is much about the congenial partnership to celebrate. Yet it suffers from a host of serious limitations. First, nearly all of the resources that flow into communities like Olneyville for programs like the Walking School Bus hinge on decisions by agencies and actors who, to one degree or another, are physically and psychologically distant from the neighborhood. If the CDC cut its support, if RIDOH shifted its funding priorities, if ONE Neighborhood decided to take its work in another direction—if any of the links in a long chain were cut—the bus would stop running, which means the community is perennially at the mercy of outside funders. And that funding is always at risk. An exhaustive report by the National

low-income community—especially a community of color—they have not made it better. The lesson of history in this country is that when outsiders set the priorities, low-income black and brown neighborhoods have too much of what they don't need and too little of what they do.<sup>5</sup> An outside organization may be an excellent and benevolent steward, but a distressed community doesn't need a steward. It needs to run itself.

Finally, because outside funders and agencies tend to be limited in the approaches they can take—by law, by charter, or by tradition—initiatives established by the congenial partnership typically do little, if anything, to protect a low-income neighborhood from the market and political forces that in the present climate threaten to displace its residents. In fact, the very initiatives that make the neighborhood a better place to live can also make it irresistible to the back-to-the-city movement, with its attendant influx of capital. Unless it's regulated, this capital will ultimately raise the cost of essential goods like rent, property taxes, health care, insurance, and food, which in turn makes living in the neighborhood unaf-

## **CITIES HAVE HISTORICALLY BEEN THE PLACE WHERE THE DECK OF AMERICAN LIFE IS MOST RELIABLY CUT AND SHUFFLED. THEY ARE THE SITE OF EXPANDED HORIZONS AND ENRICHED LIVES.**

Research Council and Institute of Medicine, for example, found that funding for youth programs was “modest compared with the number of children who need assistance.” As the authors observed, “if there is one barrier above all others to an ample supply of high-quality community programs for children whose parents cannot afford to pay for them, it is the lack of reliable, stable funding streams to support them.”<sup>4</sup>

But even if the funding were both adequate and secure—and it is neither—there is and ought to be an inherent preference to control one's own fate, rather than have it controlled by others, as a matter not just of political necessity but also of historical experience. In a way that I did not appreciate when I started my research, change in an urban neighborhood is inevitable. A city is not so much a place—a fixed point on a map—as it is a performance, an endless work in progress. A city is the immensely complex product of countless relationships among a constantly changing cast of residents, businesses, and visitors, who continually shape and reshape their physical and metaphorical world to fit their needs.

Yet this change has never been an agentless process. A neighborhood can either act or be acted upon, and if it does not take charge of its fate, others will. Outsiders will decide how the space should be used and what is best for the people who live and work there. They will decide whether to build more housing, and whether that housing will be affordable. They will decide whether to invest in education and public health, and what those investments might look like. They will decide how the neighborhood is policed. And, more often than not, when others have decided what is best for a

fordable to the poor, especially those who—like the elderly—live on a fixed income. Perversely, the act of transforming the neighborhood is what sets it on a path that leads to its destruction as a viable place to live for low-income residents. The final indignity is that the people displaced are frequently black and brown, while those who displace them are typically white and comparatively wealthy, thereby heightening both the racial and class stratification of American life.<sup>6</sup>

Today, Olneyville is at the heart of this tension. Like many cities, Providence is in the midst of a housing crisis, and the lack of affordable housing is particularly acute. At the same time, the success of the congenial partnership in transforming Olneyville has been a siren for capital, which increasingly turns its attention to the small, west-side neighborhood it long ignored. After decades of neglect, Olneyville is changing again. Rents and housing prices are accelerating rapidly, and it has become the site of intensifying struggles over gentrification and displacement.<sup>7</sup>

