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## MEMO

TO: Corridors of Opportunity Policy Board  
FROM: Ellen Shelton and Brian Pittman  
Corridors of Opportunity evaluation team  
RE: Interim report on systems change  
DATE: November 22, 2011

### Purpose and scope

The purpose of this interim report is to provide early observations relating to the systems change goals of the Corridors of Opportunity initiative, in order to examine what is occurring in comparison with what the initiative intends. This is the first installment of the qualitative evaluation, which will help to identify what is new as a result of the work, and what is being learned. It complements the baseline report on quantitative indicators that was presented in August 2010, and provides both early formative feedback and context for the first annual report that will be provided in February 2012.

This interim report addresses three research questions:

- Is the implementation of the initiative consistent with the strategies originally envisioned for this initiative?
- Is there evidence that the initiative is on a path that is likely to result in the intended kinds of systems change?
- Are there any emerging patterns that might indicate that mid-course corrections should be considered?

The systems change expected as a result of Corridors of Opportunity includes greater integration of planning activities in three primary ways, as spelled out in the evaluation plan. These are:

- **Geographic:** Integration across geographic jurisdictions, from neighborhoods through cities and counties to the full seven-county region
- **Content area:** Integration across sectors, recognizing interrelationships among engineering, land use planning, economic development, workforce development, community development, affordable housing, energy and natural resource planning, and placemaking (including arts, culture, and recreation)

- **Perspectives:** Integration of participants with a range of perspectives, especially including greater participation of historically under-represented communities (people of color, low-income people, people with disabilities, and recent immigrants)

While these systems changes are included among the initiative's seven goals, they are not sought for their own sake but because they are considered necessary for the benefit of the region as a whole as well as the communities living along the corridors. With slightly different emphases, the two funding organizations' statements of purpose for their grants make this link between systems change and impacts for communities:

[H]arnessing existing momentum and leadership for change, overhauling long obsolete systems and fundamentally reshaping communities and policies to meet the needs of low-income residents. (Living Cities, The Integration Initiative)

[Supporting] metropolitan and multijurisdictional planning efforts that integrate housing, land use, economic and workforce development, transportation, and infrastructure investments in a manner that empowers jurisdictions to consider the interdependent challenges of: (1) economic competitiveness and revitalization; (2) social equity, inclusion, and access to opportunity; (3) energy use and climate change; and (4) public health and environmental impact. (U.S. Department of Housing and Urban Development, Sustainable Communities Regional Planning Grants)

Complex systems change takes time, so this preliminary qualitative evaluation report focuses primarily on evidence about the extent to which the initiative has begun to create the conditions for change. It also includes an examination of some of the challenges encountered in the work as well as the factors that are helping to promote change.

## Methods

This report relies on available documentary evidence about the functioning of the initiative. It is based on analysis of 84 documents from the period December 2010 through early November 2011, including:

- Policy Board and Senior Staff agendas, packet materials, and meeting notes
- Notes from Living Cities staff and evaluators' site visits
- Project work plans
- Project leaders' reports to HUD and Living Cities project managers
- Project manager's quarterly reports to Living Cities
- Evaluators' notes of meetings with project managers, Metropolitan Council planners, and the Community Engagement Team
- Senior staff members' responses to monthly "evaluation check-in" questions

- Notes from December 2010 focus groups and January 2011 workshop led by Michael Patton (both about baseline conditions, expected changes, and what strategies would help to create change)

The view is thus quite broad but not deep. The first annual report in February 2012 will supplement this information with more focused questions to be asked of a sample of stakeholders. However, evaluators are waiting for information from the national evaluation’s summer network survey to develop these questions so as to add, rather than duplicate, information. [Note: It is not possible to construct a comprehensive description of all relevant systems prior to the initiative. “Baseline” in this report is therefore described in terms of those aspects of systems that stakeholders expressed greatest interest in changing.]

## Findings

### *Geographic integration*

Baseline: What is the initiative trying to change?

