Community Driven Economic Development Strategies For Rainier Beach

By

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Chapter 1: Introduction

Community-Based Businesses and Investment

Rainier Beach residents and businesses have expressed the importance of developing a vibrant commercial district, which is an important element of a successful neighborhood town center and its success is dependent on the support of its local residents. This report is the second in a series of three exploring community development approaches that may be appropriate for Rainier Beach’s urban village. This paper will compare several successful community driven economic development strategies that have led to long-term economic stability, while preserving cultural vitality in diverse inner-city neighborhoods.

Often the discussion of improving the economic outcomes for many inner-city communities leads to discussions of gentrification. For the purpose of this paper I will use the definition of gentrification posed by Maureen Kennedy and Paul Leonard which is “gentrification as the process by which higher income households displace lower income residents of a neighborhood, changing the essential character and flavor of that neighborhood.” This definition is useful because the potential displacement of residents will affect any proposed community economic development plans. Understanding the details of these strategies and what has made them successful is critical to implementing a similar approach in Rainier Beach.

Research Question

Rainier Beach residents, businesses, and non-profits identified as one of its core principals in the 1999 Rainier Beach Neighborhood Plan that the social and economic revitalization of the “Beach” square (Beach Square) was important.¹ However, starting a new business is a risky undertaking in which most new businesses fail within five years and success is dependent on a variety of factors.²

Saar’s Market Place, one of the Beach Square’s businesses, Rainier Ave and Henderson St.
Recent studies of Rainier Valley businesses have shown that lack of control over commercial rent is a significant barrier to success for RB independent business. In addition, many new independent businesses in the retail core are owned by a significant number of minority, immigrant and refugees that fail to capture business outside of their racial and ethnic group. Many of RB’s local businesses have unattractive and uninviting physical appearances. Finally, it has been noted that the physical characteristics of many of the retail businesses are unattractive and uninviting. These factors among others are exacerbated in areas of increased real estate development interest, especially for culturally specific businesses that cater to a sub-set of the population. In fact, according to the 2009 Retail Development Strategy for Rainier Beach report Rainier Valley businesses pay 20 to 30 percent of their gross sales on rent which is significantly higher than gross rents in comparable areas of the city. These factors lead to the primary motives of this project which is how to leverage community participation avoiding gentrification of historical, minority, immigrant, and refugee businesses. It is expected that as community support grows for local businesses they will then become increasingly viable. This report will assess several community driven projects and what has made them successful. Therefore the overarching question for this report is:

What strategies for community participation have led to long-term economic sustainability in inner-city community re-vitalization efforts? Can they be applied to Rainier Beach to maximize community partnership and promote sustained economic development avoiding displacement of current local, minority, and refugee businesses?

This report presents two promising community economic development projects that include Resident Investment (The Village at Market Creek) and Community Control (Dudley Street Neighborhood Initiative) strategies to better understand how community partnerships attract public, foundation, and corporate investment. These projects were selected as they have demonstrated a large amount of community engagement and increased economic vitality in areas that previously suffered from high levels of disinvestment. This report will address the following sub-questions:

- How do the strategies align with the communities desire to build upon the RB 2014 plan and the SESAA?
- What are the key elements necessary for success and how do the different models impact the bottom lines of local businesses, chain businesses and non-profits?
- What assets does Rainier Beach have that make it attractive for investment from government, foundations, entrepreneurs, or corporations, and are there other key factors needed to capture the attention of major foundations and government?

**Research Methods**

The main purpose of my research is to provide the City of Seattle and its Rainier Beach stakeholders with a variety of potential economic development strategies that have been effective in similar neighborhoods across the country. An evaluative matrix comparing the different strategies will give the city the ability to understand the benefits and limitations of the different policy approaches. Within this
tool I will define and compare each alternative with clearly defined goals and impact categories. The completed analysis will provide information for policy makers, community and staff describing successful driven economic development strategies.

**Literature Review**

In this project, I reviewed a wide variety of literature with the goal of understanding the economic and social situation in Rainier Beach. In order to understand how different strategies may be applied to Rainier Beach; I reviewed documents related to Rainier Beach and Southeast Seattle that provided information and direction for this paper. The City of Seattle, Southeast Effective Development, Rainier Valley Community Development Fund, and other local organizations have also provided important information about potential strategies that may be applicable to Rainier Beach. I have also reviewed newspaper articles, peer reviewed articles, economic development textbooks, municipal reports, and consultant reports.

**Interviews**

In order to apply information learned from the literature review, I conducted several semi-structured interviews of local non-profits, community development organizations, city staff, and the Washington Housing and Finance Commission. The information gained from these interviews filled gaps in information. City of Seattle staff from Department of Planning and Development (DPD), Human Services Department (HSD), and the Office of Economic Development (OED) provided invaluable information regarding the city’s role, direction, and strategies for local economic development. Several local community development organizations have also provided information regarding economic development strategies and financial instruments available to their organizations. In addition, I attended the Rainier Beach Community Empowerment Coalition’s (RBCEC) 2009 Annual Townhall meeting with RB residents and other stakeholders that provided first hand information from community stakeholders that will be used throughout this paper.

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**Beach Square Community event at Southshore**
Chapter 2: Rainier Beach Urban Village

The literature review, community meetings, and interviews provided information about the characteristics of Rainier Beach’s current community, economic, and features that make the neighborhood attractive for investment from residents, foundations, businesses and government institutions. This chapter will summarize background findings from the literature review and then describe three community economic development theories that will be used to conduct much of the analysis throughout this paper.

Community Engagement in Rainier Beach

Rainier Beach like many inner-city neighborhoods has experienced high levels of disinvestment over the last several decades. However, recent investments in Rainier Beach’s social and institutional network by government and social agencies have resulted in improved transportation, public facilities, and housing that should create increased social and economic opportunities for local businesses, residents and other community stakeholders.

In order to effectively implement any community development efforts in Rainier Beach it is important to understand the rich history of community engagement in Southeast Seattle. In many ways community efforts in RB have been successful, however, many of the efforts have struggled to sustain themselves long term. The diversity of the neighborhood is recognized as a community asset by residents, businesses, municipal government, and other stakeholders. Each has been involved in a number of community involvement efforts including the development of the 1999 Rainier Beach Neighborhood Plan (RBN 2014) and the 2005 Southeast Seattle Action Agenda (SESAA). In 2010, the city will begin to update Rainier Beach’s neighborhood plan which will include additional community efforts.

Rainier Beach’s economic growth, like many other inner-city neighborhoods, has been depressed. Passage of the 1996 Sound Move Project, currently Sound Transit, created an opportunity for local planners, politicians and developers to leverage funding from Sound Transit with other funding sources, from the City of Seattle and the Seattle Housing Authority (SHA), to invest in improved infrastructure along the transit line. After the passage of Sound Move, the Rainier Beach Neighborhood planning process began with the intent to capitalize on the Sound Transit investment and to increase the economic and social outcomes of the community. In addition, the community and city officials understood that historically after development of projects like Sound Transit’s Light Rail have led to gentrification and displacement of businesses and residents. In 2002, after failed efforts of several southeast Seattle grassroots organizations to stop the development of light rail, the Seattle City Council awarded $50 million towards the creation of the Rainier Valley Community Development Fund which sought to mitigate the negative effects of construction and business displacement.

The residents and community organizations in Southeast Seattle have understood that the preservation of its diverse cultural identity should remain the focus of any community efforts. Starting in 1975 with grassroots organizations like the South End Seattle Community Organization (SESCO) and with support of community development organizations like Southeast Effective Development (SEED) have addressed
a variety of community planning initiatives including the 1991 Southeast Seattle Action Plan (SESAP), the 1998 Rainier Beach 2014 Neighborhood Plan (RB 2014), the 2005 Southeast Seattle Action Agenda (SESAA), and the 2010 neighborhood plan updates.

Community Assets

The Economic Development Strategies for Rainier Beach introduction (Appendix A) described many of the assets and strengths of Rainier Beach. Rainier Beach residents, businesses, and the city recognize the diversity of Rainier Beach is a benefit to the region. The investments in public infrastructure, facilities, public open space and its proximity to downtown and industrial business areas create the possibility for increased revitalization. In addition, the amount of money that RB residents spend outside of the neighborhood is significant and if captured through insightful development can lead to positive social and economic returns in RB.

Community Limitations

According to many RB stakeholders there are several issues that if not addressed will negatively impact any economic development strategies in Rainier Beach. This section will address key concerns that local stakeholders will have to address in order to implement any economic development strategies effectively.

- **Lack of Business Support across Racial and Religious Lines:** Many of RB’s culturally and ethnically based businesses were opened to provide goods and services to people within distinct communities. This gives the area its highly valued multi-cultural character. This can also create several challenges including: 1. It is difficult to create a unified vision for the business district; 2. The real estate escalations of this area make it difficult for businesses to flourish if they only serve a segment of the population. According to interviews of several local stakeholders this approach to business has been used by successive immigrant groups including Italians, Irish, Japanese, Filipino, Vietnamese, Cambodian, and the same pattern can now be seen in the Somali and other East African communities.

- **Commercial Rents:** The 2009 Retail Development Strategy identified that it was not uncommon to spend as much as 20 to 30 percent of their gross revenues on rent. In addition, few Rainier Valley Businesses own the buildings that they operate and many businesses have seen their rents increase by as much as 50 percent over a three year period.

- **Uninviting Commercial Core:** Many of Rainier Beach’s local businesses do not provide welcoming environments for customers for a variety of reasons related to the lack of a unified community vision including: 1. RB businesses focus on outcomes for only their business failing to leverage the benefits of a strong business coalition. 2. Many of the businesses market and provide goods for specific populations and fail to capture the interest of the general population. Through a walking tour of the Beach Square, I found that many of the small local business’s exteriors were in need of cosmetic improvements and many have installed exterior security gates making the area appear uninviting.
- **Transient Local Populations:** Several local real estate agents and developers believe Rainier Beach is a “starter home” community in which homes are relatively inexpensive compared to other areas of Seattle. Migrants to Seattle see Rainier Beach as a neighborhood in which they can purchase a home but for many reasons do not establish roots. According to interviews of current Southeast Seattle residents, a reason for choosing a community is successful community schools. Unfortunately, according to developers, agents and residents the limited success of many Southeast Seattle schools is a reason for residents to “cash in” and move to other areas of Seattle.

**Theories of Community Economic Development**

Many of today’s local economic development strategies are built upon theories developed in the growing field of community economic development, which have placed increased emphasis on the characteristics of businesses in inner-city neighborhoods. The next section describes several of these theories that serve as the foundation for this paper and will inform the strategies that may be applied in Rainier Beach’s commercial core. Professional planners, businesses, lenders and community development entities have seen that well coordinated economic development planning can revitalize inner-city neighborhoods and meet the needs of its residents. By using the community as resources, businesses and planners will capture the needs of a community and provide sustainable economic growth for the neighborhood.

**Central Place Theory**

Central Place Theory can be applied in urban centers and describes how they are supported by the surrounding smaller places.\(^{11}\) In turn, these smaller places are supported by other smaller markets and provide markets for the urban centers. The urban center provides specialized services for the entire region including; professional specialists, headquarters for corporations, investment specialists, and non-profits. Central Place Theory can be applied by local economic development specialist to determine the function of a community and the functional role of the area in a regional context for example, whether it is an urban center or smaller village serving only residents.\(^{12}\) However, this theory does not have the ability to determine why individual neighborhoods lack some retail services.\(^{13}\)

**New Markets Theory**

The New Markets Theory was developed to address the limitations of Central Place Theory and how it is applied in inner-cities. According to the U.S. Department of Housing and Urban Development (HUD), in the year 2000 America’s inner-cities had $331 million in unrealized purchasing power or one third of the purchasing power of U.S.’s urban cities.\(^{14}\) Historically retailers and other businesses have fled inner-cities due to perceptions that incomes were too low and crime too high to operate a viable business. However, it has been identified by retail store manager across the U.S. that the concentrated consumer base of shoppers gives America’s inner cities a competitive advantage over other areas.\(^{15}\)
In the United States it is estimated that more than 7.7 million households are in the inner-cities and possess more than $85 billion per year in spending power, 7 percent of the of the retail spending in the U.S.\textsuperscript{16}

New Market Theory, low-income neighborhoods and declining rural areas are economic opportunity zones and the development of these areas require: \textsuperscript{17}

- Understanding the value of community assets.
- Creating or matching financial tools to these assets.
- Designing value recapture mechanisms to recycle the new wealth generated by the assets back into the communities from which they originated so that these resources can stimulate more new economic activity in the community, from new businesses and housing to social and community services.
- Determining way in which the wealth generated can be shared by a wide range of community members.
- Developing methods to evaluate the long-term benefits of these investments.

While opportunity for investment is high in the inner-city, these investments need subsidies to become established. Community Development Finance Institutions have been created in many of these areas to enhance debt equity and have targeted debt financing in these area. This theory also refers to the ability of organized inner-city communities to attract brand-name retailers as they will likely have the ability to capitalize on new relatively untapped communities.\textsuperscript{18}

\textit{New Local Economic Development Theory}

Blakely and Leigh have created a new foundation for the field of Local Economic Development. New Local Economic Development Theory builds upon several economic theories that include locality, business and economic base, employment resources, and community resources.\textsuperscript{19}

- **Location** of many of America’s Inner-cities should make them economically valuable as they sit near congested high-rent areas, major business centers, and transportation and business nodes.\textsuperscript{20} However, modern practitioners understand that location alone no longer has the ability to attract businesses. In this model the quality of the local physical and social environment are more important than geographic location. By concentrating the community’s investment in its social and institutional network it creates an environment for a firm to develop or locate their businesses within the community.\textsuperscript{21}

- **Business and Economic Base** in the new economy focuses its efforts to attraction and identification of clusters of interdependent businesses that are linked by human, natural and technological resources. Local planners should explore amongst the firms the best strategies to support the collection of businesses. In addition, businesses in the new economy are beginning to shift their business strategies to increasingly more sustainable products and processes.\textsuperscript{22}
• **Employment Resources** for firms in advanced economies rely on highly skilled labor and competitive firms are willing to pay for it.\(^{23}\) A quality human resource base in an area makes it attractive to firms to migrate there and also increases the chance of developing successful business from within. Communities build economic opportunities to “fit” the human resources and utilize or maximize the existing natural and institutional resource base.\(^{24}\)

• **Community Resources** in the New Local Economic Development Theory recognizes that a community’s stakeholders including businesses, community organizations, municipalities, and residents have diverse interests and in order for economic development to be successful the stakeholders must have the ability to collaborate with each other. Inner-cities often have many stakeholders that play a role in the economic development of an area and may include government, business organizations, workforce development organizations, and community development agencies.\(^{25}\)

The features of these three theories have been used to compare Rainier Beach to other similar communities throughout this paper. I will use New Markets Theory and New Local Economic Theory to compare the selected economic development strategies and to create potential community driven economic development strategies for Rainier Beach. The next chapter will compare the current situations of the selected cases using these theories as the frames for the comparison.
Chapter 3: Inner-City Community Revitalization

Throughout the United States there are a variety of urban renewal strategies that communities, local government, and community development entities have used to revitalize communities similar to Rainier Beach. In the 1970’s, inner-city communities throughout the country were experiencing high levels of decay and it was perceived that one of the main reasons for the persistent disinvestment was due to limited credit availability which led to urban flight and inhibited investment in urban neighborhoods.\textsuperscript{26} The passage of the federal Community Reinvestment Act (CRA) enacted in 1977 reaffirmed the principle that federally insured financial institutions are obligated to serve “the convenience and needs” of the communities they operate in.\textsuperscript{27} In addition, to further meet the credit needs of poor communities the federal Community Development Banking and Financial Institutions Act was passed in 1994.\textsuperscript{28}

The passage of the CRA sparked a variety of community development efforts in the Rainier Valley by organizations like SEED that owns and operates numerous commercial and residential properties in southeast Seattle. SEED, founded in 1975, has served as a city resource for planners by working with residents to create and update community action plans, which were forwarded to the mayor and circulated to the responsible city departments.\textsuperscript{29} In fact, by 1979, because of its initial success SEED was selected as one of five successful case studies prepared for a federally funded project because it successfully leveraged $4.5 million in Community Development Block Grant funds with other forms of financial support and fundraising in Southeast Seattle.\textsuperscript{30} The CRA also gave organizations like SEED the ability to file formal protests against banking institutions; SEED filed a protest against Rainier Bancorporation in 1986 that was unsuccessful but gained the attention of other banks that then competed to fund SEED projects.\textsuperscript{31} While SEED and other organizations have a history or implementing successful projects in southeast Seattle large scale community revitalization in RB has been limited.

