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Honorable William Campbell

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URBAN HOLISM: THE EMPOWERMENT ZONE AND ECONOMIC DEVELOPMENT IN ATLANTA

*Honorable William Campbell**

After experiencing decades of escalating crime and population loss, Atlanta is undergoing a renaissance. The rate of violent crime is the lowest it has been in many years and, for the first time in thirty years, the city has experienced a positive growth in its population.¹ There are several reasons for Atlanta's turn-around. First, Atlanta's holistic approach to development has improved the city on a variety of fronts. Second, by using its Empowerment Zone, Atlanta has leveraged private sector dollars to redevelop areas that have been slow to rebound from decades of decline. Third, Atlanta's community policing program has brought police closer to citizens, consequently lowering crime. Lastly, by reinventing public housing in Atlanta, the city has developed many mixed income communities.

I. Holistic Approach

Atlanta uses a holistic approach to urban development. In other words, no singular method or strategy dominates our plan to revitalize our inner city communities. In particular, this approach focuses on the interplay of public and private sectors in our City,

* Mayor, Atlanta 1993-present. Chair, United States Conference of Mayors' Transportation and Communications Committee; Atlanta City Council, 1981. J.D., Duke University; B.A., *cum laude*, Vanderbilt University. Recipient, Bridges to Tomorrow Award, 1998. All sources cited are available by contacting the Mayor's Office at 55 Trinity Avenue, Suite 2400, Atlanta, Georgia 30335.

1. See, e.g., Research Atlanta, Inc., *A Population Profile of the City of Atlanta: Trends, Causes and Options*, May 1997, at iii.

Many large cities have lost population and employment over the last 25 years and the composition of the remaining population has changed. Many of the problems of cities result from the fact that cities are losing their middle class while poverty is becoming more concentrated The population of the City of Atlanta declined by almost 19 percent from 1960 to 1994 even as the region's population grew by over 154 percent, a pattern hardly unique among American cities.

Id. See also Atlanta Regional Commission ("ARC"), *1998 Atlanta Region Outlook Report* (noting that the population of the City of Atlanta in 1990 was 416,397. In 1998, the population of the City was 430,111).

remaining cognizant of the effect of one upon the other. For example, consider the resurrection of the Martin Luther King Drive corridor in Southwest Atlanta, near the Atlanta University Center (the largest complex of private Black educational institutions of higher learning in the world). The City, through the Atlanta Development Authority ("ADA") and the Atlanta Empowerment Zone ("AEZ"), will build the "Historic Westside Village" on fifteen acres near downtown in mid-summer of 1999. This \$130 million mixed-use development will contain a movie theater, business offices, housing that includes three-story townhouses (ranging in price from \$95,000 to \$175,000), a grocery store and a 136-room, six-story hotel. Crucially, this project will create 2000 jobs for the area.

Had the city attempted just a single development — a grocery store for example — it might have failed because of a lack of factors necessary for development, such as a sufficient population base, public safety and complementary businesses and services. By taking a holistic approach, we are able to marshal the entire resources of the city and create excitement for the development of a new Atlanta for the Twenty-first Century.

II. The Atlanta Empowerment Zone

In 1994, President Bill Clinton created an exciting new initiative known as Empowerment Zones. Central to the Empowerment Zone concept is the notion of community involvement. The four goals of the Empowerment Zone are to: (1) expand employment and investment opportunities; (2) create safe and livable communities; (3) lift youth and families out of poverty; and (4) provide adequate housing for all residents. In the five years since we started implementing this program, the process of involving citizens has not always been easy, but by staying the course we've created something that reflects a shared vision.

A snapshot of Atlanta's AEZ² looks like this: The AEZ represents 9.29 square miles near the heart of the City of Atlanta. The working poor in these areas, barely make ends meet and have under-utilized skills. Over one-fourth of all housing and business facilities remain vacant and more than a half of the residents within the AEZ are under-educated. In addition, AEZ youth are not obtaining high school diplomas at the same rate of non-AEZ youth. In fact, only forty-four percent of the adults have a high school

2. See, e.g., City of Atlanta, *Atlanta Empowerment Zone, 1994 Strategic Plan*.

education. AEZ's unemployment is seventeen percent, higher than in surrounding communities. Median income is less than \$11,000 per year. Social problems, although similar to the larger community, seem to escalate within the AEZ and resources are often times inaccessible.

To positively impact this situation, we knew that it would take more than the \$250 million in grants and tax incentives the federal government had slated to give us over a ten-year period. Through leveraging, Atlanta transformed the federal grants into private loans and grants. To date, we have leveraged close to a billion dollars, created close to 800 jobs and provided \$6.3 million in loans. In the next three years, the zone is expected to create 4345 jobs through a total of \$39.4 million of investment in projects.