This is a struggle that Providence and Olneyville cannot afford to lose. Cities have historically been the place where the deck of American life is most reliably cut and shuffled. They are the site of expanded horizons, enlarged opportunities, and enriched lives. Yet that is rapidly changing. Cities across the country are becoming increasingly unaffordable, and the working poor are being driven out. Between 2000 and 2015, almost every major metropolitan area in the country saw poverty rates soar in the suburbs. In Sun Belt cities such as Austin and Las Vegas, the number of people living below the poverty line in the suburbs more than doubled; in the

suburbs surrounding Midwest industrial cities like Chicago and Detroit, the number climbed by more than 80 percent. Even in thriving regional markets such as Washington, D.C., and Seattle, the total number of poor people in the suburbs increased by more than 60 percent.<sup>8</sup>

As the working poor move to the suburbs, the cities they leave behind cleave into unaffordable enclaves set alongside pockets of intensely concentrated distress. Since 2000, most of the large metropolitan areas in the country have seen a steep increase in the number of census tracts with a poverty rate upwards of 40 percent. By 2014, despite the economic rebound, 14 million people lived in these extremely poor neighborhoods, twice as many as in 2000. In such places, almost everything that matters to a person's future—from levels of crime and disorder to performance of schools; from housing stock to opportunities for social mobility; from physical- and mental-health outcomes to the prevalence of severe financial insecurity—tends to be worse. And the longer people live there, the worse it gets for them.<sup>9</sup>

When cities become isolated islands of rich and poor, residents lose the countless formal and informal encounters that take place in a healthy, safe, well-integrated city—encounters that promote tolerance and communal concern. At least since the early 1960s, when the sociologist Jane Jacobs penned *The Death and Life of Great American Cities*, we have recognized this neighborhood effect as crucial for producing not only the economic growth and innovation for which successful cities are renowned, but also a tolerant, accepting society.<sup>10</sup> However, social and professional interactions among a diverse mix of people require them to live, work, worship, and play in close proximity to one another—a connection that we are steadily losing.

### THE NEW COMMUNITY CHEST

The root of this problem is that, contrary to what many people imagine, communities are not funded. With rare exceptions, municipalities and nonprofits are funded, and communities depend on their largesse. In 2017, for instance, the Rhode Island Foundation made \$43 million in grants to 1,700 nonprofit organizations that serve the communities in which they are located. The Rhode Island chapter of the Local Initiatives Support Corporation (LISC) contributed another half million to seven community development corporations. Community banks, universities, hospitals, and private businesses also make grants to benefit Rhode Island neighborhoods, but, once again, the recipients are typically nonprofits. BankNewport, for instance, reports that its grants “are generally limited to nonprofit organizations that have a bank and/or insurance relationship with us.” Then there are the block grants the federal government makes, including the US Department of Housing and Urban Development's Community Development Block Grant Program, which awarded \$3 billion in grants in 2017, all of which went to eligible cities and counties. In short, communities depend upon what others give them. They do not own or control any of the money earmarked and spent for their benefit and cannot invest it to provide for their long-term needs.

Of course, there are reasons for this arrangement. There is no 501(c)(3) nonprofit called Olneyville. There is no thing—no organization or entity—that comprises and speaks for the community,

and that can receive and disburse funds. There is, in other words, nothing like a neighborhood trust.

But what if there were? Suppose such a fund did exist, held in trust by the community for the long-term benefit of the neighborhood. The trust would have a mandate to address the interconnected problems that beset the community, but only in a way that did not sacrifice affordability. Beyond that broad mandate, the terms and objectives of the trust could be tailored to meet the unique needs of the neighborhood in which it was located. Funds from the congenial partnership that flowed into the neighborhood would pass into and be administered by the trust, which would have the power to manage and oversee them according to priorities and limitations set not by outsiders but by the community itself. Like any trust, a neighborhood trust would be administered by a board of trustees, but a majority of this board would be from the community—the residents, business owners, and civic leaders who best understand the community and its needs. Neighborhood residents would select trustees for rotating terms of office, giving the residents a direct stake in the direction of the trust and making it an engine not simply of community development but also of civic participation.<sup>11</sup>

Specifically, a neighborhood trust would fill the gaps left by the congenial partnership in several ways:

First, and most important, it would give distressed communities local ownership and control of the resources that flow into them, liberating them from the stewardship of the congenial partnership. Not only is this concept important in its own right, but maintaining ownership and control allows neighborhoods to tap and develop local expertise, thus building essential skills in self-governance and ending the dependency that is too often part of the current approach to community revitalization.