The community economic development strategies in this paper were selected because they have been successful in neighborhoods similar to Rainier Beach. The respective efforts have successfully leveraged federal and private funding that allowed for comprehensive community revitalization for their neighborhood. In 1997, new CRA rules created incentives for banking institutions to partner with inner-city communities that they operate in.\textsuperscript{32} The communities used these resources in different ways and both have led to increased community revitalization. The selected communities are similar to Rainier Beach in the following ways:

- **Racial and Cultural Diversity:** Each of the communities is similar to Rainier Beach in that they are more racially and culturally diverse than their city as a whole.
• **Median Income Levels**: Each of these neighborhoods also experiences lower median incomes relative to their city as a whole.

• **Public / Private Investment**: Each of these neighborhoods has captured interest and investment from small and large scale foundations.

In addition, the “Village” at Market Creek in San Diego and the Dudley neighborhood in Boston are examples of successful strategies that have used components of Central Place, New Markets, and New Economic Development theories that led to substantial neighborhood revitalization.

• **Central Place Theory**: Each has become a central place in their cities with emphasis on tourism, ethnic and cultural businesses, restaurants, social services, and recreation.

• **New Market Theory**: Central to each was the understanding that the residents of the communities were assets to the neighborhood revitalization process and each strategy has implemented strategies to recapture community wealth.

• **New Local Economic Development Theory**: Each has addressed to varying degrees the four components of this theory including: 1. Location, 2. Business and Economic Base, 3. Employment Resources, and 4. Community Resources.

The revitalization strategy used in San Diego at the “Village” at Market Creek will be the first to be examined below, followed by those used in the Dudley neighborhood in Boston, and finally I will explore how these strategies relate to Rainier Beach.
Market Creek, San Diego

“We want this community to be a unique, ethnically diverse neighborhood in which people are proud to live and do business, and that places the education and nurturing of its children at its highest priority.”

-Original Community Vision Workshop 1997
www.thevillageatmarketcreek.com

The Village at Market Creek Development (Village) is an example of how residents, businesses, non-profit organizers, foundations and businesses can collaborate to create a vision that will benefit an entire neighborhood. The community’s stakeholders includes residents, business owners, community organizations, municipal government, and investors that have transformed 45 acres of abandoned property into the Village with the support of the Jacobs Family Foundation (JFF) and Jacobs Center for Community Revitalization (JCNI). The Jacobs Center for Neighborhood Innovation was established in 1995 as a result of the Jacobs Family Foundations community investment efforts in San Diego.

In 1998, JCNI decided to locate its headquarters and focus all of its community efforts in San Diego’s Diamond community; the Village is located in the center of Diamond Communities ten neighborhoods in southeast San Diego. JCNI believed that traditional philanthropy failed to obtain lasting impacts and used the Diamond community to develop a new approach to philanthropy. Jennifer Vannica, as president and CEO of the JFF and JCNI was vested in variety of community development efforts and had worked for several years to build the capacity of non-profits in San Diego. In her experience she identified three things that became clear and that could be addressed by their new philanthropic approach.

- **Community Disconnect:** JCNI has created a strategy to connect their foundation directly to the community that it serves. JFF like many foundations viewed the non-profits as the market and the receiver of their services, not the residents. JCNI’s efforts in the Diamond community began with extensive “community listening”.

- **Urban Blight:** JCNI believed there was “great potential in harnessing the economic value of land in disinvested communities, so long as you get its benefits into the hands of the residents to harness the economic value of property in disinvested communities,”

- **Economic Leakage:** In the Diamond Community’s there was $60 million in retail leakage in the one mile radius of an area known as the “four corners of death” due to long-term disinvestment.
and gang activity. JCNI, worked to find ways to capture the $60 million of leakage and invest it back into the neighborhood.

This chapter will describe the strategies that JCNI developed in partnership with the Diamond community residents and the features that made the Village successful. The Village is now a central place for the Diamond community and attracts tourists from throughout San Diego. The residents and business owners in partnership with JCNI have created a vibrant urban village that has avoided the pitfalls of gentrification and urban investment. One unique feature of the JCNI strategy included the ability for residents to purchase shares in the development, Community Development Initial Public Offering, which will be described in detail later in this section.

The “Village” at Market Creek

The Village is San Diego’s pilot “City of Villages” project and represents an effort to create a compact design with mixed land use, environmentally sustainable development, and creates benefits for the community. As of 2008, the “Village” was home to a variety of community amenities and neighborhood improvement including the following:

- 21,000 square foot amphitheater.
- 120,000 square feet of retail space including anchor supermarket and other locally owned businesses.
- 75,000 square feet of community and conference center.
- 525 new jobs.
- 800 quality affordable homes replacing aging substandard housing.
- 3000 linear feet of restored wetland.
- 15,000 square foot Elementary Institute of Science constructed with support of JCNI.
- Renovation of 40,000 square foot business park.

Source: The Village at Market Creek, Social & Economic Impact Report: Calendar Year 2008

The map on the next page displays the various features of the Village at Market Creek and its partner organizations.36
Map of Market Creek, from the “Village at Market Creek, Social & Economic Impact Report: Calendar Year 2008”
**Market Creek Background**

The Diamond community of San Diego has been recognized for its high level of ethnic and cultural diversity. The Village is recognized across the country as an example of a successful community development strategy that has focused on using the residents as resources in the neighborhood planning. In fact, resident ownership was a key component in JCNI’s neighborhood planning strategy for the Village and was characterized by the residents: 1. Owning the plan, 2. Owning the implementation, including increasing resident skills and capacity, and 3. Owning the assets.\(^\text{37}\) Residents along with other stakeholders sought to build a neighborhood that reflected the diversity of its surrounding community.

Similar to RB, the diversity of the Diamond community is viewed as an asset by its residents whom speak more than 15 languages and whose largest ethnic groups are Hispanic or Latino of any race (43 percent), African American or Black (30 percent), and Asian (11 percent).\(^\text{38}\) In addition, the Diamond community is also home to a large number of Laotian, Samoan, Filipino, and Somali residents.\(^\text{39}\) The graph below depicts the racial and ethnic composition of the Diamond community.\(^\text{40}\)

In addition, to the level of racial and cultural diversity, the disparity in residents median income is an important to understand and demonstrates some of the challenges for economic growth in the community.
The Diamond neighborhood similar to other U.S. inner-city communities has been underserved because many businesses believe that lower household income communities will not have the ability to support a profitable national chain. The gradual loss of employment in the neighborhood and the closing of the aerospace factory led to high levels of disinvestment in the Diamond neighborhoods. The chart below displays that residents of the Diamond neighborhood earn less than 70 percent of the household income of San Diego’s median household income.  

![2000 Median Household Income Chart]

Diamond Neighborhoods: $32,000  
San Diego: $46,000
Application of Theory to Market Creek

The Village has been largely successful because JCNI educated and empowered residents to design and build the Village. Market Creek Partners, maintains and operates the Village and is composed of three distinct entities that work in collaboration including JCNI, Diamond Community Investors (resident investors) and Neighborhood Unity Foundation (resident managed non-profit) which will be discussed in detail later in this chapter. This section will analyze the features of the Diamond neighborhood using key components of New Local Economic Development Theory including Location, Business and Economic Base, Employment Resources, and Community Resources.

Location

The residents of the Diamond neighborhoods understood that a large scale manufacturing complex would not benefit their community economically or socially. The property lay in the center of the 10 residential neighborhoods and was isolated from other San Diego’s industrial hubs. JCNI worked with the residents to create a vision for this new central place that would maximize the economic and cultural benefits of the 45 acre parcel of land.

The Built Environment of the Market Creek Project

In 1997, an abandoned aerospace factory lying in the center of the Diamond neighborhoods caught the attention of the Jacobs Family Foundation. The Jacobs Foundation purchased the original 10 acre parcel in 1998 that would soon become the Market Creek Plaza, the first major project in the Village. JCNI has cultivated relationships with a wide variety of community organizations in the Diamond community and the purchase allowed JCNI to leverage its resources by locating its offices within the neighborhood that it planned to partner. The property for the development was classified as a Brownfield and within a flood zone. The JCNI took the steps to restore the property to exceed federal standards for restoration of the community’s wetlands including Chollas Creek and the Chollas Creek Encanato Tributary.
It was important to the community’s stakeholders that the Village adopts a sustainable development strategy and reclaim as much of the abandoned property’s natural environment as possible.

- By 2008, project restored more than 2100 linear feet of Chollas Creek wetlands.\(^4\)
- The Village has reclaimed more than 21 of the total 45 total acres of the project by 2008.\(^5\)

**Business and Economic Base**

In 1998, the Diamond neighborhoods lacked basic retail and it was estimated that residents spent more than $60 million in retail outside of the community.\(^6\) The Village has attracted the community’s first grocery store in 30 years and now new and revitalized businesses have begun to thrive in the Village. The Village is San Diego’s “Smart Growth” pilot project and has also sought to rebuild the community into a development that directly benefits its surrounding neighborhoods. By 2008, 208 new mixed-use homes were built in the Village that connected to the community’s new local businesses.\(^7\) The Village has a variety of community assets that meet the new and old residents and it appears that DSNI planners have built on the community’s primary assets, its people.

This Village has built on the “Smart Growth” concept. The U.S. EPA describes Smart Growth as: growth that benefits the economy, the community, the environment and public health that provides consumers with choices for housing, working, shopping, playing, and getting around.\(^8\) This Village is the first time in the U.S. that residents have had the opportunity to invest in the development that they live or work in; the result has been coined the Community Development – Initial Public Offering (CD-IPO).\(^9\) Market Creek Partners identified two bottom lines for community investment:

**First bottom line:** to secure 450 community “stakeholders” investing a total of $500,000.

**Second bottom line:** 1) to create the opportunity for residents to build individual and community assets while rebuilding their neighborhoods; and 2) to transfer control of Market Creek Plaza and other assets to people who have a stake in the well being of their communities.

*The Community Development IPO, November 12, 2007*
JCNI has worked with the community stakeholders to sell more than 50 thousand available units between July 5, 2006 and October 31, 2006. 450 Diamond stakeholders purchased between $200 and $10,000 of the $10 units for a $500 thousand community investment for the development. In 2008, the 450 Diamond Community Investors saw a 10% return on their investment. The chart below outlines the percentage of ownership for the Market Creek Partners other aspects of the CD IPO will be discussed in the Community Resource section later in this chapter.

<table>
<thead>
<tr>
<th>Ownership of Market Creek Partners, LLC</th>
<th>Ownership Share</th>
<th>Values of Share</th>
<th>Return on Investment (FY 2008)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Diamond Community Investors</td>
<td>20%</td>
<td>$500,000</td>
<td>10%</td>
</tr>
<tr>
<td>Neighborhood Unity Foundation</td>
<td>20%</td>
<td>$500,000</td>
<td>10%</td>
</tr>
<tr>
<td>Jacobs Center for Neighborhood Innovation</td>
<td>56%</td>
<td>$1,500,000</td>
<td>3%</td>
</tr>
<tr>
<td>Diamond Management</td>
<td>4%</td>
<td>$100,000</td>
<td>3%</td>
</tr>
</tbody>
</table>

**Employment Resources**

**Workforce Development**

Central to the Community Investment strategy was the investment in improving the job skills of its residents and increasing the number of jobs in the neighborhood. In 2008, 525 jobs were located in the Village, up from 7 jobs in 1997. Market Creek Partners understood that it was important to improve the human resource base in the Diamond neighborhoods to support the businesses that planned to establish roots in the community. JCNI and the Market Creek Partners, LLC encouraged growth in several areas including:

- **“Construction Collaboration”** was created by the Market Creek Partners with the primary goal of improving the capacity of local construction contractors. The “Contractors Collaboration” developed a Mentor-Protégé training program that offered classes and workshops to improve contractors’ business skills to make them more competitive. By attending these programs, contractors were provided access to capital with working lines of credit that helped them establish business relationships with banks.

- **Local Hiring** was a priority of the Market Creek Partners, LLC and 70 percent of the 525 new jobs in 2008 were filled by local residents. The new local community grocery store, Food for Less, also filled 91 percent of its positions with residents.

**Community Resources**

The Diamond residents were used as a resource in all aspects of community design and implementation. Below describes how DSNI worked with residents to create a comprehensive community development plan.
Community Participation in Planning and Implementation

The Market Creek Partners created cross cultural community teams of residents that supported and provided direction for the organization. The teams assisted in developing the strategy, design, and implementation of various phases of the Market Creek Development including: Outreach, Art and Design, Construction, Business Development and Leasing, Ownership Design, Resource Development, and Childcare. Residents who volunteered between 10 and 15 hours were compensated with a stipend to demonstrate that their time was valued and critical to the planning process.

Community Enterprise and Ownership

JCNI and the Diamond Creek Residents established a unique strategy of community enterprise and ownership. The Village development is owned by three separate entities that work together in collaboration as Market Creek Partners, LLC. The ownership is comprised of 20 percent ownership by residents, Diamond Community Investors (DCI), 20 percent ownership by non-profit Neighborhood Unity Foundation (NUF), 56 percent ownership by JCNI, and finally 4 percent ownership by Diamond Management.

- **Diamond Community Investors:** In 2006, DCI and Market Creek Partners, LLC were issued a permit to sell securities in the “Village.” The ownership design team determined guidelines for investment which included determining a qualified pool of investors, Diamond Community Stakeholders. The Diamond Community Stakeholders are people or organizations who are residents, work or own property in the Diamond neighborhoods, volunteer time at an organization based in the Diamond neighborhoods, and demonstrated commitment to the betterment of the Diamond community. The ownership design team also established targets to evaluate the success of the CD IPO that included 1. 50 percent first time investors, 2. 80 percent investments of $500 or less, 3. 50 percent of residents worked on Market Creek Plaza work teams, and 4. That each of the ethnic groups in the Diamond Communities was represented among the investment pool.

By 2008, 450 residents purchased $500 thousand in Diamond Community Investors (DCI). A core principal of the CD IPO was that each Diamond Community Stakeholder received one vote regardless of how many shares they owned. California’s Department of Corporations (CDC) originally was hesitant to approve the CD IPO in order to protect the interests and eliminate the financial risk to residents. JCNI successfully negotiated with the CDC the “10-10-10” plan which means that any community Diamond Community Stakeholder could invest up to 10 percent of their income, 10 percent of their net worth excluding home, cars, furnishings, and retirement accounts. Finally, no single investor could invest more than $10 thousand.

