

Neighborhood Jump-Starting: Los Angeles Neighborhood Initiative

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Abstract

This article describes the experience of the Los Angeles Neighborhood Initiative (LANI), a single revitalization program that has aimed to jump-start languishing downtown Los Angeles neighborhoods since 1994. This experience will be discussed against the backdrop of two putative public policy tensions: people versus place prosperity and needs versus assets. The lessons learned from the revitalization outcomes of the original eight LANI areas suggest a continuum leading from consensus building through image building to capacity building and caution against “helping the wrong neighborhood” and “helping a neighborhood in the wrong way.”

Debates on government capability or willingness to eradicate poverty typically revolve around two sets of policy tensions. The first set is people versus place prosperity (Winnick, 1966; Hoover, 1971; Edel, 1980; Agnew, 1984; Kaplan, 1990; Bolton, 1992). The second is needs versus assets (Kretzmann and McKnight, 1993; Arefi, 2000, 2003; Russell and Arefi, 2003).

The tension between people prosperity and place prosperity focuses on the use of public funds, in the form of either direct government assistance to needy individuals (for example, food stamps, cash payments, and vouchers) or assistance targeted to impoverished neighborhoods (for example, urban renewal or public housing) as an indirect way of assisting people. Proponents of the people-prosperity approach question government's place-oriented policies on efficiency grounds and point to “the near impossibility of accurate [place] targeting” (Katzman, 1982), that is, the extent to which the benefits of place-oriented policies actually accrue to people in need (Edel, 1980). Opponents of the people-prosperity approach criticize the culture of welfare dependency, which they see as having intensified as a result of people-targeted programs. They point to the merits of the place-prosperity approach and argue that the place-specific nature of poverty calls for place-specific policies.

Concerning the needs versus assets set of policy tensions, antipoverty policies have traditionally addressed community needs (what they lack) rather than their assets (what they actually have). In the last two decades or so, however, some government policies have shifted from being solely need driven to strategies drawing on both community needs and assets.

This article describes the experience of the Los Angeles Neighborhood Initiative (LANI), discussing lessons concerning these policy debates drawn from the case study. LANI was a single urban revitalization effort launched in 1994 to jump-start eight deteriorated downtown Los Angeles neighborhoods. LANI provided seed money, training, and technical assistance, making funding available for modest physical improvement projects. The article compares the “jump-starting” processes in the eight neighborhoods in terms of short-term modest improvements with predictable long-lasting effects. The article first discusses the issues surrounding the needs versus assets and people- versus place-prosperity debates. It then briefly surveys the research design and the elements of the jump-start approach to neighborhood revitalization. Finally, it discusses the findings of LANI and their implications for public policy.

Public Policy Debates on Needs Versus Assets and People Versus Place Prosperity

The government typically allocates public resources to areas with potential for economic vitality. “Triage” (Baer, 1976) and “benign neglect” (Moynihan, 1967) are approaches based on the selective distribution of public resources. Although many people expected that the continuing cuts in the federal budget and grants-in-aid to localities during the 1980s and 1990s would exacerbate the plight of the poor, the reality did not match the predictions. In fact, many cities even managed to improve their conditions by making up for the funds they would have otherwise received from the federal government. Cities wound up spending more money than the funds they lost as a result of the federal cutbacks.

Different explanations for the increase in local government spending have been offered, including diversifying revenue generation and innovative financial practices (what Sviridoff [1994] calls “patchwork financing”), public-private partnerships, and a shift of policy from targeting local needs to capitalizing on local assets. Some researchers have also characterized these policy changes as a shift from “state crafting” (redistribution of resources) to “soul crafting” (helping people morally rather than financially) (Will, 1983).

These shifts highlight two controversial sets of public policy tensions today: the need-versus asset-based and the people- versus place-prosperity approaches. The need-based approach has long been a favored mechanism guiding government action in alleviating poverty. Generally, affluent communities have fewer unmet needs than low-income communities. They have greater financial resources and a larger tax base at their disposal, better school and busier business districts, better housing stock, cleaner sidewalks, and generally more homeowners than renters. Needy neighborhoods, in contrast, suffer from a limited tax base, substandard housing stock, and a predominantly renting, transient population that tends to lack a long-term vested interest in improving the neighborhood’s physical condition.

The need-based approach to public policy aims to improve the living conditions of low-income individuals by identifying and addressing their needs (both people- and place-based), ranging from provision of housing and infrastructure to employment and health care. Need-based people-oriented policies address people’s needs either as individuals

(for example, through income redistribution, healthcare provision, or facilitating employment) or as groups (through bolstering formal and informal networks of individuals). The government has also used place-targeting policies as an indirect way of alleviating poverty. Urban renewal and public housing exemplify place-based government policies that have been in use since the late 1940s.