Second, a neighborhood trust could invest its assets to create an endowment that enabled it to weather economic downturns, survive funders' inevitable shifts in priorities, and ultimately free the neighborhood from its dependency on outsiders. As the trust grew, it could gain influence in decision making beyond the neighborhood boundaries. Using the economic and political leverage that comes with size, for instance, the trust could pressure public and private employers to hire and contract with neighborhood firms; pay a living wage; and provide child care, health care, and retirement benefits for their employees. In addition, the trust could devote a small fraction of its money to defray short-term costs to low-income residents and businesses, much as the old community chests did during their heyday at the turn of the 20th century.<sup>12</sup>

Third, the trust could guarantee long-term affordability and resist displacement by creating shared-equity arrangements in commercial and residential property. The most familiar example of these arrangements is the community land trust. Though these trusts vary from location to location, they share essential attributes. When most people purchase a home, they can resell it for whatever the market will bear. But if land values are accelerating faster than prevailing wages, the mismatch will eventually put home ownership beyond the reach of those who rely on their wages to afford it. To prevent this problem, homes built or acquired by a community land trust are sold subject to a shared-equity agreement. Unlike in a typical purchase, the rights and responsibilities of homeownership are shared between the low-income buyer, who purchases the home at

a below-market price, and a community land trust. The purchaser owns the home, but, in exchange for an affordable price at the time of her purchase, she agrees to give up the right to sell the home for whatever price the market could demand. Instead, if she chooses to sell and the market has gone up, she will make a modest return but cannot sell at a price that would make the home unaffordable to the next eligible, low-income buyer. In short, a community land trust decommodifies real property.<sup>13</sup>

This arrangement, which can last indefinitely, helps a low-income neighborhood thrive by assuring a stable supply of quality homes priced at below-market rates. It enables the neighborhood to resist displacement and gives an owner a greater attachment to the neighborhood by reducing her financial incentive to leave. It also eliminates the incentive for speculators with no commitment to the neighborhood to snatch up distressed homes and “flip” them at prices beyond the reach of the average wage earner in the neighborhood. And, though land trusts typically focus on housing stock, they are equally appropriate for commercial property, which helps

20 mutually supportive and synergistic neighborhood and school programs, including early childhood nutrition and education, K-12 schooling, after-school programs, college preparatory classes, parenting programs, health education, and fitness classes. HCZ has steadily expanded since its founding, from a single block in the 1990s to a 97-block area today, serving more than 12,000 children.<sup>15</sup>

Still, despite its success, HCZ does not achieve the full potential of a neighborhood trust. For one thing, though it takes a comprehensive approach to the needs of children and their families, it leaves many other residents of a distressed neighborhood either unserved or served only indirectly. The most vulnerable of these are often elderly people who live alone. According to the Institute on Aging, of the older adults living outside nursing homes or hospitals in 2010, fully one-third lived on their own. The literature suggests that a significant fraction of these men and women are socially isolated, which places them at greater risk for a host of health problems.<sup>16</sup> In short, a neighborhood is more than its children.

In addition, HCZ does not make use of shared-equity arrange-

## THE NEIGHBORHOOD TRUST VESTS OWNERSHIP AND CONTROL WITH THE NEIGHBORHOOD, RATHER THAN WITH OUTSIDERS, AND PROTECTS AND MAINTAINS LONG-TERM AFFORDABILITY.

ensure that rising rents will not force out businesses serving the needs of low-income residents.