The Village residents also participated as members of the Village at Market Creek Investment Advisory Board. The residents had the ability to share experiences and report on investments to Village Investors and neighborhood funders. The Village investors include organizations that provided program-related investments, working lines, and New Markets Tax Investments and...
include organizations like The Annie E. Casey Foundation, California Southern Small Business Development Association. The San Diego neighborhood funders are organizations that have provided support to the Village’s grassroots and resident led projects in the village including organizations like Alliance Healthcare Foundation and the California Endowment. A complete list of investors is included in Appendix B.

- **Neighborhood Unity Foundation:** The Neighborhood Unity Foundation is an organization designed and founded by residents of the Diamond communities to reinvest in the neighborhoods. The residents believed it was critical for them to have the ability to come together and provide services for the community. NUF invested their profits from Market Creek Partners back into the community by funding 52 mini-grants for a total of $94 thousand.\(^{50}\)
Dudley Street, Boston

**Preamble Dudley Neighborhood Declaration of Community Rights**

“We – the youth, adults, seniors of African, Latin American, Caribbean, Native American, and European Ancestry – are the Dudley Community...We were Boston’s dumping ground and forgotten neighborhood. Today, we are on the rise! We are reclaiming our dignity, rebuilding housing, and reknitting the fabric of our communities. Tomorrow, we realize our vision of a vibrant, culturally diverse neighborhood, where everyone is valued for their talents and contribution to the larger community.”

*Dudley Residents 1993*

The Dudley Neighborhood, located in the Roxbury / North Dorchester area of Boston, like many inner-city minority communities in the 1950’s had begun to see the signs of physical decline due to a variety of reasons including banking discrimination, government negligence, racism and arson for profit. By the early 1980’s approximately one third of the property was vacant and had had been transformed into illegal dumping grounds. This section will describe the efforts of the Dudley residents to improve the economic as well as social situation for their community. In 1985, the Dudley Neighborhood Initiative (DSNI) was founded as a grassroots coalition of the neighborhood’s residents. DSNI formed Dudley Neighborhoods Incorporated, Community Land Trust (DNI), which lobbied Boston and State officials to earn the power of eminent domain over all of the vacant properties in the 64 acre Dudley Triangle.

DSNI with the ability to use the power of eminent domain began to work with planners, residents and businesses and coined the term “Development without Displacement.” In 1993, Dudley residents worked together to write its Declaration of Community Rights (above). DSNI has avoided displacement of residents, secured affordable housing, increased economic development, and increased the amount of public open space in the neighborhood.

**Eminent Domain**

The government’s constitutional power to take (condemn) private property for public use, as long as the owner is paid just compensation.

U.S. Constitution – 5th Amendment:

In 2005, the power of eminent domain was expanded by the United States Supreme Court to include broader private purposes which now includes private developers and has been utilized by City’s in community revitalization efforts.

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Dudley Street Demographics

The Dudley Neighborhood is one of the most diverse neighborhoods in Boston. The 22,753 residents include a large amount of ethnic and cultural minorities. In 1985, the neighborhoods diverse population created a community vision that has resulted in substantial revitalization for their neighborhood. The chart below displays the racial and ethnic make-up of the neighborhood from the 2003 Dudley Neighborhood Profile.

The chart below shows a visual depiction of the race of Hispanic or Latino respondents as reported in the 2003 Neighborhood Profile.
The figure below compares the ethnic and cultural diversity of the Dudley neighborhood relative to the City of Boston. According to the 2003 Dudley Neighborhood Profile, the percentage of white residents in the “Triangle” is four percent while white residents account for 47 percent of the population of the city. In addition, many ethnic minorities groups represent higher percentages than the city as a whole; for example, the black population in the Dudley neighborhood represent 55 percent of the neighborhood compared to 24 percent in Boston overall.

![2000 Race and Ethnicity](image)

In addition, to the level of ethnic and cultural diversity, the disparity of incomes between the neighborhood and the city as a whole is captured in the chart below. The median income of Dudley residents is 47 percent less than Boston as a whole. In fact, the Dudley neighborhood in Roxbury/North Dorchester is one of the poorest neighborhoods in Boston.

![2000 Median Household Income](image)

The “Triangle” is a successful strategy despite lack significant improvement in relative household income because it focused on making the neighborhood more livable and reducing the cost of living for residents. The rest of this section will describe the social, economic, and environmental improvements that make this effort a viable strategy. The residents sought to create a community that met the needs of the neighborhoods current population. In fact, Dudley residents effectively fought developers and city planners to control the development of their neighborhood.
Dudley Street Neighborhood Initiative Leadership

In the 1980’s the residents and community based organizations understood that if they wanted the outcomes of the Dudley Neighborhood to change, they would have to work together. The Dudley Triangle at that time was drawing the interest of large developers and the Harvard Business School that believed--because of its proximity to Boston’s downtown and the amount of vacant land-- that it would likely be available for purchase and development.70 Dudley residents’ came together at that time to develop a community-scale economic development strategy that looked at social as well as economic goals to counteract the market forces that began to threaten the community.

The community created a forum that involved representation from as many of the community’s stakeholders as possible. DSNI was formed and created a diverse 34 member board of directors that includes 16 residents including four each from the majority ethnic groups (African-American, Latino, Cape Verdean, and White), two board appointed residents, three youth, seven non-profit agencies, two churches, two businesses, and two community development corporations.71 The board of directors manages the community land trust property and has the power to use eminent domain for vacant property in the Triangle.

“Everybody here knew we had to work together or we were dead. Everyone knew we had to figure out how to build enough of something here that it really made a difference. Nobody preached it: it was intuitive. People knew it.”

Triangle Resident Paul Bothwell

From “Rebuilding a Neighborhood from the Ground Up”, by Timothy Saasta, The Diarist Project

Community Land Use
Control for Development
Without Displacement

- Triangle: Eminent Domain Authority.
- Core: Land Disposition Agreement with City of Boston.
- Community Land Trust
Application of Theory to Dudley Street

The Dudley Street Neighborhood Initiative is an example of how sustained long term community support and increased responsibility can lead to greater community outcomes for residents. In the mid-90’s, the residents of Dudley Street began to develop their community revitalization plan and created a concept for urban economic development, the urban village.

Location

The Dudley Street community was identified by noted economist Harvard Business School Economist as being located in an area that was “ripe for development”. The 1.3 square miles of property in the Dudley Neighborhood is in a economically viable location due to its proximity to Boston’s downtown, less than two miles from downtown.
In the recent past, the neighborhood’s proximity to downtown was not a benefit to the community as it had turned into illegal dumping ground and a blighted community due to redlining and in turn, high levels of vacant property. Beginning in 1980’s, the community took control of their neighborhood and now control the direction of community’s development; because they have the power of eminent domain. In effect, the residents of Dudley Street chose to not succumb to the market forces of the community’s real estate, choosing to revitalize their neighborhood in ways that the current residents received the benefits of the efforts avoiding the effects of gentrification and displacement.

The Built Environment of the Dudley Street Neighborhood

There are several neighborhood characteristics that this section will explore and will reveal limitations and opportunities that the Dudley Community would have to resolve in order for any community development strategy to be effective. According to research two challenges to comprehensive community revitalization lied in the built environment: (1) the amount of un-contiguous vacant property in the core of the neighborhood and (2) the level of contamination throughout the community.

- **Contaminated Land**: In the 1980’s, the Dudley Neighborhood was named a Federal Brownfield due to severe lead contamination. The vacant properties for a generation became home to transfer stations for sanitation and construction companies. The companies used the abandoned lots for refuse from projects in other communities.

  In 1994, the State of Boston through an extensive public engagement process identified 17 hazardous waste sites within the Triangle. In 1995, DNI successfully lobbied the city of Boston to identify the neighborhood as an EPA redevelopment site and in turn the city of Boston received a $200 thousand grant from the EPA.

- **Vacant Property**: In 1984, 1300 non-contiguous vacant parcels were identified as a barrier to any comprehensive community revitalization. The figure on the next page displays the amount of vacant property in the Triangle.
In 2009, 30 acres of vacant property were located in the Dudley Triangle: 15 city owned acres and 15 privately owned acres that included 181 parcels and 131 owners. DSNI and their sister organization DNI continued to work with property owners and stakeholders to produce comprehensive neighborhood plans that have led to the completion of the projects outlined on the next page.
DSNI has been guided by its long term vision and the Triangle is experiencing increased private investments in the community including: 450 new homes, rehabilitation of more than 700 homes, new businesses, and non-profits. Most recently in 2009, philanthropist Joan Kroc has broken ground on the largest social service community center in the history of Massachusetts. The Triangle residents in collaboration with the Salvation Army and Joan Kroc have raised more than $115 million for construction.

The pictures below are one of the eight community gardens managed by DNI in partnership with the Food Project and the new community commercial greenhouse both located on reclaimed Brownfield Properties within the Triangle.
Business and Economic Base

For generations, Dudley residents have not had their basic needs met by their neighborhood businesses. In addition, the Dudley neighborhood experienced no growth in any value added industries due to crime, neglect, and a variety of other reasons. Today, the economic position of the village has dramatically changed; the neighborhood once the dumping ground of the city has turned into one of Boston’s major tourist attractions. The Triangle is now home to small businesses that sustain themselves by attracting tourists to the community who visit the diverse restaurants and other cultural attractions. In addition, two small scale manufactures have made homes in Dudley neighborhood including a furniture maker and an electronics company.

Employment Resources

To improve the outcomes for residents of the village it was critical for leaders to invest in improving the human resource base of the community. DSNI and other community partners built into the visioning process that improving educational achievement and providing routes for attainment of value added job skills. If residents successfully increase their skill levels it will improve the community’s human resource base, making the neighborhood more attractive for firms to migrate into the Triangle. One limited example of an organization working to improve the human resource base of the community is Boston’s YouthBuild program.

- **YouthBuild Boston**: DSNI negotiated and eventually purchased the abandoned Dudley Mill Works furniture factory, which then became home to YouthBuild Boston and DSNI in 1998. Youthbuild is an example of a program that seeks to teach teens and young adult’s skills that will make them assets to Boston’s workforce. The program works directly with Boston’s unions, city planners and other stakeholders and has several programs including: Carpenter Training, Project Advantage – Green Industry Exploration, and the Designery (High School Urban Architecture Program). YouthBuild Boston receives funding from a variety of sources included the U.S. Department of Labor, U.S. Department of Housing and Urban Development, AmeriCorps, YouthBuild U.S.A, private funding and a number of corporate partners.
- **Urban Agriculture Initiative:** One of the goals of DSNI and DNI was to assemble and control the vacant parcels within the community. DNI set aside much of the vacant parcels to create community gardens. The initiative garnered the support from a variety of sources including the Ford Foundation and the Jesse Smith Noyes Foundation. Studies revealed that Dudley residents spent 25 percent of their food budgets on produce. The initiative teaches agricultural skills to residents and meets their basic nutritional needs while teaching them transferable jobs skills that could be used in the Boston workforce.

In 1999, this initiative received federal Brownfield Rehabilitation Funds that were leveraged with $750 thousand from the Massachusetts Highway Department to build a commercial community greenhouse. Much of the produce grown in the community gardens and the community greenhouse are sold at the weekly Farmers’ Market and in the Dudley Town Common.

The residents and DSNI have focused their efforts on visioning, planning, and overseeing the community’s physical environment and social and cultural improvements. These efforts may improve the long-term environmental and social outcomes; however, the community has taken limited steps to improve the community’s human resource base. This may be due to the internal development approach the residents have implemented the Village concept, where most efforts are directed internally within the community.
Community Resources

For over two decades, the residents of the Dudley neighborhood have worked together to develop a comprehensive community vision. While there are many organizations that operate within the neighborhood several stand out as catalysts for community change: DSNI and its sister organization DNI. DSNI and its diverse board ensured that the residents of the neighborhood decided the direction for development of the neighborhood. DSNI has worked with non-profits, foundations, city, state, and federal government officials to leverage millions of dollars to benefit the community. Below are descriptions of the notable community resources in the neighborhood.

- **Community Governance:** As described earlier in this chapter the residents of the Dudley Neighborhood were the leaders of the former grassroots organization, DSNI, that represent the community with an elected board of directors made up primarily of residents and community agencies.

- **Land Assembly:** DNI has worked with residents, community organization, and neighborhood businesses to purchase the vacant properties within the village outright or through the power of imminent domain. While the Dudley Neighborhood has significantly more vacant property it is similar to Rainier Beach in that most vacant property within the boundaries are not connected and are owned by a large number of owners. By 2009, 1119 of the 1300 vacant parcels in the Dudley Triangle were controlled by DNI.

  In addition, DNI has used its ability as a land trust to build 78 permanently affordable homes, 77 cooperative housing units, 8 community gardens, and a community greenhouse.

- **Foundation Support:** The grassroots groups in Dudley have caught the attention of a variety of funders. DSNI was launched with the strong backing of the Riley Foundation a noted Boston Foundation that has worked as a partners in the initiative since its inception. The Riley Foundation provided DSNI with funding for staffing that was leveraged to provide programs and support. Through the efforts of DSNI, the Dudley neighborhood has attracted support from the Annie E. Casey Foundation and the Amelia Peabody to name a few.

The Dudley neighborhood is an example of a community development strategy that has successfully avoided gentrification and displacement of its residents by focusing its development efforts internally. Organizations like DNI ensure the neighborhood retains affordable property and amenities to support the communities relatively lower incomes.
Other Community Strategies

Below are several additional examples of community driven economic development in communities similar to RB that has been successful around the country? Each of these examples represents components of comprehensive economic development efforts in their communities; each may have the ability to be successfully replicated in RB.

La Cocina Incubator, San Francisco

La Cocina Incubator program is as an example of a neighborhood compatible light industrial business. Since opening in 2005, it has provided an innovative example of how community non-profits can become a resource leading to long-term economic sustainability through education and workforce development.

La Cocina provides low income women, mostly immigrant and refugee, small businesses the ability to grow their business with technical assistance and the ability to rent commercial kitchens on an hourly basis with reduced rental fees. The program is home to more than 20 small businesses and is located in the Bernal Heights neighborhood of San Francisco, which twenty years ago was most recognized for its drug trade. Since the 1990’s, Bernal Heights has attracted young families to move in, many that believed in building a robust local economy that supported needs of the residents. La Cocina has successfully capitalized on the expectations and desires of its neighbors.

Evergreen Cooperatives, Cleveland

In Cleveland, three cooperative ownership projects are gaining national attention. These cooperatives are modeled after the Mondragon Cooperative Corporation (MCC) founded in the 1950’s in the Basque region of Spain that now employs over 100,000 employees. Evergreen Cooperative Businesses are employee owned for-profit companies that hire locally. Employees in the cooperative earn living wage jobs and also earn equity with the success of the businesses. These new worker cooperative businesses in Cleveland seek to take advantage of new city, state and federal “Green” policies.

- **Evergreen Cooperative Laundry (ECL):** Evergreen Cooperative Laundry has cultivated relationships and provides commercial laundry services for Cleveland’s hospitals.

- **Ohio Cooperative Solar (OCS):** OCS installs large scale solar panels on institutional, government and commercial buildings. In addition, OCS also provides residential and commercial weatherization services. Customers include University Hospitals, Case Western Reserve University, City of Cleveland, and the Cleveland Housing Network.