Some scholars argue that need-based people-oriented policies are more successful than place-oriented policies because benefits of the former go directly to individuals and families and benefits of the latter policies, such as urban renewal, have an indirect effect on the target population. Three major concerns have been expressed about need-based place-oriented policies. First, any government attempt to tie individuals to places conflicts with people's democratic rights to move freely to locations of their choice. Second, the benefits of place-targeting policies typically fail to accrue to the neediest people (Edel, 1980). A place-targeting renewal initiative can ultimately increase land values, dislocating the low-income population and perhaps forcing them to leave their neighborhoods. Third, it is often argued that the government's antipoverty policies have generally failed to significantly improve the conditions of the poor and that the most effective solution for poverty "is simply to provide for poor people's material needs, through cash grants, vouchers like food stamps and services like Medicaid" (Lemann, 1994). Proponents of the place-based approach argue that direct assistance creates disincentives rather than incentives for the poor to break the cycle of reliance on welfare and culminates in dependency or what Mead (1986) calls "permissiveness."

Some scholars argue that the recent lack of interest in need-based policies infused with egalitarian ideals attests to "the growing ambiguity in public sentiment concerning the requirements of justice, and skepticism concerning the possibility of achieving a more just distribution of society's rewards" (Bowles and Gintis, 1998). These scholars further assert that "except among the very poor, income is surprisingly weakly related to one's reported sense of well-being." Thus policies based merely on redistribution of wealth or income have lost much of their previous social support.

Criticisms of need-based (people- and place-oriented) redistributive policies have increased interest in asset-based public policies in recent years. Asset-based policies attempt to identify community assets in addition to needs (Russell and Arefi, 2003; Arefi, 2000, 2002, 2003; Kretzmann and McKnight, 1993). One of the appeals of asset-based policies is that they emphasize community resources, including social capital (such as local community organizations) and physical capital (such as roads, parks, and historic uniqueness). In other words, they attempt to put the focus on what a community has rather than what it lacks. Durlauf (1998) makes other compelling arguments regarding the importance of assets in community development. He points out the complementarity of social and physical capital (an "associational redistribution") rather than considering them unrelated entities. He distinguishes the social-physical capital interaction effect from other types of "equality-enhancing policies" associated with need-based approaches. The difference between the need-based and the asset-based regime explains the importance of social capital as a set of norms that determines association formation in a social unit such as a firm, neighborhood, or school. Once a norm, these associational or interactive effects mediate social outcomes.

Studies have shown, for example, that these association effects give families incentives to stratify themselves by income, location, education, and so on (Benabou, 1993; Durlauf, 1998); in other words, wealthy people have strong incentives for stratifying themselves in neighborhoods with better schools. These patterns cast doubt as to the efficacy of distributive mechanisms in offsetting the associational effects of social capital. Hence, instead of using redistributive mechanisms to achieve equality, asset-based approaches to

community development seek equality of opportunity by building up both people- and place-based assets.

Asset-based people-oriented policies are inherently bottom up rather than top down and may work through both the formal and informal social networks of communities. Although some may find it difficult to recognize the existence of significant amounts of social or physical capital within distressed communities, the literature of social capital aims to see poor communities in a new light. Goldsmith (1974), for example, views the “ghetto as a resource” instead of a problem. This approach does not necessarily imply that all poor communities possess significant social resources, but viewing them as devoid of any type of social or physical assets would be equally misleading. Evidence suggests that a rich array of social networks may exist in poor communities. Granovetter’s (1973) “strength of weak ties” scenario shows how social ties help individuals find jobs and stay connected in poor communities whose main assets are informal social networks. Moreover, Eig (2000), reports the formation of social capital when poor residents of a Chicago neighborhood resisted moving out of public housing to maintain social ties to their neighbors.

Social networks that qualify as community assets include community development financial institutions. These typically informal networks serve low-income populations who generally lack ties to mainstream financial organizations such as banks, often working with banks and other formal lending agencies to serve the community. Local social capital also includes clubs, churches, and other associations that may require some form of membership. The social capital debate has several interesting aspects. First, social capital clearly constitutes an asset. An abundance of social capital in a community implies denser social networks and a happier, healthier community. Second, different government antipoverty policies have increasingly focused on nurturing and strengthening these networks, which are committed to the local underserved population. The question remains, however, how to facilitate the formation of additional social capital. Although the prospect for the formation and replicability of social capital remains uncertain, some have expressed concerns that *social capital* has become a catch-all term to “explain too much with too little” (Woolcock, 1998) and wonder whether it is time to “disinvest in social capital” (Foley and Edwards, 1999).