The neighborhood trust thus represents the next stage in a long history: It vests ownership and control with the neighborhood, rather than with outsiders, creates local expertise, builds social capital and community wealth, and protects and maintains long-term affordability. In short, it systematically corrects the flaws in the congenial partnership.

### A HYBRID MODEL

No organization has yet realized the full potential of a neighborhood trust, at least as I envision it. But there are successful models that demonstrate its viability and show its great promise. The largest and most famous is the Harlem Children’s Zone (HCZ), which takes a remarkably comprehensive approach to the well-being of children and their families within a portion of central Harlem. From its inception, the organization has tried to knit together a cradle-to-college blanket of services, addressing “not just some but all of the issues children and families [are] facing within a finite geographic area: crumbling apartments, rampant drug use, failing schools, violent crime, and chronic health problems.” The goal is to create a “tipping point” for children in the neighborhood by surrounding them with successful, college-oriented peers and mentors.<sup>14</sup>

Largely because of the generous support of a single donor, HCZ dwarfs most community nonprofits. Its annual revenue in 2017 exceeded \$150 million, and its endowment approached half a billion dollars. It has used this funding to create and operate more than

ments to decommodify property. As a result, it cannot protect property within its zone from the dramatic increase in value as capital floods in, driving up costs and increasingly making the area unaffordable to the working poor. Harlem, the iconic epicenter of black culture in American life, is now the site of some of the most rapid gentrification and displacement in all of Manhattan, and some observers predict that in a matter of years, it will be simply another rich, white enclave.<sup>17</sup>

Closer to what I have in mind is the Dudley Street Neighborhood Initiative in the Roxbury and Dorchester areas of Boston. Like in Olneyville, the economic downturn of the ’70s and ’80s devastated Dudley Street and the area around it. Vacant lots became toxic dumps, and abandoned buildings burned to the ground. But in 1984, a group of determined residents formed the Dudley Street Neighborhood Initiative (DSNI) and shortly thereafter secured eminent-domain authority from the City of Boston over more than 64 acres in the Dudley Triangle—a national first for community organizations. DSNI thereby acquired ownership and control of many of the approximately 1,300 parcels of abandoned land in the neighborhood, which were then transferred to a community land trust.

Within the trust, DSNI gradually developed the land as permanently affordable housing by decoupling it from the unrestrained forces of the market. Buyers own the structure but not the land on which it stands, which the trust continues to own and hold for the long-term benefit of the community as a whole. This creates the quid pro quo of the community land trust: Buyers who could not afford a home at market rates can purchase a home built by the

trust, but, in exchange for this affordability, they relinquish the right to the increase in the value of the land and agree to sell only to another eligible low-income purchaser. Though DSNI originally focused on affordable housing, it has gradually expanded. As of 2016, not only were 226 homes part of the land trust, but also an urban farm, a community greenhouse, a charter school, several parks, and a town common.<sup>18</sup>

Finally, though the trust remains the centerpiece, DSNI has expanded to a new role and is now a backbone organization that manages and coordinates the use of some of the funds that flow into the neighborhood as part of the congenial partnership. For instance, it is the lead agency for the Boston Promise Initiative (BPI), a federally funded program designed to provide comprehensive, cradle-to-college services to neighborhood children. In other communities, BPI's resources would flow to outside organizations, which in turn would fund various programs in the Roxbury and Dorchester areas. That has been the model in Olneyville and is by far the most common arrangement nationwide. But because DSNI exists, BPI's resources

neighborhood trust pairs the resources and endowment of HCZ with the land trust of DSNI but tweaks both models to provide the greatest benefit to a distressed neighborhood.

Finally, nothing about a neighborhood trust would require a community to break new organizational or legal ground. On the contrary, the trust would draw from two established models: the community development corporation and the community land trust. From the latter, the trust would acquire property and sell it only pursuant to a shared-equity arrangement. The rights the trust reserved would be held in common by the community as a whole and managed by the organization's trustees. From the former, the trust would serve as a backbone organization for all funds that entered the neighborhood via the congenial partnership, distributing the resources and taking the lead in developing and maintaining relationships among the organizations that provided services within the neighborhood, some of which the trust itself would develop.