- **Green City Growers Cooperative (GCSC):** GCSC is building the country’s largest hydroponic greenhouse and will be a central focus of Cleveland’s urban food system. The project is funded by the federal Brownfield Economic Development Initiative and a Community Development Block Grant, the Cleveland Department of Economic Development and the Office of Sustainability. GCSC has worked with potential customers, food retailers, wholesalers, and food service companies to identify the businesses potential niche.
Chapter 4: Application of Lessons from the Dudley Street Neighborhood Initiative and the Village at Market Creek to Rainier Beach

The *New Economic Development Theory* can be used to understand the characteristics of Rainier Beach’s urban village and to design an effective resident driven community economic development strategy. Stakeholders in Rainier Beach have experienced high levels of community engagement over the years. Residents, businesses and community organizations have created several outlets to come together that have increased the neighborhood civic capacity. The community’s stakeholders are recognized by the city as a resource that can effectively assist in developing city policy and to participate in city planning efforts. This chapter will apply features of *New Economic Development Theory* to Rainier Beach’s current conditions including: Location, Business and Economic Base, Employment Resources, and Community Resources.

Rainier Beach’s demographic profile is similar to that of San Diego’s Diamond neighborhood and Boston’s Dudley neighborhood. The diversity of southeast Seattle and Rainier Beach is recognized as an asset to the city. The graph below compares the race and ethnicity of the Rainier Beach census tracts to the city of Seattle as a whole.

![2000 Race and Ethnicity]

<table>
<thead>
<tr>
<th>Race and Ethnicity</th>
<th>Percent of Population RB and Seattle</th>
</tr>
</thead>
<tbody>
<tr>
<td>White alone</td>
<td>23% 70%</td>
</tr>
<tr>
<td>African American</td>
<td>27% 8%</td>
</tr>
<tr>
<td>Native American</td>
<td>1% 1%</td>
</tr>
<tr>
<td>Asian</td>
<td>36% 13%</td>
</tr>
<tr>
<td>Pacific Islander</td>
<td>1% 0%</td>
</tr>
<tr>
<td>Some other race</td>
<td>3% 2%</td>
</tr>
<tr>
<td>Two or more races</td>
<td>8% 5%</td>
</tr>
</tbody>
</table>

Rainier Beach
Seattle
Rainier Beach is also similar to the Dudley and Diamond neighborhoods in terms of household income. Each of the communities has lower median household incomes than their respective city. The graph below compares the median household and per capita incomes of the RB neighborhood plan area, RB census tracts and the city of Seattle as a whole. According to the 2000 U.S. Census, the median household income for the city of Seattle as a whole is only one thousand dollars more than RB census tracts, however, the median income of the RB neighborhood plan area households make only 57 percent of the median household income of the city as a whole. Additionally, the RB neighborhood plan area and the RB census tracts per capita income is lower than the per capita income of the city as a whole.

![Household and Per Capita Income Graph]

**Location**

Rainier Beach is located less than ten miles from downtown and is connected to downtown by several main arterials. As described in the Economic Development Strategies for Rainier Beach introduction, the home of Metro Transit’s Southeast Seattle transportation node and is also located less than one-half mile to the recently opened Link Light Rail location. The city of Seattle has worked with residents and businesses in a number of community driven processes to encourage growth and to expand upon opportunities to maximize current land use designations. The map below provides a visual depiction of RB 2014 Urban Village boundaries and it is expected that the Neighborhood Update Plan Boundaries will not change dramatically.
Rainier Beach is a central location for many Southeast Seattle residents and sits at one of the City’s major transportation nodes; however, it should be noted that it is located between the commercially viable Columbia City Urban Village and Renton and its large amount of “Box” stores. In addition, the neighborhood also includes a large amount public facilities and open space. While public properties are an asset to the community the amount of land owned and operated by municipal institutions limits options for comprehensive community revitalization.
In addition, Rainier Beach has not capitalized on the economic, social, or cultural benefits of its proximity to Lake Washington on the neighborhoods eastern border. However, recently the Seattle Parks and Recreation Department has initiated a community process for developing its closed Atlantic City Nursery site. Some community members have expressed interest in developing the property into a community urban farm. A public process is currently underway and a proposal has yet to be adopted by the Parks Department. The site lies outside of the neighborhood plan areas eastern boundary and provides a link between Pritchard Island Beach and Beer Sheva Park. Beer Sheva Park is the outlet to Lake Washington for Mapes Creek which flows from 22 acre Kubota Garden in upper Rainier Beach through the 2.8 acre Sturtevant Ravine and underground through Rainier Beach along Mapes Creek walkway and drains into Lake Washington from Beer Sheva Park. Through thoughtful planning, Rainier Beach stakeholders may find ways to reclaim Mapes Creek creating a community asset that benefits the environment, community, and local businesses.

Similar to the Dudley neighborhood, Rainier Beach is characterized by a large amount of un-contiguous property, which has limited efforts for comprehensive community development. The Beach Square is bisected by Mapes Creek which flows north and south below 52nd Avenue separating the neighborhood supermarkets from the Lake Washington apartments (Refer to Urban Village map on page 41). The two supermarkets are separated by single family residences along South Director Street and South Fisher Place. The table below identifies the large Rainier Beach property owners by their quadrants on the neighborhood plan area map.
<table>
<thead>
<tr>
<th>Institution</th>
<th>Facility</th>
<th>Acres</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Seattle Public Schools</strong></td>
<td>Rainier Beach High School</td>
<td>17.89</td>
</tr>
<tr>
<td></td>
<td>Rainier Beach Athletic Complex</td>
<td>3.63</td>
</tr>
<tr>
<td></td>
<td>Southlake High School / Southshore</td>
<td>11.08</td>
</tr>
<tr>
<td></td>
<td>Dunlap</td>
<td>4.88</td>
</tr>
<tr>
<td><strong>City of Seattle</strong></td>
<td>Seattle Public Library</td>
<td>1.56</td>
</tr>
<tr>
<td></td>
<td>Mapes Creek Walkway</td>
<td>.45</td>
</tr>
<tr>
<td></td>
<td>Rainier Beach Community Center</td>
<td>1.37</td>
</tr>
<tr>
<td></td>
<td>Rainier Beach Playfield</td>
<td>10.37</td>
</tr>
<tr>
<td></td>
<td>Sturtevant Ravine</td>
<td>2.8</td>
</tr>
<tr>
<td><strong>Southeast Effective Development</strong></td>
<td>Lake Washington Apartments</td>
<td>16.05</td>
</tr>
<tr>
<td></td>
<td>366 units / 34 buildings</td>
<td></td>
</tr>
<tr>
<td><strong>Unified Grocers</strong></td>
<td>Saar’s Supermarket / Rite-Aid</td>
<td>4.16</td>
</tr>
<tr>
<td><strong>Safeway Inc</strong></td>
<td>Safeway</td>
<td>5.16</td>
</tr>
</tbody>
</table>

Property Information accessed through King County Records at [http://www.kingcounty.gov](http://www.kingcounty.gov).
Business and Economic Base

The business and economic base of Rainier Beach is characterized by large supermarkets and small businesses that do not have strong connections. As described earlier, social and economic growth are hindered by patterns of business development in the neighborhood. The Office of Economic Development and other community agencies are working with local small businesses to develop business plans and connecting them to technical assistance organizations.

Rainier Beach is a central place that attracts Southeast Seattle residents for a variety reasons including the schools, cultural and recreational facilities; however, many of the local businesses and large retailers have failed to capitalize on the traffic that these institutions bring. The local schools within Rainier Beach’s core had 1,474 students enrolled in 2008 and the library, community center, and pool also bring additional traffic to the neighborhood. The Rainier Beach Merchants Association is working with local businesses to find ways to make Rainier Beach’s core more attractive to residents and visitors. The Merchants Association is leading efforts to make RB more walk-able including several traffic calming efforts, including the installation of additional traffic lights and pursuing efforts to implement recommended aspects of the Southeast Transportation Study. These improvements would increase the community’s pedestrian access giving neighborhood businesses the ability to attract new customers.

Employment Resources

In Rainier Beach there have been relatively few sustained workforce development efforts. However, RB is home to Rainier Beach High School and Southlake High School that do offer resources for students. In addition, the Rainier Valley Community Development Fund (CDF) has successfully placed 145 Rainier Valley residents in construction related jobs through funding of a pre-apprenticeship program for qualified residents. In addition, representatives from organizations like the Rainier Beach Community Empowerment Coalition are researching potential business opportunities for the neighborhood residents.

Community Resources

Many organizations have maintained a strong presence in Southeast Seattle. This section will describe some of these organizations that operate in Rainier Beach.

- **Homesight**: Homesight is a non-profit home ownership center and community development corporation that has served Seattle, King county, Snohomish county, and Tacoma for over 18 years. The Homesight mission is: “building strong, vibrant communities through homeownership, economic development, and neighborhood revitalization.” Homesight has made its home in Columbia City and has several goals for existing residents and business owners in Southeast Seattle including: 1. Benefit from increased community investments, 2. Grow their equity interest, and 3. Grow their political voice. In 2008, Homesight sponsored a Community Leadership Institute in Rainier Valley that provided empowering trainings for Southeast Seattle residents whom will now increase the capacity of the distinct communities that they represent. Homesight has also hosted a variety of community forums for southeast Seattle residents,
business owners, and community leaders to understand the impacts of light rail and other construction projects, and to continuously improve the livability and vitality of if its “focus” neighborhoods.

- **Rainier Beach Community Empowerment Coalition (RBCEC):** RBCEC is a grassroots coalition that builds community capacity to address critical community issues including economic development. The coalition partners with other area stakeholders including community development institutions and the City of Seattle. Membership in the coalition includes RB residents, businesses, organization, and Friends of Rainier Beach. The city works closely with RBCEC as it has proven that it is an organization that has effectively increased the civic capacity of residents and businesses. RBCEC has also assisted in connecting residents and businesses to city of Seattle staff to initiate community-driven development, and to engage in other community efforts. RBCEC provides an inclusive organization that empowers Rainier Beach’s diverse community of residents and community organizations to come together.

- **Rainier Valley Community Development Fund (CDF):** CDF is a Community Development Financial Institution founded in 1999 to mitigate the disruption caused by the construction of Light Rail. The City of Seattle and Sound Transit provided $50 million to capitalize the fund and support local businesses and residents impacted by the construction. With the completion of the Link Light Rail project the CDF has focused efforts on growth, employment and development projects throughout Rainier Valley including Rainier Beach.

- **Southeast Effective Development (SEED):** SEED is a not for profit community development corporation that was founded in 1975. SEED owns 15 properties in Southeast Seattle including commercial space, low income and market rate housing, and art and cultural space. SEED has demonstrated the technical expertise to develop projects that meet the need of the local community. Having successfully been awarded funding from a variety of federal, state, and local sources, SEED is able to leverage funding from local banks and private investors.

The above organizations have been in operation in Rainier Beach for a significant amount of time and each has worked with local stakeholders to build the capacity of residents, community agencies and businesses. In addition, to the above organizations local capacity is also increased by the local grassroots and community organizations that continue to operate in Rainier Beach.
Chapter 5: Review of Community Driven Economic Development Strategies

In 2008, The Seattle City Council authorized the Department of Neighborhoods (DON) and the Department of Planning and Development (DPD) to begin the neighborhood plan update process with a goal of creating plans that build upon the work completed by community stakeholders in the original neighborhood plans. The Rainier Beach neighborhood plan was selected as one of three neighborhood plans to be updated in 2010. This report will propose several community economic development strategies that may be used in Rainier Beach and then compare them with the criteria below.

Objectives and Criteria

The DPD has asked that I conduct research of potential community driven economic development strategies that may be appropriate for Rainier Beach’s ethnically, culturally, and income diverse urban village. Stakeholders in Rainier Beach have identified several areas for the community and city planners to focus its efforts in the RB 2014 plan and the SESAA. The criteria below have built upon these efforts and created several other targets to provide a more thorough analysis of the potential effectiveness of proposed strategies. Specifically, the city and other stakeholders would like to evaluate strategies that benefit the diverse community’s current residents and businesses.

- **Job Creation**: To increase the number of jobs available for local residents. The SESAA stated the number one community goal was business and job creation.

- **Civic Capacity**: To increase the level of civic capacity and create a place for residents, businesses and other stakeholders to work together for the benefit of all parties. For the purpose of this paper, I will use definition of Civic Capacity as posed by Dilafruz Williams etal which is “the beliefs, knowledge, and skills necessary for individual citizens, social organizations in the private and nonprofit sectors, and formal institutions of governance to work together in a way that enhances the collective ability of local communities to become more self-consciously directed in shaping their future.”

- **Political Feasibility**: The strength of political opposition or support for the strategy.

- **Funding Sources**: The level of attractiveness for increased investment from foundations, nonprofit lenders and corporate institutions.

- **Equity**: To what degree does the strategy meet the needs of local business and support the diverse population of the neighborhood.

These criteria were selected as they were directly tied to this report’s research question and align closely to the community vision for Rainier Beach as described in the RB 2014 plan.
Community Driven Development Strategies

The three strategies listed below--Status Quo, Community Investment, and Community Control--represent strategies that the city, residents, and other stakeholders can explore as a part of the neighborhood plan update process. Each was selected as they represent successful and innovative approaches to development that have attracted high levels of foundation support and are identified as best practices for community economic development practitioners nationwide. More importantly, all of these strategies were developed understanding that the community’s residents and local businesses were an asset whose input is critical for long-term economic development strategies to be implemented effectively.

**Strategy 1: Status Quo**

In 2010, the Rainier Beach Urban Village will begin its neighborhood update process. Several members of the original Neighborhood Plan Update team have expressed that modest improvements related to the current plan have been implemented. Within the community’s boundaries substantial public infrastructure, facility and open space investments have been completed. However, according to interviews, walking tour and review of county tax records limited private development has occurred within the urban village boundaries. Currently, within the update boundaries 80 percent of the buildings are only one story, 18 percent two stories, and only four buildings have more than 3 stories from the street. In the RB 2014 plan, the community expressed the need of transforming the core to an attractive pedestrian orientated area. Since the neighborhood plan was completed few steps have been taken to encourage further adoption of the plan.

While the ethnic, cultural and racial diversity of the Rainier Beach neighborhood is viewed as an asset to most residents. It also poses challenges to implementing comprehensive sustained development. The neighborhood is characterized by a large number of disparate groups that have found difficulty reaching consensus regarding development. In 2006, efforts by the city of Seattle to create a community renewal agency in Southeast Seattle failed to gain significant traction despite the efforts of the Southeast District Council and its member agencies. One reason proponents of the community renewal agency failed to gain support of key local business owners from the onset was the lack of trust in the CRA’s planning process. Local business owners believed the city was attempting to take private property using the power of imminent domain. In discussions with residents involved in the process, imminent domain was one of approximately 50 tools the CRA could exercise to encourage development although it was listed fairly low on the list. In addition, several businesses in southeast Seattle felt they weren’t included in the community renewal agency planning process and were offended by the designation as “blighted.”