In fact, the apparent downside of social capital has become the subject of extensive discussion among scholars (Portes and Landolt, 1996; Foley and Edwards, 1999). One such downside is that assuming membership might impose limitations on people’s democratic rights to remain unaffiliated. Other criticisms focus on the relative vulnerability of social capital. Social capital is easy to destroy and hard to amass (Ostrom, 1997). Any dislocation of people from their communities, particularly a forced removal, tends to interrupt, erode, and deplete existing social networks. That may be why policymakers focus less on creating social capital than on recognizing it as an indirect consequence of other policies. For example, Bothwell, Gindroz, and Lang (1998) have shown the possibility of generating social interaction through investments in physical improvements, or what they call the “architecture of engagement.”

This dilemma should not suggest that policies encouraging the expansion of social capital contradict the goal of enhancing mobility. Having the option to move to a better situation, or what Hughes (1995) calls the “dispersal strategy” in terms of policy, is deeply embedded in American culture and resonates with our values as a free people. However, for the disadvantaged population to reconnect to economic opportunity, community networks and social capital must not be sacrificed. Policies that provide opportunity at the expense of community networks may create greater problems in the long term than the ones they set out to solve. Among the most successful cases of dispersal strategy is the Gautreaux

Assisted Housing Program of the Chicago Housing Authority, which helped approximately 5,000 poor African-American families move to the suburbs. Followup research confirmed that the moves did not have negative effects on the quality of life of the relocated citizens.

Arguments surrounding the need- and asset-based policies reflect the limitations and potentials of either approach for neighborhood revitalization. The section that follows explores how the asset-based policy approach played out in eight Los Angeles neighborhoods included in the LANI experience, illustrating the merits and complementarity of both the need- and asset-based revitalization strategies.

Research Design

This study of the LANI initiative used both qualitative and quantitative research methods based on primary and secondary data sources. Primary data were drawn from both in-depth face-to-face interviews and mail questionnaires.

Primary data consisted of indepth interviews with 29 members of selected recognized community organizations (RCOs) from each community, city officials, and LANI board members. Each RCO developed a work plan or wish list that outlined short-term strategies for meeting the community's needs and capitalizing on its assets.

RCO members who consented to be interviewed represented a cross section of their respective communities and included local business owners, lawyers, planners, architects, U.S. Postal Service employees, community activists, and politicians. The interviews, which included both people who supported and people who opposed LANI, lasted between 45 and 120 minutes and consisted of semistructured, open-ended questions.¹ All interviews were tape recorded and partially transcribed. To contact individuals who had opposing opinions about LANI, the snowball sampling technique was used, in which one informant introduced the interviewer to additional informants (Patton, 1987).

To increase reliability and compensate for the small number of interviews, RCO members participated in a mail opinion-survey questionnaire. The questionnaire was designed to assess perceptions of the social and physical changes in the neighborhoods both before and during LANI. Using the LANI directory of names and addresses of neighborhood RCO members, 83 questionnaires were mailed in February and March 1999, 55 of which (averaging 7 per neighborhood) were completed and returned.

Former LANI board and RCO members were also identified, contacted, and interviewed. In some cases, the original RCOs either disbanded or stopped meeting when LANI decided to help jump-start four additional neighborhoods. Because Fairfax District, Byzantine-Latino Quarter, Reseda Village, and Vernon Central Historic District came on board in 1997 and SoRo Village joined LANI in 2000, contacting RCO members from the original eight LANI-1 neighborhoods became increasingly difficult. Although questionnaires were mailed to both current and original RCO members, unavailability, changes of address, death, and other unanticipated factors limited response. The surveys were therefore only used to check the validity of the patterns that emerged from indepth interviews.

The secondary data used in this study consisted of monographs on each neighborhood and demographic information drawn from various local and regional sources, including LANI and the Southern California Association of Governments.

Although this mixed method provided rich, indepth information about respondent perceptions of LANI, the small number of interviewees warrants future research with larger

samples and locational variations. Multiple city and neighborhood case studies would more clearly determine whether modest investments in neighborhoods that have a critical mass of local assets can encourage long-term capacity building.

The analysis focused on respondent perceptions of the jump-starting process in terms of LANI's main precepts: community involvement, streetscape improvement, and sustainable community organizations (Los Angeles Neighborhood Initiative, 1994). The intention was to identify the shared patterns and variations of revitalization outcomes observed in eight LANI neighborhoods. By using cross-case comparisons in the light of the LANI precepts for jump-starting, patterns of similarities and differences among neighborhoods emerged (Eisenhardt, 1989).