- Better communication among different cities and counties on transit-related issues
- Development of a shared regional vision, with local jurisdictions understanding how their issues fit into the larger picture, the larger jurisdictions understanding local dynamics, and big city and suburban stakeholders understanding their shared interests
- More consistent policies and procedures, less fragmented uses of resources, and fewer different gates to go through to access resources
- More regional (rather than isolated city/county) decisions about transit and transit-related development to benefit low-income and other historically under-represented residents and improve the economic competitiveness of the region

To date, increased geographic integration is seen in the following:

- *Creation of “new tables” for decision-making* – structures that did not exist before the initiative – that bring together representatives from multiple jurisdictions in the region. Besides the Policy Board itself, these include the Senior Staff group and Core Team that help to shape the agendas and recommendations for the Policy Board’s consideration and to implement its decisions. Other “new tables” are a variety of groups implementing the activities undertaken for the Living Cities and Sustainable Communities work plans, many of which draw together staff from multiple jurisdictions. For example, the Cedar Avenue project narrative describes:

█ The collaboration that has taken place between the community partners. ... the Corridors of Opportunity project is providing a mechanism ... to discuss development challenges and opportunities on a corridor-wide basis.

- *Linkage of the Corridors initiative to other related activities in the region*, such as the Brookings-sponsored Metropolitan Business Plan, the TIGER III application process for federal transportation infrastructure grants, and other opportunities to coordinate development at the regional level.
- *Bringing together organizations with similar purposes* that had not previously worked with each other. Staff with similar positions but in different jurisdictions have found new or increased opportunities to work with and learn from each other (for example, suburban city planners along the Southwest and Cedar Avenue corridors). Although the Robert Street corridor is not one of the seven included in the initiative, Dakota County staff cite planning changes there that they attribute at least in part to it:

How we do policy is changing. ... The room has gotten bigger. We realize that our planning affects more than just our own core business. [The new way of doing things has become] part of the DNA. Transitways version 2.0 is coming in these emerging corridors.

- *Early indications of coordinated policies and processes*, including: the addition of Corridors funding to the Super RFP for affordable housing development; creation of new transit-oriented development funds within the Met Council and Hennepin Counties to align the use of resources to the purposes of the initiative; and sharing of business impact mitigation efforts across city and county lines along the Central Corridor.

#### Challenges:

- Alignment across governmental jurisdictions can be challenging, and can require particular attention to the balance of competing values and priorities. In the context of the overall regional transit system, land use decisions (such as site selection for routes or other purposes) that might previously have been based solely on local city or county criteria might need to be made differently if they are made with a more regional lens. For example, the corridors will put not only transit but also housing and economic development decisions into a larger context, requiring individual units of government to consider this larger context more often than they have been accustomed to doing. The results of more regional decision-making may end up being politically challenging to explain to local constituencies that may not be fully committed to the new, more integrated ways of working. The regional, corridor perspective may also affect a city's or county's flexibility to distribute benefits and burdens of development in ways that all its constituents may perceive as fair.
- The initiative's vision and goals are broad and can include a wide range of issues, which do not necessarily all align closely with the set of funded activities. Given the Policy Board's demonstrated value as a venue for high-level policy discussions about regional issues, its focus is potentially vulnerable to "mission creep," a common occurrence in large, complex initiatives such as this. It may require careful attention to priorities to ensure that the Policy Board retains a clear and consistent focus on its stated goals and that this focus is not displaced by other related conversations.

## *Content area integration*

Baseline: What is the initiative trying to change?

- Improve the quality of land use planning and development by integrating the planning process with the engineering planning and beginning it at an earlier stage
- Decrease potential negative effects of transit oriented development (such as gentrification that might displace existing residents or businesses)
- Increase benefits for residents by creating plans that recognize the relationships between the different land uses (housing, business and employment, natural resources and recreation, etc.) and fulfill a larger community development vision (rather than a siloed approach)

To date, increased content area integration is seen in the following:

- *Inclusion on the Policy Board of representatives of a variety of sectors and disciplines* – a significant expansion from its originally envisioned membership, which only included governmental entities and the McKnight Foundation. Also, the Policy Board’s substantive discussions and decisions about issues that cross not only geographies but also content areas. Similarly, the preparation and implementation work of the Senior Staff, representing an even broader range of disciplines.
- *The work to implement the Central Corridor transit-oriented development Investment Framework* and replicate it on the Southwest Corridor, and the creation of new transit-oriented development funds.
- *Creation of a number of working groups* that integrate perspectives and resources across geography and sectors. Examples include the monthly meetings of the Affordable Housing/TOD Implementation team which includes predevelopment lenders, city, metropolitan, and state housing staff, and representatives of the development community; the JobsCentral Project team; and the Southwest Light Rail Transit Technical Implementation Committee.