The Beach Square is characterized by predominantly large property owners including the city of Seattle, two supermarkets, Seattle School District, Seattle Housing Authority, and SEED. As described earlier in this paper, most of these properties have received significant investment and updates recently. However, dispersed throughout the Beach Square are un-contiguous residences and vacant properties that limit the ability for large scale community revitalization.
Strategy 2: Resident Investment (Market Creek – San Diego)

The City of Seattle, community development organizations, residents, businesses and other RB stakeholders have the opportunity to develop a neighborhood plan that outlines how the community will grow in the future. The “Village” at Market Creek represents an innovative strategy for community revitalization that has improved the economic, social and environmental outcomes for the Diamond Neighborhood in San Diego. Central to the strategy was creating the Community Development Initial Public Offering which has given residents the opportunity to build equity while supporting local businesses within their neighborhood.

In order to build substantive community revitalization in RB that avoids the pitfalls of past community development efforts it may be possible to upon the success of the “Village” and adapt it to meet the needs of Rainier Beach. As identified earlier in this paper, much of Rainier Beach is filled with buildings, property, parks, and green space owned by government entities that have been recently updated, which limits the amount of property available for development. However, several individuals and community development entities own a large amount of property in the neighborhood.

As described earlier, central to the resident investment strategy was creating the CD IPO in collaboration between residents and JSNI. The community worked directly with JSNI to outline the future of the Village’s development. Embedded in this strategy was creating economic opportunities for both residents and businesses, reclaiming wetlands and creating a sustainable development, and improving the human resource base of residents in the Diamond communities. The Village at Market Creek is a remarkable project, not for what it accomplished in terms of economic development and smart growth, but in that when the Jacobs Family Foundation reached out to the residents of the community, they reached back. The Jacobs Family Foundation created a positive reciprocal relationship with the residents of the Diamond neighborhoods.

Rainier Beach is a community that includes a vast social network, natural amenities, and increased investment from several large private developers. A striking limitation found through a walking tour and re-enforced through interviews of community leaders is how the community is physically divided by Mapes Creek. The Lake Washington Apartments are physically between Lake Washington and Mapes Creek. The Lake Washington Apartments were built as a low cost wood frame apartment complex in 1947 that is comprised of 34 buildings on over 16 acres.\(^{104}\)

In the near future the limitations of federal low income housing credits and other funding will be expired allowing property owner, SEED, to work alongside the community to decide the future direction of the Lake Washington Apartments. The neighborhood planning process may provide the window for the city, residents, and community agencies to take advantage of an opportunity to substantially re-vitalize the community. For many RB residents the level of crime and perception of crime in RB have limited the ability to achieve successful comprehensive development. The Lake Washington Apartments are currently heavily subsidized by low income housing credits and once expired SEED will revisit how much residents will be subsidized in the future.
**Strategy 3: Community Control (Dudley Street)**

The Dudley Street residents have successfully implemented a community strategy that has sustained itself for over 25 years and allowed the residents to gain control over the use of the community’s vacant property. The Dudley residents created a comprehensive development approach coined “Development without Displacement.” The items listed below are key areas that made the Dudley neighborhood program successful and may be applied to Rainier Beach’s Urban Village strategy.

The Dudley Street Neighborhood Initiative is an example of how a community can work together to counteract market forces to create a community development strategy that meets the needs of the current residents. The residents of the Dudley Community developed a strategy that was focused on improving the social and cultural outcomes of its residents. The residents by claiming control of the revitalization of their community through eminent domain and partnership with the City of Boston created a self-sustaining urban village that is now one of Boston’s favorite tourist attractions.

Rainier Beach residents have the opportunity to work on the 2010 neighborhood plan. In this plan the residents and other stakeholders will have the opportunity to partner and decide the direction of their neighborhood. The effort to create a community renewal agency was abandoned in 2006 by local community groups, the city, and other community partners because they did not effectively communicate the purpose of the agency. According to current residents and local businesses, the message from the media, small business owners in community meetings, and private discussions focused on a limited aspect of the initiative that the city was attempting to use imminent domain to take private party. Using DSNI as an example and creating a venue for residents and local businesses to work with the city and community organizations to create a community based, community renewal organization is worth re-visiting. A community renewal agency built upon past capacity, specifically for Rainier Beach, can be revisited in the neighborhood plan process as it will provide an opportunity to educate residents and businesses on a variety of development issues and potential strategies. According to a participant in the RB 2014 plan, many participants involved in that process believe that the city has done little to encourage private development in RB. However, the city has limited ability to encourage private development. By establishing a community renewal agency, residents, businesses and other stakeholders will have the opportunity to develop the direction of the Rainier Beach Urban Village.
Analysis of Strategies

The strategies discussed represent potential ways to achieve comprehensive community development in Rainier Beach. Based upon the criteria, each strategy has the potential to have varying degrees of success. This section will compare the effectiveness of each proposed strategy relative to the criteria: 1. Civic Capacity, 2. Job Creation, 3. Political Feasibility, 4. Funding Sources, and 5. Equity. The following analysis uses a scale of limited, moderate and high to rate the strategies effectiveness in response to the objectives and criteria of Civic Capacity, Job Creation, Political Feasibility, Funding Sources, and Equity.

Civic Capacity

- **Resident Investment (High):** The Resident Investment strategy has the highest potential to raise the civic capacity of Rainier Beach residents and businesses which will work together to create community, social, and, economic growth. Additionally, this strategy would give residents the ability to participate actively in the planning for Rainier Beach as a resident, elected representative, or business owner. This strategy would directly target the residents of Rainier Beach’s impacted areas and would develop ways to encourage active participation. In the Village, JCNI understood it was important to reward residents for committing to the process and designed a system of training residents to act as the leaders in design, strategy, and implementation in various phases of the planning.

- **Community Control (Moderate):** The Community Control strategy if implemented would result in moderate improvements to Rainier Beach’s Civic Capacity because it results in the improved civic capacity of residents; however, local small businesses are not the target and will see limited benefits from this strategy. Community Control would give residents the ability to participate actively in the planning for Rainier Beach as a resident or as a democratically elected resident or business owner. However, it will only increase the capacity of those that have the ability to actively participate and don’t acknowledge need for attracting a wide range of participants. Additionally, this strategy for many residents is similar to other neighborhood planning processes.

- **Status Quo (Limited):** The Status Quo is limited, as it will likely employ similar tactics as employed in past community efforts that have had limited success in Rainier Beach.

Job Creation:

- **Resident Investment (High):** The Resident Investment strategy has the potential to create a considerable amount of local jobs; if the local residents and business owners can develop a strategy that is attractive to foundations and non-profits. If the resident and property owners develop a comprehensive community development plan this strategy has the potential of becoming an initiative that creates jobs for local residents. This strategy would call for training residents to participate as members of planning teams. It would also seek to increase the capacity of local businesses and contractors to ensure that they are competitive in the bidding
Community Driven Economic Development Strategies for Rainier Beach: James Michael Bush

Political Feasibility:

- **Community Control (Limited):** The *Community Control* strategy will result in limited job creation as both strategies have limited emphasis in improving the job skills of residents or finding ways to attract businesses to the community. However, *Community Control* will likely build upon current city and community urban agriculture initiatives in creating a limited amount of “Green” jobs that may be leveraged to prepare local residents to enter the “Green Economy.” The Dudley Neighborhood strategy did find ways for residents to work together in community gardens and helped develop value-added skills that are likely in RB; this strategy focused on communities supporting each other with a strong focus on creating open air markets which help residents offset their household costs.

- **Status Quo (Limited):** The *Status Quo* will result in limited job creation as both strategies have limited emphasis in improving the job skills of residents or finding ways to attract businesses to the community. Local organizations have had moderate success creating job opportunities for teens in collaboration with DON, HSD, and Parks.

**Political Feasibility:**

- **Resident Investment (High):** The *Resident Investment* strategy if successful will likely attain high levels of political support from residents, businesses, community agencies, foundations and the City of Seattle. This strategy addresses many of the issues that community organizations and residents have been attempting to resolve for years. However, this strategy would have to manage a variety of constraints related to Washington Law and funding.

- **Community Control (Limited):** The *Community Control* is listed as achieving limited political feasibility as many residents have limited opportunities to engage in political discourse. Many of the features of this strategy have failed recently and would require mobilizing individuals and groups that have worked on the effort previously. Attracting new leaders to recapture community energy that have the ability to persuade residents, businesses, and other stakeholders of the benefits of creating a community renewal agency. In addition, this strategy also developed a board that ensured representation from all of the community’s diverse residents. This approach would likely find limited traction in the neighborhood and participants would have to find additional ways to ensure diversity in the planning process.

- **Status Quo (Moderate):** The *Status Quo* if implemented is rated as moderate in terms of political feasibility because it will likely be based on similar strategies employed in the past that have been moderately successful throughout the city and represents the safest option for community organizations and city departments to employ. Disagreement between stakeholders has also limited the level of economic development in Rainier Beach. Different groups have
different levels of political access leading to resolution of specific issues and limiting comprehensive economic development improvements.

**Funding Sources:**

**Resident Investment (High):** The Resident Investment would have the ability to attract interest from the large non-profits and foundations. In addition, this strategy has the potential to attract support and build relationship with local international businesses based in the Seattle area. However, similar to the CD IPO in Market Creek this strategy would require substantial effort to meet and understand the requirements of Washington law and financing regulations. To ensure the strategy’s success, it would also need to capitalize on it relationships with businesses, foundations and non-profits support to provide staff. While if successfully implemented, the Resident Investment strategy would have the ability to leverage the investments into long term economic and social benefits for the residents and businesses in Rainier Beach.

**Community Control (Moderate):** The Community Control strategy if implemented in Rainier Beach would have the ability to achieve a moderate degree of success in RB. It is creative and strives to empower residents and local businesses in Rainier Beach. It would likely attract a high level of interest from organizations seeking to support grassroots efforts in urban communities; however, this strategy would not have the ability to attract major funding from foundations and businesses.

**Status Quo (Limited):** The Status Quo would rely on funding largely from the City of Seattle including OED, DON, DPD, and Parks that have limited funds to support the Rainier Beach’s community and economic development. Outside community development organizations will continue to be supportive of Rainier Beach’s efforts. However, limited private development has not kept pace with public investment in RB.

**Equity**

**Resident Investment (High):** The Resident Investment strategy is rated as high in terms of equity because its success is dependent on residents and businesses working together to drive the direction of the community’s development. The strategy would also incentivize community participation; the Village paid residents for their time while working on initiative projects. Central to this strategy is that it strives to involve all residents in the community planning.

**Community Control (Moderate):** The Community Control strategy would only experience moderate levels of equity as the residents of Rainier Beach would drive the community development limiting Rainier Beach’s local businesses access to providing input into the neighborhood direction. In addition, this strategy will not have the ability to encourage as much community support that would be needed and would likely attract only those that are involved in many of the current community efforts.
Status Quo (Limited): The Status Quo is a strategy that has been employed in Rainier Beach with limited success in terms of its ability to engage Rainier Beach’s diverse residents and businesses.

The analysis above is visually presented in Appendix C, Economic Development Strategies for Rainier Beach: Strategy Matrix, with ratings that represent each strategy at its most efficient.
Chapter 6: Conclusion and Recommendations

The City of Seattle will continue to work with the residents, businesses, and other Rainier Beach stakeholders to develop a neighborhood plan that promotes economic and social growth that avoids gentrification. This paper, presents two rich community economic development strategies from communities similar to Rainier Beach that DPD can use as resources in the neighborhood plan update process. The Resident Investment and Community Control strategies are potential fits for the neighborhood and both have the potential to lead to long-term economic sustainability avoiding gentrification and displacement of local residents and businesses. The Resident Investment strategy has the potential to attain the greatest amount of revitalization in Rainier Beach because it is rated as high in all five criteria: civic capacity, job creation, political feasibility, funding sources, and equity. While the Community Control is rated as moderate or limited in the five criteria areas, it would increase the civic capacity of Rainier Beach residents.

These strategies build upon the SESAA and the RB 2014. Resident Investment aligns directly with the SESAA because it addresses three of the five community goals including: business and job creation, physical development, and education and workforce development. Community Control addresses Rainier Beach’s physical development and to a limited degree addresses the community goals of business and job creation, and education and workforce development. To a large extent the community goals of Public Safety, Arts and Culture, and Public Space have been met by the City of Seattle and the Seattle School District. Any community development strategies in Rainier Beach should leverage the benefits of these public facilities to build an effective local community economic development strategy.

In Rainier Beach, private economic development has lagged behind public institution’s social and physical investment in the area. The Resident Investment and Community Control strategies have the ability to encourage varying degrees of private development. Each strategy focused its initial efforts on building the capacity of the community’s residents; therefore, it is recommended that the city of Seattle and the local community development organizations take the following steps to increase the civic capacity of residents and local businesses.

- Use the neighborhood planning process to build the capacity of local residents, businesses, and other local stakeholders that will act as leaders in the process.

- Leverage past community development efforts of residents, businesses, city of Seattle, and other community organizations to create strategies that avoid the pitfalls of past initiatives and maximize their benefits successful ones.

- Educate participants in the neighborhood plan process regarding current best practices in community economic development strategies including but not limited to the Dudley Street Neighborhood Initiative in Boston and the Village at Market Creek in San Diego.

The Rainier Beach residents have the opportunity to judge the potential fit of each strategy for their neighborhood. Each strategy is briefly revisited on the following page.
• **Resident Investment** has the greatest opportunity to increase private investment in Beach Square because it creates the greatest opportunity for residents and businesses to plan strategically to capitalize on Rainier Beach’s assets while avoiding potential limitations. This strategy gives the residents and businesses the opportunity to 1. Own the plan, 2. Implement the plan, and 3. Own the assets. **Resident Investment** encourages the neighborhoods economic growth because residents are directly invested in the success of neighborhood businesses. In addition, because this strategy has only been implemented in one community it will have the ability to attract interest from non-profits, foundations, and large businesses as well as local, state and federal funding that would like to see if the strategy can be successfully replicated.

• **Community Control** gives residents the ability to control the community’s economic and social development through the use of the power of eminent domain, creation of a neighborhood land trust, and partnership with local government. Its efforts were focused on creating a community that supported itself by securing affordable housing and increasing the amount of open space in the neighborhood including community gardens and market space for residents to sell produce. This strategy has the potential to create limited economic growth because while it gives residents and local businesses the ability to drive the direction of the community’s development it has limited ability to attract private and foundation investment due to its limited scope. However, this strategy can be implemented by residents at a significantly lower cost than the **Resident Investment** strategy.

Using DSNI as an example and creating a venue for residents and local businesses to work with the city and community organizations to create a community based, community renewal organization is worth re-visiting. A community renewal agency built upon past capacity, specifically for Rainier Beach, can be revisited in the neighborhood plan process as it will provide an opportunity to educate residents and businesses on a variety of development issues and potential strategies. According to a participant in the RB 2014 plan, many participants involved in that process believe that the city has done little to encourage private development in Rainier Beach. However, the city has limited ability to encourage private development. By establishing a community renewal agency, residents, businesses and other stakeholders will have the opportunity to develop the direction of the Rainier Beach Urban Village.

The strategy from the Village at Market Creek has many of the benefits of a community renewal agency. However, it has the ability to attract private and public investment because it allows residents to control the development in the community. The strategy gives residents incentive to partner with local businesses to promote the community’s growth by owning shares in the development and the ability to earn equity from the economic growth.