Jump-starting is an apt image for the approach to neighborhood revitalization carried out under LANI. To jump-start a stalled car with a dead battery, an infusion of electricity from an outside source temporarily starts the engine. The jump-start enables the driver to get to a service station and have the battery quickly replaced or recharged, thus enabling it to run for the long term. Similarly, jump-starting a neighborhood implies the use of short-term remedial interventions to produce "intermediary outcomes" (Gittell and Vidal, 1998), which in turn facilitate long-term capacity building. Such interventions typically produce modest but highly visible outcomes, which set the stage for subsequent long-term transformations.

The jump-start analogy parallels Wilson and Kelling's (1982) "broken windows" syndrome, which cautions against "small disorders" that might "lead to larger and larger ones." Thus the question arises whether the obverse corollary proposition might have merit. Could small modest physical improvements contribute to neighborhood revitalization? Could short-term modest transformations lead to long-term capacity building? What are the conditions under which languishing neighborhoods may experience a successful jump-start?

LANI Program and Outcomes

In 1994 Richard Riordan, then the mayor of Los Angeles, founded LANI to bring back a sense of identity and ownership to the main transportation corridors of eight economically and physically challenged communities: Boyle Heights, Highland Park, Jefferson Park, Leimert Park, North Hollywood (known as the NoHo Arts District), Sun Valley, Vermont Square, and Virgil Village (Los Angeles Neighborhood Initiative, 1994). LANI was a 3-year demonstration program inaugurated with the assumption that seed money and technical assistance would help revitalize communities that possessed a critical mass of local physical and social assets, such as libraries, parks, and community-based organizations.

The selected neighborhoods are extremely ethnically diverse, with Latino populations ranging from 1.5 to 92 percent and African-American populations ranging from 0 to 94 percent (exhibit 1). LANI provided hands-on training in planning and development, technical assistance in the establishment of sustainable community organizations, and funding for modest physical improvements (exhibit 2).

With a mission to stimulate self-help through community participation, Boyle Heights, Leimert Park, North Hollywood, and to some extent Sun Valley leveraged their resources by joining public-private partnerships. LANI posited that leveraging community potential with outside resources and resident participation in the physical improvement of their neighborhood—especially along main streets—would give the neighborhoods a jump-start. Short-term physical improvements have helped at least three of the original eight LANI communities sustain their initial revitalization efforts. As of 2003 the LANI neighborhoods completed \$14.9 million in streetscape improvements, including 867 trees,

Exhibit 1

Ethnic Makeup of LANI Areas (%)

Neighborhood	Latino	White	African American	Asian	Other
Boyle Heights	92	2	0	5	1
Highland Park	64	19	2	14	1
Jefferson Park	32	2	58	8	0
Leimert Park	1.5	3.5	94	1.0	0
North Hollywood	41	48	6	4	1
Sun Valley	68	20	3	9	0
Vermont Square	32	2	65	10	1
Virgil Village	71	7	3	18	1

LANI = Los Angeles Neighborhood Initiative

Source: Arefi (2003).

1,054 street lights, 1,056 banners, 61 bus shelters, 5 pocket parks, 88 façade renovations, 6 murals, 49 benches, 101 plotted trees and flowers (Los Angeles Neighborhood Initiative, 2004), and 16 information kiosks (Armstrong, 2001).

The following categories characterize stages of social and physical transformations in the LANI neighborhoods following technical assistance and the distribution of \$6 million in public and private funds:

Exhibit 2

Examples of Asset-Building and Need-Driven Improvements in LANI Areas

Neighborhood	Improvement/Investment Type	
	People-Based (Asset Building)	Place-Based (Need Division)
Boyle Heights	Management, technical assistance, Latino cultural heritage	Cleanup, signage, sidewalk improvements, trash receptacles
Highland Park	History and ethnic diversity	Cleanup, sidewalk improvements, landscaping
Jefferson Park	Celebrating diversity and sense of community, annual parades	Landscaping, design and implementation of a new park
Leimert Park	Celebrating African-American heritage and history	Celebrating Olmstead brothers' plan and area's architectural attributes ^a
North Hollywood	Culture, community spirit, strong leadership	Cleanup, bus stop improvement, banner, park, art/entertainment center, proximity to Studio City
Sun Valley	Strong leadership, technical support, business improvement plan	Gateways, new park, graffiti removal, tree planting
Vermont Square	Business stimulus program, youth development project, leadership plan	General cleanup, graffiti removal, improvement of local library
Virgil Village	Create/support community organization, technical assistance	Street furniture, tree planting, bus stop improvement, street cleanup

LANI = Los Angeles Neighborhood Initiative

^aThe Olmstead brothers, who designed Central Park in New York, planned Leimert Park.

Source: Los Angeles Neighborhood Initiative (1994).