The collaboration between the cities and county [on a range of transit-oriented development issues] seems to be working well. The TIC [Technical Implementation Committee] provides a venue for sharing information and learning, reporting on partner progress, and raising mutual concerns. (Southwest LRT project narrative)

## Challenges

- In view of the importance the initiative accords to the involvement of the private for-profit sector, it is notable that most connections to this sector appear to be occurring outside the boundaries of the initiative rather than within it. The primary example is in the Metropolitan Business Plan and similar work with regional allies around economic development. However, as more information becomes available about funded projects and newer efforts it is possible that this may change – for example, when private

developers begin to participate in the transit-oriented development projects for which Living Cities funds will be used, or in the nascent work with anchors along the Central Corridor.

- Many different stakeholders voice a need for greater involvement of Metro Transit leadership in the integration initiative. While the co-location of offices in the Southwest corridor is reported as helpful, the withdrawal of the RFP for the land use study (due to a perceived potential for conflict of interest with an FTA engineering contract) illustrates that the level of coordination in planning continues to fall short of intentions. More broadly, there is a continuing lack of clarity concerning the role that transit engineering plays in the initiative.
- The documents reviewed to date reflect an ongoing challenge of integrating workforce development and economic development. The addition of the Department of Employment and Economic Development commissioner is a positive step. However, most efforts in workforce development do not have as much focus on locational issues, including transit and the cost of transportation, as other content areas in the initiative. Another concern is that Jobs Central, as the only workforce project in the initiative, may be subject to expectations that are out of proportion to the scale of the resources it has to work with.

### *Integration of perspectives*

Baseline: What is the initiative trying to change?

- Strengthen community residents' perceptions of transit as a benefit rather than a threat, particularly among groups who express more skepticism
- Strengthen the relationships between corridor residents, project outreach staff, and government planning agency outreach. For example:
  - Increase the level of residents' participation in planning activities and increase the likelihood that residents will be satisfied with corridor decisions
  - Increase engineers' and planners' understanding of residents' priorities and concerns, and residents' understanding of the decision making process, timeline, and constraints

To date, increased integration of perspectives is seen in the following:

- *Inclusion on the Policy Board* of a representative of an organization with close links to community grass roots, as well as an organization highly familiar with the needs and perspectives of small business owners. As with the representation of diverse content areas, this is a substantial step beyond the original vision for the Policy Board and represents a significant opening of the door to more diverse participation in decision-making for the initiative.
- *Creation of the Community Engagement Team*, its steering committee and grants review team, and especially the process for Policy Board approval of recommendations arising

from community-based decision making on grant awards. This decision met the criteria as a “catalytic” decision: it had high visibility; had the potential to make a difference (real or symbolic) in the equity of outcomes; represented an opportunity to model a new decision-making process that in turn had the potential to be replicated; and included a number of “tensions” (competing values and priorities that required balancing) that were monitored and managed at several stages during the decision-making process. The results of this decision were felt by many community representatives as an indication that the initiative truly is committed to doing business in new ways.

You can't under-estimate the community currency this process garnered. This was the first time community members were given a chance to determine how government funds should be spent. (Community representative after the Policy Board's approval of community engagement grants)

Although skeptics may rightly point out that this is still “just words,” it is also the first time that local cities, our most populous counties and our region's planning agency have collectively signaled that they want to get serious about linking growth and development policies with practices to achieve more equitable results for communities that have been left behind. (Alliance for Metropolitan Stability, *Common Ground* newsletter, Fall 2011)

- *Connection of corridor project managers to community engagement resources.* Of particular importance for sustainability of this integration is the level of interest shown by corridor planners in soliciting the help of the Community Engagement Team to enable broader and earlier participation of community members in planning, including a request from one corridor that is not even part of the initiative.