By combining these two models, the neighborhood trust would ideally develop a cradle-to-grave blanket of social services that

## THE IDEA OF COMMUNITY IS CONTESTED ... RESIDENTS WILL HAVE TO DECIDE, DEMOCRATICALLY, WHO WILL BE ELIGIBLE TO VOTE AND SERVE. BUT THIS IS A BENEFIT, NOT A DRAWBACK.

can be directed to it, rather than to an outside steward, giving the community greater control and ownership of the funding that the neighborhood receives.<sup>19</sup>

DSNI comes closest to what I envision for the neighborhood trust yet fails to tap its full potential. Though a community land trust can be used for commercial as well as residential property, most land trusts—including DSNI—target residential housing (and most are much smaller than the trust DSNI administers). Yet to thrive, a low-income neighborhood needs more than affordable housing. It needs affordable markets, pharmacies, clinics, auto mechanics, clothing and hardware stores, Laundromats, restaurants, and so on. Any of these businesses can be displaced by rising costs and replaced either by chains that are better able to leverage their size to command more favorable rents, such as Walmart, or by high-end shops that cater to a different clientele, such as Whole Foods. Either of these developments can destroy the character or affordability of a low-income neighborhood nearly as surely as the loss of affordable housing. A neighborhood trust, therefore, should aim to include commercial, as well as residential, property. In addition, DSNI does not have remotely the sort of endowment of HCZ and therefore is not building toward independence. While its emerging role as a backbone organization is welcome, the success of that move remains heavily dependent on outside funding—a factor that limits DSNI's ability to achieve its perennial goal of neighborhood ownership and control.

Neither HCZ nor DSNI accomplishes all that a neighborhood trust can achieve, but both show us that the trust will work. A neigh-

tended to the overlapping and interconnected needs of low-income residents throughout their lives, while preserving affordability by decommmodifying property. As with any trust, the terms under which the trustees served could be adapted to meet local needs, and the trustees could retain professional fund managers to invest and oversee its endowment.

### ASSETS IN SHARED HANDS

Like any innovation, my proposal for a neighborhood trust will meet with objections. Some critics will say, for instance, that residents of distressed neighborhoods lack the institutional and organizational skills needed to manage a trust and its accompanying endowment. This objection, however, treats the residents of a low-income neighborhood as part of the problem, rather than part of the solution. It therefore exposes the stewardship mentality of the conventional approach to community revitalization, in all its moral and political bankruptcy. If residents of a distressed community lack skills, they can either acquire them—like anyone else—or consult with experts, such as investment advisors and managers, and make an informed judgment based on their input. In any case, the success of HCZ and DSNI shows that any supposed deficits within distressed communities are probably more imagined than real.

Others will point out that it will take years to develop a sizable endowment. This is undoubtedly true, which is why I do not envision the trust as replacing the congenial partnership outright, at least not initially. In the immediate term, money would continue

to flow into the community from outside funders. It would simply flow into and be managed by the neighborhood trust, which could use the resources to fund the same sort of initiatives and nonprofit organizations as the partnership presently funds, much like DSNI and its administration of the Boston Promise Initiative.

By appearances, life with a neighborhood trust may at first look a great deal like life without the trust. But, over time, as a fraction of all resources coming into the neighborhood are earmarked for the long-term benefit of the trust and the creation of an endowment, the trust will grow in assets and importance. Eventually, neighborhoods will end their reliance on outside funders but remain affordable to residents of limited means. Finally, those who doubt the capacity of a trust to establish a sizable endowment would do well to recall that HCZ has an endowment worth nearly half a billion dollars.<sup>20</sup>

Still others will claim that a community is not a *thing*, and that creating a neighborhood trust merely replaces a diverse set of small, specialized nonprofits with a single, large nonprofit. This objection, however, confuses what is with what could be. Yes, there is no Olneyville Trust, but the fact that there is a Harlem Children's Zone and a Dudley Street Neighborhood Initiative tells us we could create one if we wanted to. More important, the charge that a neighborhood trust merely creates an extra layer of bureaucracy misses the vital role of the trust rules, which ensure local participation and control, both by the trustees and by the residents who select them.