1. Consensus building: collective action induced by shared social and economic interests.
2. Image building: development of public spaces by enhancing aesthetic amenities and restoring a sense of place.
3. Capacity building: public-private partnerships, grant writing, technical assistance, increased neighborhood activities, and jobs along communities' deteriorating main streets.

To some extent, these emergent patterns can be attributed to the sociopolitical and neighborhood dynamics within which the RCOs made their decisions. On another level they reflect local synergies and dynamics that fostered or hindered building new capacities. The indepth interviews helped detect the three stages, the questionnaire served to confirm those findings, and the secondary data allowed a cross-case comparison of the eight neighborhoods. The neighborhoods were then ranked based on the scores they obtained in each category.

The first stage, consensus building, suggests that reaching consensus by emphasizing shared views and interests is critical. Resolving social differences that might hinder the subsequent community organization and decisionmaking process ought to be achieved at this stage. Overall, the LANI experience underscores the importance of consensus building among residents, local businesses, and local elected officials before setting long-term goals.

In the questionnaire social capital served as a proxy for consensus building and was operationalized in terms of RCO attendance rates and frequency, the last time the RCO met in the final 2 years of LANI's presence, and the number of friends RCO members had in their neighborhoods (exhibit 3). Neighborhood rankings were consistent with the data collected from the interviews. For example, high community-based consensus, or what Putnam, Leonardi, and Nanetti (1993) call "trust and reciprocity," was observed in North Hollywood and Sun Valley. However, the indepth interviews revealed intensified social cleavages or structural holes in the social capital fabric in Highland Park and Virgil Village (Burt, 1992). Consistent with the questionnaire, the indepth interviews showed that the Virgil Village RCO stopped meeting several years before this research started, whereas North Hollywood and Sun Valley were still meeting regularly in 1999.

The second stage, image building, implies that once consensus is reached, community representatives may set short-, medium-, and long-term goals for implementing catalytic, visible improvements that would both improve the local image and keep the residents engaged throughout the process. Image building was measured in terms of changes in informant perceptions of loyalty, place attachment, and feelings (for example, safety, friendliness, cleanliness, satisfaction, and visual appeal) before and during LANI. Exhibit 4 summarizes the scores for each neighborhood with regard to image-building improvements. Boyle Heights, Leimert Park, and North Hollywood scored high on image building, whereas Highland Park and Sun Valley scored rather low.

The third stage, capacity building, captures community efforts to sustain revitalization trajectories based on the previous stages. Capacity building may be considered a long-term goal that requires the continuous involvement of the community not only in making good decisions but also in using local resources, talents, and capabilities.

Deficit-oriented policies such as urban renewal have typically overlooked community potential and uprooted social networks. Thus they have squandered national or local government resources by instituting programs that are less likely to sustain local community economic development. The history of public policy clearly illustrates this point.

Exhibit 3

Social Capital as Measure of Consensus Building

Neighborhood	Respondents Met Regularly	Friends in Neighborhood (Median <i>n</i>)
Boyle Heights	No	100
Highland Park	No	8
Jefferson Park	No	20
Leimert Park	Yes	15
North Hollywood	Yes	40
Sun Valley	Yes	55
Vermont Square	Yes	28
Virgil Village	No	12

Source: Los Angeles Neighborhood Initiative Survey Questionnaire (Arefi, 2003).

Capacity building was operationalized based on the extent of collaboration and the amount of funding each RCO leveraged with outside investment sources (exhibit 5). Similar to results for image building, Boyle Heights, Highland Park, Leimert Park, and North Hollywood scored high on this measure, whereas Vermont Square and Virgil Village only marginally leveraged additional dollars.

Outcome variations among the LANI areas reflect the extent to which communities were able to capitalize on their local assets and leverage their assets with outside sources of funding. For example, Boyle Heights and North Hollywood were able to build high-visibility improvements, such as new parks and plazas. In contrast, the more thinly spread, lower-visibility, less tangible improvements in Virgil Village hindered its jump-starting process. The shared vision in the communities that capitalized on their assets reflected a sense of belonging to the whole neighborhood, whereas self-seeking behavior prevailed in the areas with profound sociopolitical cleavages. The absence of a well-defined collective vision prevented the residents of these areas from consensus building, image building in high-visibility locations, and eventually capacity building because of the thinly spread resources with low visibility.