## Challenges

- Based on prior relationships and experiences, some community organizations and residents approach government decision-making from an adversarial stance. Similarly, although many governmental agencies have extensive and creative experience with community outreach, the shift to a more participatory model of community engagement is likely to involve some adjustments that are sometimes difficult. As the intermediary between community organizations and government agencies, the Community Engagement Team has needed to put extensive effort into building trust on both sides. Their level of credibility, and thus the success of their work, will likely continue to depend on the continued cooperation of government and community groups in the more participatory process.
- It is not clear yet how the Policy Board will implement the initiative's principle of equity. An inclusive process has been followed to develop language to guide the initiative's work on equitable development. On the other hand, the fact that the board itself reflects the historical under-representation of racial and ethnic minorities in the region continues to be a challenge. In addition, some of the ways in which equity has been discussed suggest a tendency to regard the issue as primarily the responsibility of the Community Engagement Team. At a conscious level the Policy Board appears to fully own the importance of community participation and equity, and embrace it as it is represented in

the goals, principles, and charge to the group. However, in practice the group has tended to rely on the team to take the lead in identifying how the issue integrates into the board's overall work. In the wake of the Equity Summit and the approval of the community engagement grants, the initiative may be reaching a tipping point in the integration of perspectives. Significant progress has been made by putting equity "on the table" through the principles and "at the table" with Community Engagement Team representation. Somewhat more progress remains to be made on integrating these principles and practices in organizations' everyday policies, procedures, and decisions so that equity becomes "part of the table."

## **Discussion**

Based on the documents reviewed and observations made to date, we conclude that the Corridors of Opportunity initiative has helped to create conditions favorable for systems change. Moreover, some changes are beginning to be seen in its work. The following discussion outlines these initial changes and the primary factors that have helped influence the change, and highlights potential implications as the project moves forward.

### **Shared vision**

The early work of the Policy Board, with the assistance of program managers and other senior staff, was the agreement on a statement of shared vision for the initiative, as well as specific goals to be achieved. These goals represent a mix of outcomes related to concrete development efforts (economic competitiveness, access to jobs and affordable housing, expansion of the transit system) and of more global systems re-design (new model of planning, alignment of resources, incorporation of lessons learned into the regional planning framework). Running throughout both are outcomes related to equity (equity in process as well as outcomes). The board also identified a set of guiding principles that helps to ensure that the new ways of doing business are spelled out clearly and can be applied across all projects.

Together, the vision, goals, and principles constitute a description of the new functioning of the systems that the initiative is seeking to re-design. This is one of the most important ways in which the initiative has created the conditions for change.

### **New structures for decision-making**

Central to the systems change are the new venues established to promote shared decision-making including the Policy Board and Senior Staff group. The Policy Board, in its existence and charge to its members through the statement of goals and principles, clearly articulates the three kinds of change that are intended. It is well positioned in its structure and relationships to influence many other organizations and individuals in the region. A significant number of public and private organizations in the region are directly represented on the board by their chief executives, who are charged as members to work to create change in their own organizations.

In addition, an even wider set of organizations is represented in the senior staff group. This group replicates some of the work and processes established by the Policy Board, and helps to amplify some of the conditions for change set in that venue. They also help to inform and propel key



issues involved in the initiative's work. The group accomplished this in two important ways. First, many members of the senior staff group are lieutenants to Policy Board members, providing advice on issues and helping implement decisions within their own organizations. Second, as a group, the senior staff group functions in the same lieutenant relationships to the Policy Board as a group, discussing many issues in depth before they are brought to the Policy Board, helping to formulate recommendations for the Policy Board's actions, and helping to implement decisions after they are made. Thus, systems changes are transmitted from the Policy Board to member organizations through two channels that reinforce each other. The new patterns are also transmitted to a wider set of organizations that are not members of the Policy Board through their representatives' participation in the senior staff meetings.

### **Shared decision-making**

The initiative's sharing of decision-making, among people representing a range of perspectives, geographies, and content areas, has introduced a new model of planning in the region. Although the Metropolitan Council and Regional Council of Mayors are examples of pre-existing cross-jurisdiction and cross-sector groups, the level of integration at the Policy Board and senior staff meetings is at a higher level and is able to coordinate many more related aspects of planning. According to some participants, the existence of the Policy Board as a new decision-making structure has also resulted in different decisions being made – for example, in the priorities for Local Implementation Capacity grant awards, or the first round of grants for community engagement.