True, the idea of community is contested, which means that residents will have to decide, democratically, who will be eligible to vote and serve. But this is a benefit, not a drawback, since these decisions are inherent in self-government and increase both capacity for and attachment to civic participation, which would carry through to other aspects of community life. Residents who become engaged in the ownership and control of their neighborhood are more likely to be engaged in their city, state, and country. They vote, serve on juries, pay taxes, and acquire a greater moral and emotional stake in the nation and its institutions. Creating and operating a neighborhood trust would be a boon to the community, not simply to its staff.

In the end, the congenial partnership is important, but it will not save the American city. Communities need ownership over the resources that flow into the neighborhood and defenses to protect them from feckless funders and footloose capital. This means removing assets from individual hands and placing them in the shared hands of the community, which holds them in trust for the benefit of the group and insulates them from private profit making and political manipulation. In an age when the failure of unregulated capitalism is becoming more evident every day, options like the neighborhood trust cannot be implemented quickly enough. ■

## NOTES

1 Bruce Katz and Jeremy Nowak call the current model the New Localism. I am not satisfied with this label, since control of the resources that flow into a neighborhood is not local at all. See Bruce Katz and Jeremy Nowak, *The New Localism: How Cities Can Thrive in an Age of Populism*, Washington, DC: Brookings, 2018. On the role of private capital in the congenial partnership, see, e.g., Thomas Miller, "Bridges to Dreams: The Story of the Low Income Investment Fund, Celebrating 25 Years of Impact, 1984-2009," Low Income Investment Fund, [http://liifund.org/wp-content/uploads/2011/03/Bridges-to-Dreams-The-Story-of-LIIF-2009\\_LRes.pdf](http://liifund.org/wp-content/uploads/2011/03/Bridges-to-Dreams-The-Story-of-LIIF-2009_LRes.pdf).

2 See, e.g., Thomas Sugrue, *The Origins of the Urban Crisis: Race and Inequality in Post-war Detroit*, Princeton, N.J.: Princeton University Press, 2005; Jessica Trounstein, *Segregation by Design: Local Politics and Inequality in American Cities*, Cambridge, UK: Cambridge University Press, 2018.

3 See, e.g., Matthew Jerzyk, "Gentrification's Third Way: An Analysis of Housing Policy and Gentrification in Providence," *Harvard Law and Policy Review*, vol. 3, 2009.

4 Committee on Community-Level Programs for Youth, National Research Council and Institute of Medicine, *Community Programs to Promote Youth Development*, edited by Jacquelynne Eccles and Jennifer A. Gootman, Washington, D.C.: National Academy Press, 2002.

5 The best recent discussion of this history is in Trounstein, *Segregation by Design*.

6 See, e.g., Richard Florida, "The Downsides of the Back-to-the-City Movement," *CityLab*, September 29, 2016.

7 Fay Strongin, "You Don't Have a Problem Until You Do: Revitalization and Gentrification in Providence, Rhode Island," master's thesis, City Planning, MIT, June 2017.

8 Aaron Weiner, "Poverty Is Moving to the Suburbs. The War on Poverty Hasn't Followed," *Washington Post*, April 5, 2018.

9 Elizabeth Kneebone and Natalie Holmes, "U.S. Concentrated Poverty in the Wake of the Great Recession," Brookings Institute Report, March 31, 2016.