Conclusions and Policy Implications

This study examines the social and physical preconditions in eight LANI neighborhoods and their potential for jump-starting community visions. To do this, a distinction was made between a neighborhood's tangible (for example, buildings, infrastructure, and public and green spaces) and intangible (for example, social networks and civic institutions) assets and its liabilities. The LANI communities typically suffered from persistent physical and social stigmas, high transit dependency, and detachment from the mainstream economy. More specifically, the industrial character of Boyle Heights and Sun Valley and the stigma of being part of South Central or East Los Angeles for Boyle Heights, Jefferson Park, and Vermont Square created serious impediments against making these areas pedestrian-friendly communities. In Virgil Village differences between the ethnically diverse immigrant shopowners and the residents hindered and finally halted the entire revitalization process. North Hollywood, however, had unique potential, including its proximity to major cultural and entertainment amenities. Recognition as a major African-American cultural hub (Leimert Park) was also an asset. However, physical and social challenges in most LANI communities sharpened doubts as to their potential to jump-start at all. Eventually, LANI helped Boyle Heights, Leimert Park, North Hollywood, and to some extent Sun Valley revitalize and restore their identities and enter what Putnam,

Exhibit 4

Image Building in LANI Areas

Variable	Boyle Heights (n = 5)	Highland Park (n = 5)	Jefferson Park (n = 6)	Leimert Park (n = 5)	North Hollywood (n = 11)	Sun Valley (n = 11)	Vermont Square (n = 8)	Virgil Village (n = 4)
Does neighborhood (yes/no):								
Claim loyalty	3/1	2/2	3/2	4/0	8/1	8/1	5/0	2/0
Have particular activity	3/0	2/1	1/3	2/1	3/6	3/6	5/1	1/2
Have definite boundaries	2/1	3/1	3/2	3/1	7/2	8/2	2/4	3/0
Feeling toward neighborhood over time (more attached/neutral)								
Perceptions of neighborhood^a (before/during LANI)								
Pleasant/unpleasant	1.2/1.4	0.7/1.3	0.4/1.4	0.8/1.0	1.2/1.2	0.3/0.0	0.3/1.2	-0.3/0.6
Friendly/unfriendly	1.5/2.0	0.7/1.0	0.4/1.4	1.4/1.6	1.2/1.2	0.9/0.5	0.7/1.2	-0.3/0.3
Safe/unsafe	0.8/1.2	0.5/0.6	0.6/0.8	-0.4/0.4	0.9/0.9	0.2/0.0	0.3/1.0	-0.3/0.3
Cared for/neglected	0.6/1.2	0.7/0.6	0.8/1.2	-0.2/1.2	0.6/0.8	0.0/0.4	0.3/1.0	-1.0/0.0
Clean/dirty	0.8/1.2	0.5/0.3	0.6/1.0	0.0/1.2	0.2/0.5	-0.2/-0.2	0.7/0.8	-1.0/-0.6
Satisfying/unsatisfying	1.0/1.2	0.0/0.6	0.4/1.0	0.6/1.4	0.3/0.8	0.0/-0.2	0.7/1.2	-0.3/-0.3
Beautiful/ugly	1.2/1.5	0.2/1.0	0.2/1.0	0.4/1.0	0.2/0.2	-0.2/-1.0	0.3/0.6	-1.6/0.6

LANI = Los Angeles Neighborhood Initiative

^aMean cumulative scores from standardized criteria for each category ranging from -2 (very negative) to +2 (very positive).

Source: LANI Survey Questionnaire (Arefi, 2003).

Leonardi, and Nanetti (1993) call the “bridging capital” stage. These researchers characterize this stage as the ability to attract funds by establishing external linkages.

LANI showed that, within the context of such preexisting assets and liabilities, modest short-term, highly visible physical improvements could involve residents in the community decisionmaking process and thereby play a critical role in restoring social identity and a sense of shared trust. Building a communitywide sense of confidence and pride enabled community image building through implementation of the projects. The short-term visibility of the LANI-led projects emerged as a critical component of the jump-starting process. As a North Hollywood RCO member stated, “We wanted to do something quickly and show some results, because essentially we couldn’t keep the community going if we didn’t have some results” (Banks, 1999).

Some residents perceived that implementing the LANI projects “wasn’t going to take that long to do.” A Virgil Village RCO member commented that “it’s hard for them [residents] to think beyond a year or two. . . . [W]hen LANI first came to us, it was 1994, and we are in 1999 now!” (Saldivar, 1999). Similar views were held by RCO members about Highland Park, where, according to its former chair, the prevalence of public mistrust made it critical that the lifespan of the implemented projects be short. Although LANI attempted to implement short-term projects with long-lasting community-organizing effects, neighborhoods varied widely in their outcomes.

On the basis of observed outcomes, this article points to the importance of recognizing interactions between social capital and physical capital and outlines a continuum leading from consensus building, through image building, to capacity building. However, study findings also suggest that caution be taken against helping the wrong neighborhood and helping a neighborhood in the wrong way.