This paper provides city staff with analysis of two potential strategies for economic development in Rainier Beach. Each strategy has unique attributes that make them potentially viable for Rainier Beach. Several organizations including SEED, CDF, Homesight, and RBCEC have invested heavily in a variety of projects in Rainier Beach. The City of Seattle will create a platform for Rainier Beach’s diverse residents and businesses to come together with non-profits and community development organizations to update the neighborhood plan. It is now up to the Rainier Beach residents and businesses to work with all of the community’s stakeholders to create a strategy that fits the unique needs of their community.
Economic Development Strategies for Rainier Beach

by

John Vander Sluis
James Michael Bush
Andrea Lehner
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Introduction

Purpose

The City of Seattle Department of Planning and Development (DPD), in cooperation with the city’s Office of Economic Development (OED), have partnered with the public service clinic at the University of Washington, Evans School of Public Affairs to evaluate potential approaches to economic development for the Rainier Beach neighborhood. At a January, 2010 community meeting in Rainier Beach, the residents emphasized the need for more jobs that match existing community skill sets. Rainier Beach stakeholders identified as: residents, businesses, non-profits, community development entities, and municipal representatives will begin updating their neighborhood plan this year. The purpose of this report is to provide these stakeholders with information on relevant economic development strategies they may wish to consider as components of the Rainier Beach neighborhood plan. The recommendations in this report are to inform the stakeholders updating the neighborhood plan, and are not meant to be the only economic development strategies to be considered by the City, its partners, and the neighborhood.

Vision

The research and recommendations in each of the three economic development strategic approaches explored in this report are guided by a vision for the community based on values and goals Rainier Beach stakeholders have expressed. In the current Rainier Beach Neighborhood Plan (created in 1999), stakeholders identified their vision for the future:

“The Rainier Beach community wants to become a pleasant and safe neighborhood. Bringing this about is our challenge and responsibility. The attributes of our area, its diversity and natural beauty, need to be sustained. By setting forth a positive resident- and business- friendly image, we can create an enjoyable, affordable, and prosperous community.”1

While this vision may be updated during the neighborhood planning process that is to begin this year, the economic development approaches studied in this report are meant to echo the values reflected in this vision by the Rainier Beach community including maintaining the diversity of the neighborhood.

The guiding vision for all three strategic approaches in this report is a:

Culturally diverse and prosperous Rainier Beach where sustainable community economic development approaches foster local new and growing businesses and expand employment opportunities for residents.

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Demographic Context

Rainier Beach is a demographically, culturally, and linguistically diverse Seattle neighborhood. Residents are largely renters, with relatively low incomes, higher rates of unemployment, and fewer years of formal education. While housing costs are lower than the rest of the city, they have risen as much as 30% over the past ten years. Approximately 5,000 people live in the Neighborhood Planning Area.

The following section provides a detailed analysis of these characteristics, although it is difficult to precisely quantify the community’s demographics for two reasons. First, the most up-to-date census data is now ten years old and therefore severely outdated. Second, interviews with neighborhood residents and economic development professionals suggested the importance of the broader neighborhood in shaping neighborhood change. Therefore, this section reports data for the Neighborhood Planning Area as well as the surrounding census tracts. See Figure 1 and Figure 2 for a depiction of these two areas. When possible, census data is accompanied by projections, anecdotal evidence, or real estate data.

---

2 Census Tracts 111.01, 111.02, 117, 118, and 119
Population

In 2000, there were 5,327 people living in the Rainier Beach Neighborhood Plan Area, or about 1% of Seattle’s population. As seen in Table 1 and Figure 3 below, the area had more young residents than the Seattle average; 30% of the Neighborhood Planning Area’s residents were under 18 compared to just 15% citywide.

The Rainier Beach census tracts were home to a total population five times the size of the Neighborhood Planning Area, with similar age demographics. The Puget Sound Regional Council projects that total population in the Rainier Beach census tracts has grown slightly from 28,770 in 2000 to 29,124 today.³

---

Table 1: Population by age, Rainier Beach and Seattle. Rainier Beach comprises about 1% of Seattle.

<table>
<thead>
<tr>
<th>Age</th>
<th>Neighborhood Plan Area</th>
<th>Percent of Total</th>
<th>Rainier Beach Census Tracts</th>
<th>Percent of Total</th>
<th>City of Seattle</th>
<th>Percent of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 18</td>
<td>1,604</td>
<td>30%</td>
<td>7,392</td>
<td>26%</td>
<td>87,113</td>
<td>15%</td>
</tr>
<tr>
<td>Between 18 and 65</td>
<td>3,196</td>
<td>60%</td>
<td>17,806</td>
<td>62%</td>
<td>408,101</td>
<td>72%</td>
</tr>
<tr>
<td>65 and older</td>
<td>527</td>
<td>10%</td>
<td>3,572</td>
<td>12%</td>
<td>68,161</td>
<td>12%</td>
</tr>
<tr>
<td>Total</td>
<td>5,327</td>
<td></td>
<td>28,770</td>
<td></td>
<td>563,375</td>
<td></td>
</tr>
</tbody>
</table>

Source: Census 2000 Summary File 3: P8 Sex by Age

Figure 3: Population by age, Rainier Beach and Seattle. Rainier Beach has a greater proportion of youth compared to city average.

**Wealth: Income & Homeownership**

Median income in the Neighborhood Planning Area was approximately $27,000 per year, about 40% lower than the surrounding neighborhood and the city as a whole (see Table 2 and Figure 4). These differences become more pronounced on a per capita basis due to Rainier Beach’s larger household size. Of course, the measures provided in this section may actually overstate community member’s wealth and employment, given the current economic recession.

---

Table 2: Income, Rainier Beach and Seattle. The Planning Area has a much lower median household income than the city average.

<table>
<thead>
<tr>
<th>Income</th>
<th>Neighborhood Plan Area</th>
<th>Rainier Beach Census Tracts</th>
<th>City of Seattle</th>
</tr>
</thead>
<tbody>
<tr>
<td>Median household income</td>
<td>$26,291</td>
<td>$44,687</td>
<td>$45,736</td>
</tr>
<tr>
<td>Per capita income</td>
<td>$12,794</td>
<td>$18,233</td>
<td>$30,306</td>
</tr>
<tr>
<td>Per capita income: older than 16 with earnings only</td>
<td>$17,223</td>
<td>$35,166</td>
<td>$36,133</td>
</tr>
</tbody>
</table>

*Source: Census 2000 Summary File 3: P53 Median Household Income in 1999*

Figure 4: Household and per capita income. The Planning area has a lower median household income and per capita income than the surrounding census tracts and the city average.

In the Neighborhood Planning Area, half of the people over the age of sixteen (53%) were in the labor force (see Table 3). This was a smaller percentage than the larger Rainier Beach area (65%) and the city overall (71%).

---

Table 3: Size of labor force, Rainier Beach and Seattle. Fewer Planning Area residents were in the workforce.

<table>
<thead>
<tr>
<th></th>
<th>Neighborhood Plan Area</th>
<th>Percent of Population</th>
<th>Rainier Beach Census Tracts</th>
<th>Percent of Population</th>
<th>City of Seattle</th>
<th>Percent of Population</th>
</tr>
</thead>
<tbody>
<tr>
<td>People in labor force</td>
<td>2,033</td>
<td>55%</td>
<td>13,860</td>
<td>65%</td>
<td>339,956</td>
<td>71%</td>
</tr>
</tbody>
</table>

Source: Census 2000 Summary File 3: P43 Sex by Employment Status for the Population 16 Years and Over. Data is limited to people over 16 years old.

A greater percentage of the Rainier Beach Neighborhood Planning Area labor force was unemployed than the surrounding census tracts and the city overall. Nearly 10% of the Neighborhood Planning Area residents were unemployed, compared to 7% in the larger neighborhood and 5% citywide (see Table 4 and Figure 5).

Table 4: Unemployment, Rainier Beach and Seattle. In 2000, Rainier Beach was subject to a greater unemployment rate than the City overall.

<table>
<thead>
<tr>
<th></th>
<th>Neighborhood Plan Area</th>
<th>Percent of Labor Force</th>
<th>Rainier Beach Census Tracts</th>
<th>Percent of Labor Force</th>
<th>City of Seattle</th>
<th>Percent of Labor Force</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of unemployed</td>
<td>202</td>
<td>10%</td>
<td>990</td>
<td>7%</td>
<td>17,342</td>
<td>5%</td>
</tr>
</tbody>
</table>

Source: Census 2000 Summary File 3: P43 Sex by Employment Status for the Population 16 Years and Over. Data is limited to people over 16 years old.

Figure 5: Unemployment rate. The unemployment rate in the Planning Area was twice that of the City average.

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7 Ibid.
A quarter of the residents of the Neighborhood Planning Area were living below the federal poverty line in 2000 (see Table 5). In contrast, only 12% of people in the greater Rainier Beach neighborhood and the city overall were living below the poverty line. The differences were particularly noticeable among the young, whose 30% poverty rate was twice that of citywide youth; and the old, whose 32% poverty rate was three times that of seniors citywide.

Table 5: People living below the poverty line, Rainier Beach and Seattle. Younger and older populations in Rainier Beach had higher rates of poverty than those 18-65.

<table>
<thead>
<tr>
<th>Age</th>
<th>Neighborhood Plan Area</th>
<th>Percent of Age Group</th>
<th>Rainier Beach Census Tracts</th>
<th>Percent of Age Group</th>
<th>City of Seattle</th>
<th>Percent of Age Group</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 18</td>
<td>479</td>
<td>30%</td>
<td>1,342</td>
<td>19%</td>
<td>12,335</td>
<td>14%</td>
</tr>
<tr>
<td>18 to 65</td>
<td>632</td>
<td>20%</td>
<td>1,869</td>
<td>11%</td>
<td>45,024</td>
<td>11%</td>
</tr>
<tr>
<td>65+</td>
<td>170</td>
<td>32%</td>
<td>300</td>
<td>9%</td>
<td>6,709</td>
<td>10%</td>
</tr>
<tr>
<td>Total</td>
<td>1,281</td>
<td>24%</td>
<td>3,511</td>
<td>12%</td>
<td>64,068</td>
<td>11%</td>
</tr>
</tbody>
</table>

Source: Census 2000 Summary File 3: P87 Poverty Status in 1999 by Age

Income levels of those living above the poverty line also lagged behind the surrounding neighborhood and the greater city. Thirty-one percent of Neighborhood Planning Area residents had income levels between one and two times the poverty line (see Table 6 and Figure 6). This was twice the city average and 75% greater than the surrounding neighborhood. Just under half of Neighborhood Planning Area residents had an income greater than twice the poverty line, compared to three quarters of all Seattle residents.

Table 6: Ratio of 1999 income to poverty level, Rainier Beach and Seattle. The percentage of Planning Area residents with incomes more than twice the poverty line was nearly half that of the city average.

<table>
<thead>
<tr>
<th>Poverty Ratio</th>
<th>Neighborhood Plan Area</th>
<th>Percent of Population</th>
<th>Rainier Beach Census Tracts</th>
<th>Percent of Population</th>
<th>City of Seattle</th>
<th>Percent of Population</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under .50</td>
<td>466</td>
<td>9%</td>
<td>1,431</td>
<td>5%</td>
<td>30,114</td>
<td>6%</td>
</tr>
<tr>
<td>.50-1.00</td>
<td>815</td>
<td>15%</td>
<td>2,080</td>
<td>7%</td>
<td>33,954</td>
<td>6%</td>
</tr>
<tr>
<td>1.00-1.49</td>
<td>858</td>
<td>16%</td>
<td>2,188</td>
<td>8%</td>
<td>36,088</td>
<td>7%</td>
</tr>
<tr>
<td>1.50-1.99</td>
<td>818</td>
<td>15%</td>
<td>2,716</td>
<td>10%</td>
<td>35,755</td>
<td>7%</td>
</tr>
<tr>
<td>2.00 +</td>
<td>2,359</td>
<td>44%</td>
<td>19,944</td>
<td>70%</td>
<td>407,287</td>
<td>75%</td>
</tr>
</tbody>
</table>

Source: Census 2000 Summary File 3: P88 Ratio of Income in 1999 to Poverty Level
Nearly 75% of the households in the Neighborhood Planning Area lived in rental housing, while only a third of households in the broader area were renters (see Table 7). Additionally, renters in the Neighborhood Planning Area were more likely to live in one-person households; 39% of renters lived in one person households compared to just 15% of homeowners.

Table 7: Home ownership versus renting (by household). A greater percentage of people in the Neighborhood Planning Area were renters.

<table>
<thead>
<tr>
<th>Rent/Own</th>
<th>Neighborhood Plan Area</th>
<th>Percent of Population</th>
<th>Rainier Beach Census Tracts</th>
<th>Percent of Population</th>
<th>City of Seattle</th>
<th>Percent of Population</th>
</tr>
</thead>
<tbody>
<tr>
<td>Renters</td>
<td>1,295</td>
<td>74%</td>
<td>3,275</td>
<td>34%</td>
<td>133,359</td>
<td>52%</td>
</tr>
<tr>
<td>Owners</td>
<td>461</td>
<td>26%</td>
<td>6,253</td>
<td>66%</td>
<td>125,151</td>
<td>48%</td>
</tr>
</tbody>
</table>

Source: Census 2000 Summary File 3: H7 Tenure

In 2000, median rent in the Neighborhood Planning Area was 25% lower than the city average, while median home value was 40% lower (see Figure 8).

---

Figure 6: Ratio of 1999 income to poverty level. Less than half of Rainier Beach Planning Area residents earned more than twice the poverty level, compared to 75% in Seattle overall.

Source: Census 2000 Summary File 3: P88 Ratio of Income in 1999 to Poverty Level

---

Table 8: Median rent and home value. Rents and homes were more affordable in Rainier Beach than the rest of the city.

<table>
<thead>
<tr>
<th>Housing Costs</th>
<th>Neighborhood Plan Area</th>
<th>Rainier Beach Census Tracts</th>
<th>City of Seattle</th>
</tr>
</thead>
<tbody>
<tr>
<td>Median rent</td>
<td>$498</td>
<td>$619</td>
<td>$677</td>
</tr>
<tr>
<td>Median home value</td>
<td>$156,521</td>
<td>$182,800</td>
<td>$259,600</td>
</tr>
</tbody>
</table>

*Source: Census 2000 Summary File 3: H56 Median Contract Rent (Dollars); Census 2000 Summary File 3: H76 Median Value (Dollars) For Specified Owner-Occupied Housing Units*

Housing prices have risen since 2000. According to the real estate website Zillow.com, the median value of a home in the Rainier Beach area is $292,500, compared to a citywide median value of $366,900 (see Figure 7).9

Figure 7: Seattle and Rainier Beach home values.10 Rainier Beach’s home values have risen over the last ten years, but have remained $80,000 below the Seattle average.

In 2000, little of the Rainier Beach Planning Area housing stock was recent; fifty percent of the housing was built prior to 1960 (see Table 9). Only 6% of housing was built in the 10 years prior to the census.

---

9 “Seattle Home Prices and Home Values in WA,” Zillow.com, May 5, 2010, http://www.zillow.com/local-info/WA-Seattle-home-value/r_16037/#metric=mt%3D34%26dt%3D1%26tp%3D6%26rt%3D8%26r%3D16037%2C251704%26el%3D0.