10 Jane Jacobs, *The Death and Life of Great American Cities*, New York: Random House, 1961.

11 Though it is beyond the scope of this essay, the neighborhood trust is also the innovation that comes closest to achieving the "maximum feasible participation" by the poor in charting and controlling their own future, as the original statutory provision for the war on poverty envisioned. On "maximum feasible participation," see Tara J. Melish, "Maximum Feasible Participation of the Poor: New Governance, New Accountability, and a 21st Century War on the Sources of Poverty," *Yale Human Rights and Development Journal*, vol. 13, no. 1, 2010.

12 John R. Seeley et al., *Community Chest: A Case Study in Philanthropy*, Piscataway, N.J.: Transaction Publishers, 1988.

13 For a primer on the community land trust, see John Emmeus Davis, "Origins and Evolution of the Community Land Trust in the United States," *The Community Land Trust Reader*, Cambridge, Mass.: Lincoln Institute of Land Policy, 2010, and "Common Ground: Community-Owned Land as a Platform for Equitable and Sustainable Development," *University of San Francisco Law Review*, vol. 51, no. 1, 2014.

14 See Harlem Children's Zone, "Changing the Odds for Our Kids and Our Nation: Biennial Report, 2016-2017"; "A Community of Opportunity: Biennial Report, 2014-2015"; "Whatever It Takes: A White Paper on the Harlem Children's Zone," April 2014; and "History," <https://hcz.org/about-us/history/>.

15 Harlem Children's Zone Consolidated Financial Statement, 2017, <https://hcz.org/wp-content/uploads/2018/01/HCZ-Audited-Financials-FY-2017.pdf>; Roland J. Fryer Jr. and Will Dobbie, "The Medium-Term Impacts of High-Achieving Charter Schools," *Journal of Political Economy*, vol. 123, no. 5, 2015. Perhaps because of its size and prominence, the Harlem Children's Zone has been the subject of vigorous attacks. Some critics maintain that its charter school, the Promise Academy, performs no better than the average charter school in New York City. Other researchers disagree with this assessment, but in an important sense the charge is beside the point: The charter school is merely one aspect of an entire approach to neighborhood well-being that endeavors to overcome decades of disinvestment and neglect in every aspect of a child's life. From this perspective, Harlem Children's Zone's protection of thousands of at-risk children from the toxic influences that surround them and its success in sending hundreds to college testify to the organization's effectiveness.

16 See, e.g., Thomas K. M. Cudjoe et al., "The Epidemiology of Social Isolation: National Health and Aging Trends Study," *The Journals of Gerontology: Series B*, March 26, 2018; Clifford Singer, "Health Effects of Social Isolation and Loneliness," *Journal of Aging Life Care*, Spring 2018.

17 Michael Henry Adams, "The End of Black Harlem," *The New York Times*, May 27, 2016; Marie Gørrild, Sharon Obialo, and Nienke Venema, "Gentrification and Displacement in Harlem: How the Harlem Community Lost Its Voice en Route to Progress," *Humanity in Action*, 2008.

18 On the Dudley Street Initiative, see Peter Medoff and Holly Sklar, *Streets of Hope: The Fall and Rise of an Urban Neighborhood*, Boston: South End Press, 1999; Sharon Cho, Koko Li, and Tessa Salzman, *Building a Livable Boston: The Case for Community Land Trusts*, Boston: Tufts University, April 2016; Dudley Neighbors, Incorporated, History, n.d., [www.dudleyneighbors.org/background.html](http://www.dudleyneighbors.org/background.html).

19 See grant application by the Dudley Street Neighborhood Initiative, "Boston Promise Initiative," submitted July 27, 2012.

20 Suzanne Perry, "Harlem Children's Zone Leader to Step Down," *The Chronicle of Philanthropy*, February 10, 2014, [www.philanthropy.com/article/Harlem-Childrens-Zone/153575](http://www.philanthropy.com/article/Harlem-Childrens-Zone/153575); Harlem Children's Zone Consolidated Financial Statement, 2017, <https://hcz.org/wp-content/uploads/2018/01/HCZ-Audited-Financials-FY-2017.pdf>.