LANI neighborhoods were ranked high, medium, or low in regard to their success in each stage. North Hollywood, Sun Valley, and Vermont Square were most successful at reaching broad community consensus over the type and the direction of future vision. Boyle Heights, Jefferson Park, and Leimert Park scored medium in this regard, and Highland Park and Virgil Village scored low. On image building Boyle Heights, Leimert

Exhibit 5

Capacity Building (Leveraged Funding) in LANI Areas (\$)

Neighborhood	Project Value		Leveraged Funding (in kind or cash)
	Complete	Pending	
Boyle Heights	512,000	143,000	900,000
Highland Park	365,000	281,000	250,000
Jefferson Park	480,000	272,000	40,000
Leimert Park	385,000	145,000	1,270,000 + independent ^a
North Hollywood	680,000	500,000	1,000,000
Sun Valley	370,000	118,000	45,000
Vermont Square	521,000	118,000	15,000
Virgil Village	447,000	118,000	5,000

LANI = Los Angeles Neighborhood Initiative.

^aAlthough LANI continues to support Leimert Park, most of its funding activities are independent from LANI (including administering the Neighborhood Block Grant Program for new physical improvements).

Sources: Armstrong (2001), Arefi (2003).

Park, and North Hollywood ranked high; Jefferson Park, Sun Valley, and Vermont Square ranked medium; and Highland Park and Virgil Village ranked low. On capacity building Boyle Heights, Leimert Park, and North Hollywood, ranked high; Highland Park, Jefferson Park, and Sun Valley ranked medium; and Vermont Square and Virgil Village ranked low.

A possible lesson from this experience is that long-term local capacity building requires not only the systematic integration of social and physical assets but also efforts to address the conceivable social and physical problems that might hinder asset building. Neither the physical nor the social assets alone constitute adequate grounds for neighborhood revitalization. Bothwell, Gindroz, and Lang (1998) explored the role of local spatial design principles in producing social capital.

In the era of diminishing federal funds to localities, the LANI experience points to two policy recommendations that underscore the importance of area selection: complementarity between social and physical capital and a particular sequence in rendering assistance. The former cautions the government against helping the wrong neighborhood, the latter warns against helping a neighborhood in the wrong way.

Helping the Wrong Neighborhood

The findings of this study suggest conditions under which modest and short-term investments in revitalizing a neighborhood could lead to larger and sustained improvements. Although it would be possible to devise strategies for long-term transformation based on a neighborhood's existing stocks of social and physical capital, the literature on community development has not systematically examined their interrelationship.

Two types of interrelations of physical and social capital are complementarity and reinforcement. Complementarity implies that one type of neighborhood capital can in some cases offset deficits for the other. For example, Sun Valley received a low ranking in physical capital because of its peculiar physical characteristics, such as its wide streets, lack of sense of place, and weak neighborhood boundaries. In contrast, the narrow streets and distinct geographic boundaries of Virgil Village seemed more promising for neighborhood revitalization to LANI board members.

Revitalization outcomes for these two neighborhoods did not match initial expectations. The initial low stock of physical capital in Sun Valley was offset by LANI's investments in social capital. Even though Sun Valley originally seemed to possess a marginal stock of social capital, its strong potential for leadership provided an effective working environment for its members. The members then successfully collaborated to implement their work plans and eventually obtained several redevelopment grants. The collaboration and support from local elected officials and residents of Sun Valley led to short-term physical improvements (including graffiti removal and street cleanup; also, naming the area bolstered a sense of identity), which offset the low stock of social capital. Investments in physical capital had a catalytic effect, expanding social capital stock in Sun Valley and to some extent in Jefferson Park.

In Virgil Village, however, reaching consensus became a serious issue. The low stock of social capital backfired. Social divisions intensified rather than ameliorated, and the stock of social capital did not expand. Although the Virgil Village RCO implemented LANI improvements based on an approved work plan, the poor rapport between the RCO chair and the elected official hindered the overall performance of LANI improvements as a catalyst for long-term physical and social upgrading. Differences of opinion and lack of consensus among the stakeholders complicated the situation. A dispute among residents,

City Hall, and the local elected official over the fate of some vacant land illustrates the problem. Although a group of residents, including the RCO chair, wanted to construct a soccer field, others, including the owner, supported commercial use. This conflict added to the existing tensions in the community and increased the climate of mistrust.

In contrast, in Boyle Heights, Leimert Park, and North Hollywood, which already had a critical mass of social and physical capital in place, social and physical capital reinforced each other. Increased cooperation and trust among the RCO members, in-kind or cash donations, and technical and financial assistance from public and private agencies, including the Community Reinvest Act and the Metropolitan Transportation Authority, characterize the status of post-LANI improvements in North Hollywood, where the catalytic impact of physical capital on social capital helped expand both. The construction of a pocket park in North Hollywood not only attracted communitywide support and improved resident perception of the area, it also encouraged RCO members to seek additional funding. A similar process occurred in Boyle Heights. The expansion of social capital spurred additional physical capital improvements by attracting more investments in both areas. Similarly, in Boyle Heights and Leimert Park, although the general distrust between the community and government persists, the attraction of numerous businesses has improved the somewhat negative image of the neighborhoods.