One of the City's most significant collaborations is the contract with United Water Services of Atlanta for the private contract management of Atlanta's water system. The concept of privatization has been around for many years and so, after careful consideration and analysis, Atlanta decided to privatize its water system and soon will do the same for its sewer system. Privatizing the water system not only created needed capital to reinvest into our infrastructure, but it also helped hold down water rate increases for our 1.5 million customers. In the process we also were able to enhance minority participation (minority investors own thirty-five percent of the company). In addition, this agreement provides more than thirty businesses with the chance to train and provide employment opportunities in the Empowerment Zone, thus protecting city workers.

The commitments made by United Water Services to both the City of Atlanta and to the residents of the AEZ illustrate how privatization can serve to stimulate and facilitate economic development in urban areas. These commitments include hiring workers from the Zone, providing incentives for workers to live there and funding a water institute at one of Atlanta's historically black colleges in that area.

III. Community Policing

In Atlanta, we are building a city where people feel secure, supported and affirmed. We have done this best by bringing our police close to our people in a concept called community policing. Key to our return to community and renaissance is the progress we've made in public safety.

We have put a significant portion of our city budget into public safety. Public safety accounts for forty-nine percent of the General Fund budget.³ In 1999, the city spent \$195 million on public safety, a four percent increase over 1998.⁴ This funding goes toward increased patrolling in high crime areas as well as investments in youth programs. In fact, we more than doubled the number of children served by our recreation programs, serving some 35,000 children in 1999.

In 1998, our homicide rate was down to the lowest levels in thirteen years and the fifth lowest in thirty years.⁵ In addition, we have decreased juvenile arrests by thirty percent.⁶ Fire deaths are down by an amazing fifty percent since 1995 as a result of more fire prevention education and the distribution of more than 70,000 smoke detectors.⁷

We are enforcing all the City laws, because there are no victimless crimes. Last year I toured a neighborhood in Southeast Atlanta and could see that prostitution and drug trafficking were operating in full disregard for the law. I immediately issued an executive order to impound the vehicles of those using cars while engaging in criminal activity. Since we launched this crackdown, we have impounded hundreds of cars and made more than five hundred arrests. But more importantly, we communicated to residents that if they stay in the city, we are willing to do all that is possible to enhance the quality of in-town living.

IV. Mixed Income Communities

Five years ago, Atlanta had one of the worst housing authorities in the country. For the fiscal year ending on June 30, 1994, the Atlanta Housing Authority's ("AHA") Public Housing Management Assessment Program ("PHMAP") score, as assigned by the U.S. Department of Housing and Urban Development, was 36 out of 100. For the fiscal year ending June 30, 1998, the AHA's PHMAP score was 97 out of 100, earning HUD's High Performing Agency Designation. This was largely due to our reinvention of public housing by building new mixed income communities on the land where public housing once existed and adding middle income

3. See, e.g., City of Atlanta, *1999 Budget*.

4. See, *id.*

5. See, e.g., Federal Bureau of Investigation, *Uniform Crime Reports*.

6. See, *id.*

7. See, e.g., City of Atlanta, *1999 Budget*.

amenities like central air, dishwashers, swimming pools and new schools and community centers.

Public/Private Partnerships form the core of the Atlanta Housing Authority's ("AHA") Olympic Legacy Program, a program designed to revitalize neighborhoods and stimulate reinvestment in the community. The Olympic Legacy Program repositioned five of AHA's most distressed public housing communities into mixed income communities with a full array of amenities and services. Centennial Place, formerly Techwood/Clark Howell, the first mixed income, mixed finance community in the country, includes apartment homes reserved for public housing-eligible families. One thousand and eighty-one public housing units were replaced with nine hundred mixed income, mixed finance apartment homes. In 1998, Centennial Place received the John Gunther Blue Ribbon Award for Best Practices from HUD.

The \$42 million HOPE VI Grant was leveraged into \$125 million of public and private investment. This enabled a new public elementary school, a new YMCA, a community center, a branch bank, a hotel and a corporate suites facility to be built. Using HOPE VI funds, AHA developed and implemented the nationally acclaimed Work Force Enterprise Program designed to prepare public housing families for work, in some cases for the first time, and for fuller employment and careers. As of February 1999, there are eighty-six active trainees, forty-three of whom are currently working at an average hourly wage rate of \$7.24, and an average annual salary of \$14,087, for a gross annual salary of \$605,751 with \$63,604 generated in taxes. Fifty-four private and public employers participate in the program.

Conclusion

Much of Atlanta's success is due to the holistic approach to development. By understanding that redevelopment is complex and must be approached on all public and private fronts, Atlanta has been transformed. Indeed, the political, economic, and social sectors of society are inseparable, each with an obligation to help our cities. As mayor, I felt the moral obligation to help the hundreds of thousands of residents who have not forsaken the city. By staying the course, they have inherited a city that is safer, more dynamic and, more importantly, a city that has returned to its citizenry a renewed sense of community.