10 Ibid.
Table 9: Housing stock by year built. Planning Area residents were more likely to live in older buildings.

<table>
<thead>
<tr>
<th>Build Year</th>
<th>Neighborhood Plan Area</th>
<th>Percent of Housing Stock</th>
<th>Rainier Beach Census Tracts</th>
<th>Percent of Housing Stock</th>
<th>City of Seattle</th>
<th>Percent of Housing Stock</th>
</tr>
</thead>
<tbody>
<tr>
<td>Before 1960</td>
<td>1,288</td>
<td>71%</td>
<td>5,412</td>
<td>55%</td>
<td>26,879</td>
<td>59%</td>
</tr>
<tr>
<td>1960 - 1990</td>
<td>418</td>
<td>23%</td>
<td>3,661</td>
<td>37%</td>
<td>84,104</td>
<td>31%</td>
</tr>
<tr>
<td>1990 - 2000</td>
<td>110</td>
<td>6%</td>
<td>818</td>
<td>8%</td>
<td>159,553</td>
<td>10%</td>
</tr>
</tbody>
</table>

Source: Census 2000 Summary File 3: H34 Year Structure Built

Race & Language

Race and linguistic data show the area to be very diverse.

Over half of Rainier Beach households speak a language other than English (see Table 10 and Figure 8). Asian/Pacific Island languages are the most common (29%), followed by Spanish (9%), other Indo-European languages (3%), and other languages (13%). Over 40% of the households that speak a language other than English are linguistically isolated (all household members over 14 years old have at least some difficulty with English).11

Table 10: Language spoken in the home, Rainier Beach and Seattle. Note the high ratio of non-English speakers in Rainier Beach.

<table>
<thead>
<tr>
<th>Language</th>
<th>Neighborhood Plan Area</th>
<th>Percent of Population</th>
<th>Rainier Beach Census Tracts</th>
<th>Percent of Population</th>
<th>City of Seattle</th>
<th>Percent of Population</th>
</tr>
</thead>
<tbody>
<tr>
<td>English</td>
<td>825</td>
<td>46%</td>
<td>5,769</td>
<td>61%</td>
<td>205,381</td>
<td>79%</td>
</tr>
<tr>
<td>Spanish</td>
<td>161</td>
<td>9%</td>
<td>545</td>
<td>6%</td>
<td>11,636</td>
<td>4%</td>
</tr>
<tr>
<td>Other Indo-European</td>
<td>46</td>
<td>3%</td>
<td>270</td>
<td>3%</td>
<td>14,505</td>
<td>6%</td>
</tr>
<tr>
<td>Asian/Pacific Island</td>
<td>525</td>
<td>29%</td>
<td>2,553</td>
<td>27%</td>
<td>23,047</td>
<td>9%</td>
</tr>
<tr>
<td>Other</td>
<td>240</td>
<td>13%</td>
<td>376</td>
<td>4%</td>
<td>4,066</td>
<td>2%</td>
</tr>
</tbody>
</table>

Source: Census 2000 Summary File 3: P20 Household Language by Linguistic Isolation

The larger Rainier Beach neighborhood is ethnically diverse; a third of census respondents were Asian, a quarter were Black or African American, and another quarter were White (see Table 11 and Figure 9). In contrast, Seattle overall was thirteen percent Asian, eight percent Black or African American, and seventy percent White.

Table 11: Race, Rainier Beach and Seattle. Note the neighborhood’s racial diversity.

<table>
<thead>
<tr>
<th>Race</th>
<th>Rainier Beach Census Tracts</th>
<th>Percent of Population</th>
<th>City of Seattle</th>
<th>Percent of Population</th>
</tr>
</thead>
<tbody>
<tr>
<td>White alone</td>
<td>6,730</td>
<td>23%</td>
<td>394,518</td>
<td>70%</td>
</tr>
<tr>
<td>Black or African American alone</td>
<td>7,828</td>
<td>27%</td>
<td>46,716</td>
<td>8%</td>
</tr>
<tr>
<td>American Indian and Alaska Native alone</td>
<td>181</td>
<td>1%</td>
<td>5,645</td>
<td>1%</td>
</tr>
<tr>
<td>Asian alone</td>
<td>10,324</td>
<td>36%</td>
<td>73,849</td>
<td>13%</td>
</tr>
<tr>
<td>Native Hawaiian and Other Pacific Islander alone</td>
<td>414</td>
<td>1%</td>
<td>2,514</td>
<td>0%</td>
</tr>
<tr>
<td>Some other race alone</td>
<td>959</td>
<td>3%</td>
<td>12,996</td>
<td>2%</td>
</tr>
<tr>
<td>Two or more races</td>
<td>2,334</td>
<td>8%</td>
<td>27,137</td>
<td>5%</td>
</tr>
</tbody>
</table>

Source: Census 2000 Summary File 3: P6 Race

Note: The Department of Planning and Development’s report does not provide race and ethnicity data for the Neighborhood Planning Area.

Figure 8: Language spoken in the home, Rainier Beach and Seattle. The Planning Area has a much more diverse range of languages than the city average.

---

12 Ibid.
Rainier Beach Census Tracts

City of Seattle

Note: The Department of Planning and Development’s report does not provide race and ethnicity data for the Neighborhood Planning Area.

Figure 9: Race, Rainier Beach and Seattle. The Rainier Beach neighborhood is much more racially diverse than the city average.

Nearly half of Neighborhood Planning Area residents were born outside of the United States (see Table 12). Many were recent immigrants; at the time of the census, nearly 60% of the foreign-born population had emigrated within the last ten years. Within the larger neighborhood, only a third of the residents were foreign born, and of these, only about half had emigrated within the last ten years. In comparison, less than twenty percent of the Seattle population was born outside of the United States.

Table 12: Place of birth, Rainier Beach and Seattle. Note the high percentage of foreign born residents in Rainier Beach compared to the city average

<table>
<thead>
<tr>
<th>Place of Birth</th>
<th>Neighborhood Plan Area</th>
<th>Percent of Population</th>
<th>Rainier Beach Census Tracts</th>
<th>Percent of Population</th>
<th>City of Seattle</th>
<th>Percent of Population</th>
</tr>
</thead>
<tbody>
<tr>
<td>Foreign Born</td>
<td>2,370</td>
<td>44%</td>
<td>9,565</td>
<td>33%</td>
<td>94,952</td>
<td>17%</td>
</tr>
<tr>
<td>US Born</td>
<td>2,957</td>
<td>56%</td>
<td>19,205</td>
<td>67%</td>
<td>468,423</td>
<td>83%</td>
</tr>
</tbody>
</table>

Source: Census 2000 Summary File 3: P21 Place of Birth by Citizenship Status

Education

Rainier Beach residents had completed fewer years of formal education than both the larger neighborhood and the city overall in 2000. Just over 10% of the population had attained a four-year degree or higher, compared to 25% in the Rainier Beach census tracts and almost 50% in the city overall (see Table 13 and Figure 10). In contrast, almost 40% of Rainier Beach residents over the age of twenty-five hadn’t attained a high school degree, compared to 25% in the Rainier Beach census tracts and 10% in the city overall.

Table 13: Highest level of education. A lower proportion of Rainier Beach’s residents had attained four-year degrees than the city average.

<table>
<thead>
<tr>
<th>Highest Education Level</th>
<th>Neighborhood Plan Area</th>
<th>Percent of Population</th>
<th>Rainier Beach Census Tracts</th>
<th>Percent of Population</th>
<th>City of Seattle</th>
<th>Percent of Population</th>
</tr>
</thead>
<tbody>
<tr>
<td>No high school completion</td>
<td>1,184</td>
<td>37%</td>
<td>4,587</td>
<td>24%</td>
<td>43,147</td>
<td>11%</td>
</tr>
<tr>
<td>High school diploma</td>
<td>969</td>
<td>30%</td>
<td>4,349</td>
<td>23%</td>
<td>62,502</td>
<td>15%</td>
</tr>
<tr>
<td>Post high school, no 4-year degree</td>
<td>703</td>
<td>22%</td>
<td>5,553</td>
<td>30%</td>
<td>110,611</td>
<td>27%</td>
</tr>
<tr>
<td>4-Year degree +</td>
<td>380</td>
<td>12%</td>
<td>4,309</td>
<td>23%</td>
<td>193,322</td>
<td>47%</td>
</tr>
</tbody>
</table>

Source: Census 2000 Summary File 3: P37 Sex by Educational Attainment for the Population 25 Years And Over

Figure 10: Highest level of education, Rainier Beach and Seattle.\(^\text{14}\) Note that Rainier Beach’s distribution of educational attainment was the mirror of the city overall.

Change Over Time

Research conducted in 2009 by Emiko Atherton suggests that poorer Rainier Beach residents are being displaced.\(^\text{15}\) The growth of owner-occupied units has outpaced that of rental units, and African


Americans, particularly those who rent, have increasingly left the area. However, Atherton’s research noted that the number of East African immigrants in the community was growing.

Atherton’s qualitative research found that residents believed the Rainier Valley has shifted towards middle- and upper-class families, artists, and young people. Residents also believed that the area was becoming increasingly unaffordable.
Geographic Context

Rainier Beach is situated in the very southeast corner of Seattle, just north of Tukwila (see Figure 11). It is the southernmost urban village in Seattle, and located immediately across the I-5 freeway from the Duwamish Manufacturing and Industrial Center (MIC). Due in part to its location near the Boeing Access Road highway entrance, it is possible to travel by car to Boeing Field, Renton, Tukwila, the Port of Seattle, SoDo, and downtown Seattle in less than 15 minutes (see Table 14). As shown in Figure 12, most of the Neighborhood Planning Area is located within 1.5 miles of the highway entrance. However, travel times are likely to be longer for Rainier Beach residents, as Seattle Department of Transportation research suggests they are less likely to own cars, and therefore rely more heavily on transit.16

The western portion of the Neighborhood Planning Area lies within a half mile of the Henderson Link Light Rail station, which provides access to SoDo, Tukwila, and SeaTac airport within 15 minutes. Figure 13 identifies the location of the light rail station, overlaid with quarter-mile and half-mile buffers to indicate the distance most people are willing to walk to light rail.17 The north Rainier Avenue portion of the planning area lies outside of the light rail station walking buffers.

---

Figure 11: Rainier Beach regional context. Note proximity to Duwamish Manufacturing and Industrial Center, Boeing and SeaTac airports, and cities of Tukwila and Renton

Source: Data from Washington State Geospatial Data Archive (WAGDA) and Environmental Systems Research Institute, Inc. (ESRI). Mapped with ArcGIS 9.
### Table 14: Distances and approximate travel times from Rainier Beach

<table>
<thead>
<tr>
<th>Location</th>
<th>Road Distance</th>
<th>Travel Time (Auto)</th>
<th>Travel Time (Fastest Transit)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Boeing Field</td>
<td>4 miles</td>
<td>9 minutes</td>
<td>45 minutes by bus</td>
</tr>
<tr>
<td>Renton</td>
<td>4 miles</td>
<td>8 minutes</td>
<td>15 minutes by bus</td>
</tr>
<tr>
<td>Tukwila</td>
<td>6 miles</td>
<td>9-15 minutes</td>
<td>9 minutes by light rail</td>
</tr>
<tr>
<td>Port of Seattle</td>
<td>6 miles</td>
<td>15-20 minutes</td>
<td>60 minutes by bus</td>
</tr>
<tr>
<td>Seattle SoDo</td>
<td>8 miles</td>
<td>12 minutes</td>
<td>15 minutes by light rail</td>
</tr>
<tr>
<td>Seattle Downtown (Westlake)</td>
<td>10 miles</td>
<td>14 minutes</td>
<td>25 minutes by light rail</td>
</tr>
<tr>
<td>SeaTac Airport</td>
<td>11 miles</td>
<td>15-30 minutes</td>
<td>11 minutes by light rail</td>
</tr>
<tr>
<td>Kent</td>
<td>15 miles</td>
<td>18-25 minutes</td>
<td>46 minutes by bus</td>
</tr>
<tr>
<td>Bellevue</td>
<td>15 miles</td>
<td>22-35 minutes</td>
<td>50 minutes by bus</td>
</tr>
<tr>
<td>Redmond</td>
<td>21 miles</td>
<td>29-60 minutes</td>
<td>85 minutes by bus</td>
</tr>
<tr>
<td>Everett</td>
<td>38 miles</td>
<td>40-80 minutes</td>
<td>96 minutes by bus</td>
</tr>
</tbody>
</table>

**Source:** Road Distance and Auto Travel Time: Google Maps  
Bus Travel Time: Metro Trip Planner, using trip arrival times of Monday, 8 a.m.18  
Link Light Rail Travel Time: Link Light Rail19

**Note:** Estimated travel times are calculated from Henderson & Rainier Avenue, and do not include walking time to light rail station (8-10 minutes).

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Figure 12: Distance from I-5 freeway access

Figure 13: Rainier Beach Neighborhood Planning Area and light rail walking areas

Note that most of Rainier Beach is within 1.5 miles of highway access, but that much of the neighborhood is outside of the ½ mile walking area.

Source: Data from WAGDA. Mapped with ArcGIS 9.

Rainier Beach Historical Context

The Rainier Beach area has undergone periodic development for over 150 years. The Duwamish Tribe and the hah-chu-ahbsh or the “lake people” lived on Pritchard Island and stayed connected to other camps by establishing a trail through today’s Rainier Valley to Elliot Bay. 20 This trail was used by the indigenous tribes until they were removed to reservations by the Treaty of Point Elliot in 1855. 21

21 Ibid.
APPENDIX A

Economic Development Strategies for Rainier Beach: Introduction

In 1891, the trail was used as the main corridor for the region’s interurban railway, the Rainier Avenue Electric Railway, later named the Seattle and Renton Southern Railway (SR&S). 22

The railway provided the opportunity for people to invest in and develop property around train stations. Today, Rainier Avenue is the home to Southeast Seattle’s main street neighborhoods Rainier Beach, Hillman City, and Columbia City, which provide evidence of where the train traveled. The historical buildings from this era serve as the foundation for much of the area’s current development. The SR&S connected the Rainier Valley’s neighborhoods until 1937 and today Rainier Avenue still serves to connect Southeast King County with downtown Seattle.

Much of the diversity discussed above can be attributed to several periods of immigration; today Rainier Beach has seen high levels of immigration from several East African countries including; Ethiopia, Eretria and Somalia. Southeast Seattle has historically been home to some of Seattle’s most affordable property, which provides many newcomers the opportunity to become home and business owners. In order to protect and maintain the diverse character of Southeast Seattle and Rainier Beach, the City of Seattle and non-profit organizations have grown increasingly active in recent history. The Department of Neighborhoods was established in 1988 and worked with the community organizations to encourage and promote the values of diversity and the power of neighborhood. 23

Current Events

In recent years, the introduction of Sound Transit’s light rail has brought focus to many Southeast Seattle neighborhoods like Rainier Beach. Many planners and local politicians believed that the area would benefit greatly from the community development activities and infrastructure investments tied to Light Rail. Former Mayor Norm Rice recalled in a 2001 interview, "To deprive the Rainier Valley of a

Figure 14: Railway

Source: Crowley, “Seattle Renton & Southern Railway -- King County's First True Interurban.”


light-rail system to get to jobs and other opportunities was very big in my mind. The passage of Sound Move, in 1996, was originally not accepted by many southeast Seattle residents or the city as a whole. However, it did serve as a stimulus to bring the community’s stakeholders together to begin revitalization efforts in southeast Seattle. The following section describes projects and initiatives that have been completed in Rainier Beach including: Southeast Seattle Action Agenda (SESAA), ongoing neighborhood planning, Link Light Rail, and other facility and infrastructure investments.