### **Infusing, connecting, aligning, and leveraging resources**

Shared decision-making in these new venues has in turn made it more possible to effectively identify available resources for the initiative, bring them into greater alignment with each other, and also to leverage additional resources. For example, additional grants have been secured from the Ford Foundation and Phillips Family Foundation for community engagement and from the McKnight Foundation for the anchor convening and other supportive efforts. To more consistently support the transit-oriented development goals of the initiative, the Metropolitan Council, Hennepin County, and Minneapolis have realigned and/or re-purposed existing funds (e.g. through alignment of TOD funds under common criteria; adding the Living Cities affordable housing development funds to the existing Super RFP process; and adding resources for station area planning and other transit oriented development).

### **Active and open information sharing**

Another factor that is helping create the desired change is the active and open sharing of information. This has facilitated both shared decision making and alignment of resources, and has also contributed to the ease with which new patterns established at the Policy Board level can be transmitted to member and partner organizations. The initiative staff are currently seeking effective (and not overly burdensome) ways to review and compile best practices, which are expected to result in robust information sharing when they are implemented. More general sharing of information about the project as a whole is currently being developed and will help to communicate both the importance and the benefits of the work to wider audiences.

## Community access to the system

The focus on increasing community access to decision-making structures during the first year of the initiative has also helped to create a new set of conditions that have potential to be a significant driver of systems change. The formation, implementation, and confirmation of the Community Engagement Team and their related activities, processes, and outputs have not only been some of the most prominent elements of the first year's work, but they have helped to establish an equity component that can transect all three types of integration.

## Monitoring and managing tensions

Throughout the work to date, another important mechanism that has facilitated change has been the identification and judicious management of “tensions” – competing values and priorities that must be balanced. Some of these have been noted in the findings above. While all participants in the initiative help with this process, this has been one of the most important jobs of the two grant program managers and the Policy Board co-chairs, as well as a significant role for many in the core team. One lesson learned to date is that the effective management of tensions can sometimes require a level of confidentiality that creates a tension with the principle of openness and transparency.

## Moving forward

In the coming year, results and learnings from the initiative's activities will be incorporated in a variety of ways to help produce and sustain change through proactive messaging and communication; accomplishment of concrete visible projects that people value; and adaptation to what emerges from the work. Based on this preliminary scan of the landscape, the following three aspects of the work merit deliberate attention to how they are designed and carried out in the coming months and year.

- ***Leveraging private resources.*** One of the core purposes of the Living Cities Integration Initiative is the more effective attraction and matching of capital – especially private capital – to community needs. Paradoxically, the largest piece of missing capital for the work of the Corridors of Opportunity is for building the transit system itself, which to date is almost entirely dependent on public funding. Are the planned activities likely to help identify the value of transit, and thus increase the willingness of private sources to also contribute to its construction and/or increased development in transitway corridors?
- ***Communication and information sharing.*** To be effective across groups, shared decision-making needs to include two-way communication: both influence into the venue where decisions are made, and communication back out. Currently it appears that more effort has been devoted to communications related to influences coming in. However, core staff are now starting to design more robust systems for communications back out to general and specific audiences (other than basic minutes and web site). This will be associated with a shift from communications that are primarily internal (and can be streamlined through technical language and abbreviations) to more external sharing and engagement efforts. These will require a deliberate effort to use more everyday terms, as well as a set of common messages to help explain the complex project clearly. The

second year will also likely see a shift in the balance of information sharing from gathering information to a greater emphasis on synthesizing and using information.

- ***Identifying and using lessons learned.*** Many of the first-year activities involve the outsourcing of technical work to consultants. Given the emphasis on incorporating new ways of thinking into the on-going practices of stakeholder organizations, thought should be given to how processes can be designed to ensure that what is learned through the consultants' work is fully communicated and incorporated into public agency practices over the long term.

As a result of the new structures in place, the projects undertaken, the new relationships and information sharing that have been developed, this initial review of system functioning shows that mechanisms are in place to support the desired change, and new system patterns are beginning to emerge. It is too early yet to say whether these patterns will take root and be able to sustain themselves. However, the conditions for change have been rooted in several related and mutually reinforcing places in the system, with supportive mechanisms in place to help ensure that the multiple pieces stay aligned with each other. Complex change cannot be accurately predicted, but it can be influenced, and those influences under the control of the initiative appear to be well suited for the intended results.