**Southeast Seattle Action Agenda**

Rainier Beach is one of the communities addressed by the SESAA. The SESAA was introduced in the summer of 2004 by the Seattle Department of Planning and Development in an effort to ensure that residents and businesses benefit from public investments in Light Rail. Southeast Seattle is recognized for its racial, cultural and economic diversity. The SESAA was established as a tool for businesses and residents to work together to establish direction for public investment and have identified this as a vision for all of southeast Seattle:

Southeast Seattle is a vibrant community where: racial, cultural and economic diversity is embraced and preserved; immigrants are welcomed; all residents have access to economic and educational opportunities, housing, and cultural and recreational amenities; and the economic benefits generated by public and private investments are shared with current residents, businesses and community institutions.

In November of 2005, the final Southeast Seattle Action Agenda report was finalized and provided direction for current and future City of Seattle Investments and included the following community goals: 1.) Business and Job Creation, 2.) Physical Development, 3.) Education and Workforce Development, 4.) Public Safety, and 5.) Arts, Culture and Public Space.

**Neighborhood Planning Process**

In 2010, the City of Seattle will begin to update the Rainier Beach neighborhood plan. The Rainier Beach Neighborhood 2014 Plan was originally adopted in 1999 after several years of work by the residents, business owners, city staff, community development entities and non-profits. Participants identified three key strategies including: enhancing Henderson Street transportation improvements, revitalizing the commercial core, and increasing community education.

Today each of these key strategies and additional activities has been addressed with varying degrees of success and several are currently ongoing. In addition, the Rainier Beach neighborhood plan is one of three neighborhood plans that the City of Seattle has selected to update in 2010. The City of Seattle will bring residents, businesses, community development entities and non-profits to establish the direction of Rainier Beach Neighborhood update process.

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26 Ibid.
**Central Link Light Rail**

In May 1996, the 10 year Sound Move Project was approved by voters in King, Snohomish and Pierce counties. The primary element of the project, Central Link Light Rail, began carrying riders from SeaTac Airport to downtown Seattle in 2009. Construction has now begun to extend the line to the University District in 2016. Voters in 2008 approved Sound Transit 2, which will continue the line to north to Northgate, south to Federal Way, and east to Redmond. These expansions should be complete by 2030. Rainier Beach, once isolated in Southeast Seattle, will become increasingly connected to the rest of the region.

The Rainier Beach station is the first Seattle station on Central Link from SeaTac airport. Residents will have the opportunity to take advantage of an improved transit system and businesses will have the opportunity to cultivate relationships with expected daily ridership of over 26,000 by the end of 2010 and 45,000 by 2020.27 The Rainier Beach Station is located approximately one half mile away from the Rainier Beach main commercial node, on Martin Luther King Jr., Way and South Henderson St. Consensus among transit planners estimate that people are willing to walk between a quarter and one half mile, five to fifteen minute leisurely walk, to a transit station.28 This places many of the Rainier Beach businesses beyond the point where they will benefit from the stations location and will have to rely on additional measures to draw customers and employees to and from the Rainier Beach Station.

---

The City of Seattle, King County and Sound Transit have worked with residents and businesses to ensure that the Rainier Beach Station is an asset to the community. The station includes art elements, well kept landscaping and well suited architectural features. In addition, one goal of the Rainier Beach Station was to create a centerpiece for an attractive pedestrian-orientated corridor that connects the station to Rainier Avenue that mitigates the disadvantages of distance to Rainier Beach’s business district.  

**Figure 16: Henderson Station**

**Other Facility and Infrastructure Investments**

**Seattle Schools:** The Seattle School District has invested heavily in the school facilities in Rainier Beach’s core, including the complete renovation of Dunlap Elementary, which was originally built in 1904 and re-opened in 2000. Southshore K-8 recently re-opened in the 2009 – 2010 school year. Southshore is a newly constructed school connected to Rainier Beach Community Center and includes both education and community use space. In addition, Rainier Beach High School completed its modernization project in the summer of 2008, which updated the entire building, focusing on the library, science and culinary program spaces. Finally, Southlake High School was completed in the fall of 2008 and is a small school that is focused on creating a family environment that supports the general population and teenage parents. Renovations of these school facilities were funded through Building Excellence school levies.

**Parks & Community Centers:** The City of Seattle owns and operates several parks facilities in the Rainier Beach urban village including Seattle Public Libraries and Seattle Parks. The Rainier Beach Community Center and Pool is on the block of Rainier Avenue South and Henderson Street and is connected to Southshore K-8. A new community center and pool is currently in the design process at its current location and is expected to be concluded in fall 2010. The Southeast Athletic Complex is one of four complexes owned by the school district and managed by Seattle Parks and includes several soccer / football fields, track, softball / baseball fields. Beer Sheva Park and the Atlantic City boat ramp are Parks Lakefront properties at Henderson Avenue and Lake Washington Boulevard. Seattle Parks provides residents of Southeast Seattle access to facilities, programs and open spaces that meet the neighborhood’s needs.

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**Transportation Improvements**: Residents and businesses in Rainier Beach have worked to make Seattle more pedestrian and bicycle friendly. As a part of the Transit Strategic Plan, the Seattle Department of Transportation completed the Southeast Seattle Transportation Study (SETS), which built upon existing studies to provide a roadmap to achieve the following objectives: 1.) Improve safety for all travelers, 2.) Support existing businesses by providing good access for customers arriving by transit, car, foot and bicycle, 3.) Support the transition of the retail district from an auto-orientated center to a pedestrian friendly urban village, and 4.) Ensure access to light rail for area residents.31

The existing development in the Rainier Beach Urban Village is focused on meeting the needs of patrons driving automobiles, while Rainier Beach has one of the lowest automobile ownership rates in the city.32 The city has committed resources to help transform Rainier Beach into a transportation hub for southeast Seattle. The Rainier Beach core is one of the most dangerous areas for pedestrians in Seattle and the SETS study has developed plans to create a more walkable community connecting the neighborhood schools, library, community center, pool and parks.

Several notable transportation improvements have been completed to improve pedestrian access to the core of Rainier Beach. The addition of the Central Link Light Rail also resulted in improvements to Henderson Street with wider sidewalks, new bike lanes and better crosswalks. In addition, in 2007, the Chief Sealth Trail was completed; connecting Rainier Beach to Central Beacon Hill with Southeast Seattle’s only fully separated bike, pedestrian, and wheelchair path.33

**Economic Development Strategies Explored**

The DPD and the OED identified three different economic development strategies they wanted the Evans School to explore based on previous neighborhood studies, identified neighborhood characteristics and strengths, and the current neighborhood plan. This report is split into three parts, each part covering a different strategic approach to economic development including land use, community partnership and ownership models, and small business capacity building. Each of these three approaches and their corresponding specific strategies are further outlined below.

1. **Land Use**: This report evaluates the potential for developing small, low-impact production businesses that is compatible with the residential nature of Rainier Beach.

   The first research question in this paper is whether businesses such as small printers, craft workshops, woodworkers or other custom manufacturers would be compatible with Rainier Beach’s residential development. These jobs tend to be associated with living wages for people with limited formal education and limited English skills. Traditionally, urban policy has treated

32 Ibid.
these industries like the broader light industrial sector, but new theory suggests they are more compatible with their neighbors than previously thought. This report identifies the extent to which these jobs are a match for the skills of neighborhood residents, the elements of business operations that need to be considered to ensure neighborhood compatibility, and the market factors that affect business’ long term economic success.

2. **Community Partnerships:** This report conducts a case study of successful community driven development efforts that have successfully revitalized neighborhoods similar to Rainier Beach.

   The second report will offer an analysis of several examples of community-driven development strategies, including community investment and community control efforts that have successfully revitalized other U.S cities. It will also explore how local residents were able to design and revitalize their neighborhoods to meet their needs and avoid the displacement of the community’s current residents, and how those efforts might apply to Rainier Beach. Finally, this report offers an evaluation of potential strategies using criteria generated from the SESAA, Rainier Beach Neighborhood 2014 Plan, SETS, and other community resources.

3. **Small Business Capacity Building:** This report focuses on capacity building through technical assistance to small businesses.

   As will be explored further in the third and final report in our series, small businesses are economic drivers in communities with diverse minority and immigrant populations by providing jobs and goods and services for people often ignored by larger businesses. This report examines technical assistance available to Rainier Beach businesses, explores barriers to success common to Rainier Beach small businesses, analyzes the ability of technical assistance services to overcome those barriers, and recommends strategies the City of Seattle and its partners can employ to make technical assistance more accessible and effective to minority and immigrant-owned businesses.
Definitions

**Stakeholders.** Many are involved in the development and success of a community. Stakeholders are those who each have a role in the success of a community. The growth and success of Rainier Beach, for example, may depend on the residents, business owners, property owners, employees, policy makers, community groups, and other local institutions working together.

**Local small business.** The terms “local small business” and “entrepreneurship” will be often used in this report and have been used differently by various organizations. The Small Business Act simply defines “small business” as independently owned and operated, and not the leader in the industry in which it operates.34 The American Independent Business Alliance (AMIBA) further identifies what it means to be independent and defines “local independent business” as having the following three elements:

1. Private, employee, community, or cooperative ownership,
2. At least 50% owned by area residents,
3. Full decision-making function for the business lies within its owners, and
4. Limited number of locations, all within a single state or region.35

For this study’s purposes in Rainier Beach, we will use a blend of these definitions. The small business must be independent, as defined above by AMIBA while also entrepreneurial, defined by the Small Business Act as not a dominant leader in its operating industry.

**Community economic development.** Economic development is “a process of creating and utilizing physical, human, financial, and social assets to generate improved and broadly shared economic well being and quality of life for a community or region.”36 Economic development strategies have evolved over the years from 1960’s tax abatement policies that were meant to attract specific industries and ensure they are profitable. Since then, economic development has also come to include equity considerations for a fair distribution of growth, considerations for environmental sustainability, and finally recognition of market solutions and even metropolitan or regional planning as good tools for revitalization. The new economic development is not government incentives for specific businesses, but instead is focused on raising the standards of living and improving the quality of life through a process that specifically decreases inequality in metropolitan development and standard of living.37 Community economic development engages neighbors, local institutional organizations and political processes to

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encourage growth in jobs, income, and business growth.\textsuperscript{38} Community economic development recognizes the wide array of tools available to encourage local economic growth.

**Career ladders.** A career ladder is a structured sequence of job positions through which a person can build skills and gain higher wages within a company or an industry.

**Low-impact production.** Non-retail commercial businesses that create lighter impacts on surrounding properties than traditional light industry, including businesses such as small printers, craft workshops, custom woodworkers or other custom manufacturers, and food preparation.

**Floor plates.** The floor plate of a building refers to the amount of floor space that is uninterrupted by structural columns. Larger floor plates allow for more customization in production flow and accommodate larger production equipment.

**Dock-high loading.** Buildings with dock-high loading have large doors that open directly onto loading docks so that heavy goods can be rolled directly on to trucks, eliminating the vertical movement of freight.

**Curb cuts.** Curb cuts are the break in the curb where parking lots connect with the street. Curb cuts facilitate vehicular access to buildings, but disrupt the pedestrian environment by allowing cars to cross the sidewalk.

**Unskilled worker.** Unskilled workers are those who have not received any post secondary education or other career training. These workers are at a particular disadvantage as all types of jobs are beginning to incorporate higher levels of technology.

Village at Market Creek Investors

Organizations that have supported the Village with program-related investments, working lines, new Market Tax Credit Investments.

- The Annie E. Casey Foundation
- California Southern Small Business Development Financial Institution.
- Diamond Community Investors
- Diamond Management, Inc.
- Evelyn & Walter Haas, Jr. Fund
- The F.B. Heron Foundation
- Jacobs Center for Neighborhood Innovation
- Jacobs Family Foundation
- The Legler Benbough Foundation
- Neighborhood Unity Foundation
- Pacific Western Bank
- The Rockefeller Foundation
- Southeastern Economic Development Corporation
- US Bank
- Washington Mutual Bank
- Wells Fargo & Company

San Diego Neighborhood Funders

Organizations that have supported the grassroots and resident led Village Projects.

- Alliance Healthcare Foundation
- Alice T. and Douglas B. Diamond
- The Annie E. Casey Foundation
- Bank of America
- The California Endowment
- California Southern Small Business Development Corporation
- Cox Communication
- Girard Foundation
- Jacobs Center for Neighborhood Innovation
- Jacobs Family Foundation
- Kaiser Permanente
- The Legler Benbough Foundation
- Neighborhood Unity Foundation
- The Parker Foundation
- Patricia and Christopher Weil Family Foundation
- San Diego Foundation for Change
- San Diego Grantmakers
- San Diego National Bank
- Wells Fargo Bank
<table>
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<tr>
<th>Civic Capacity</th>
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<td>Local business owners and residents would create a forum for community groups to work towards mutually beneficial outcomes creating a unified voice. Residents would receive training, be invested and would partner with local businesses to ensure success.</td>
<td>Residents, local businesses, and CDO create a roadmap for the community’s future. Dependent upon the results of this process the community has the potential to create a significant number of local jobs and to significantly increase the skills of the local workforce.</td>
<td>A community economic development strategy created as a result of collaboration between local businesses and residents would be an exciting opportunity for local politicians and community leaders. However, this strategy would have to address potential state constitutional restraints.</td>
<td>Results of the community building activities of this strategy would leverage investment of residents with potential foundation, non-profit, local, state, and federal sources. The level of resident financial investment reflects that the community has built a foundation and will have the capacity to maximize outside investment making it attractive.</td>
<td>Residents and local business owners’ success is highly dependent on the collaboration of a significant number of stakeholders. This strategy is highly inclusive and allows the most access to the largest number of groups. This strategy directly addresses challenges of RB families.</td>
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<td>Residents gain knowledge of how local community processes occur empowering residents to become increasingly engaged in public processes. In addition, this strategy would have the potential to bring ethnically and culturally diverse community together, which would increase neighborhood capacity.</td>
<td>Business and job creation are not the focus of this strategy. However, this strategy does aim to increase the job skills of residents within the community. Also, RB residents continue to drive the development of the communities built environment that will allow resident to gain significant job skills.</td>
<td>Homeowners, renters, community organizations, and businesses would likely be placed at odds due to competing interests. Historically these groups have failed to attain consensus on community projects i.e. up zoning, light rail, and recently the proposed community renewal agency efforts have led to limited private development.</td>
<td>The degree to which residents develop a comprehensive development plan that meet the needs of local businesses and the community as a whole, it would be attractive to investment from both public and private organizations that seek to support the community’s grassroots efforts. However, it would fail to gain ongoing support from large foundations due to limited scope.</td>
<td>Residents would create a leadership council that recognizes the differences of different cultural and ethnic groups and sees them assets to the community. However, this strategy does not seek to increase the economic vitality of the community and aims to increase the livability of RB therefore businesses would not be included in the community development plans.</td>
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<td>Neighborhood plan update process will provide a limited number of residents and business owners with the opportunity engage in the development process.</td>
<td>Local organization have been moderately successful partnering with larger organizations to create job opportunities for teens including: DON, HSD, and other sources.</td>
<td>Disagreement between stakeholders has limited the level of economic development. Different groups have varying levels of political access leading to resolution of specific issues and limiting comprehensive economic development.</td>
<td>OED, DON, and DPD have limited funds to support community and economic development in Rainier Beach. RB’s community development entities will continue to operate in the community; however, private development has not kept pace with public investment in RB.</td>
<td>Disparate groups of community organizations, residents, and businesses work on discrete projects with limited intentional collaboration.</td>
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