Complementarity and reinforcement of social and physical capital have important policy implications for resource assessment before making financial decisions regarding aid to a community. Such assessments can help policymakers identify the neighborhoods with greater potential for long-term vitality.

Although this line of reasoning may sound similar to the notion of triage, it is substantially different. Triage—the allocation of scarce resources only to those who appear most likely to survive if they receive the help—suggests that distressed neighborhoods be selected for aid based primarily on physical criteria. By implication, the triage approach assumes resident mobility with the rationale that people tend to follow jobs. The triage approach has no commitment toward “social vitality” in existing communities and instead uses physical vitality as a basis for assessing degree of distress (Agnew, 1984).

Assessment based solely on the merits of need-based place-oriented criteria could have led to the selection of neighborhoods entirely different from those chosen by LANI criteria. Some of the neighborhoods that subsequently showed signs of economic and physical vitality would probably not have been selected had policymakers followed the triage rationale. For instance, Sun Valley, with its poor physical capital stock, would probably not have qualified as a recipient of aid. In retrospect, however, Sun Valley’s various potentials, including strong leadership, encouraged the building of new capacities. In contrast, Virgil Village, with its apparently strong stock of physical capital, failed to integrate its resources and complement or reinforce its physical and social capital stocks.

Another commonality among successful LANI neighborhoods is the high visibility of their physical improvements compared with other areas. Construction of Mariachi Plaza in Boyle Heights and the Arts Park in North Hollywood catalyzed reinforcement of social capital in those neighborhoods. Although discerning social capital is more difficult than discerning physical capital, the increased cooperation among RCO members in North Hollywood and reaching the capacity-building stage (leveraging additional dollars) are associated with expansion of social capital (both “bonding” capital, which evaluates interpersonal ties and how individuals in a neighborhood work collectively, and bridging capital).

The LANI experience demonstrates the possible merits of modest short-term investments in social and physical capital for a neighborhood's long-term capacity building. By entering the capacity-building stage (exemplified by activities ranging from grant writing to joining public-private partnerships), the LANI neighborhoods also addressed their short- and long-term needs. However, neighborhoods with fewer local assets either lagged behind the first group, despite an apparent potential for capacity building, or failed to demonstrate any capacity building. Neighborhoods demonstrating the latter—for example, Virgil Village—generally reflected heightened social conflicts and factionalism with little interest in consensus building.

Modest improvements seem more likely to help jump-start neighborhoods that possess a critical mass of both social and physical community assets, whereas similar investments in places with marginal social or physical capital stocks might not lead to long-term capacity building. The success in North Hollywood indicates that residents came to trust the RCO that was able to fund several projects within a relatively short period. In addition to location advantages, North Hollywood's strong technical and political leadership have helped the neighborhood reemerge as an arts and entertainment district.

Boyle Heights, Leimert Park, and Sun Valley achieved varying degrees of success. These areas have experienced both physical and social transformation. In Leimert Park, however, expectations were greater than achievements. Although Leimert Park tried to capitalize on its unique history, location, and wealth, it overcame the structural holes in its social capital relatively late, so that implementation and leveraging were delayed. However, Leimert Park has offset the late jump-start by entering into the capacity-building stage, as evidenced by the presence of Community Reinvestment Act funds and the participation of other public or private agencies. The community has leveraged more than \$1.27 million toward completion of its community park and other independent projects that are in keeping with its image as an African-American cultural village.

Helping Neighborhoods the Wrong Way

This analysis suggests that governmental assistance to needy neighborhoods should not be allocated on the basis of need alone but should also target areas with a critical mass of physical and/or social capital. It also suggests that aid be rendered in a specific order: community consensus building, followed by image building, followed by capacity building. If stakeholders reach consensus on a community's long-term objectives, then this consensus becomes a form of social capital, which subsequent physical improvements may complement or reinforce. However, physical upgrading without consensus building involves greater risk and uncertainty, as the LANI experience in Virgil Village demonstrates.

Even though LANI funded the communities that already had local institutions in place, it did not adequately emphasize consensus building as measured in terms of broad-based agreements among residents about their shared vision, regardless of real or perceived social differences. Unfortunately, in some cases the LANI areas failed to reach consensus because of existing ethnic conflicts and disputes between businesses and residents on the one hand and neighborhood RCOs and the local elected official on the other. Highland Park and Virgil Village, in particular, suffered from such conflicts. The deep social and ethnic divide in Virgil Village persisted and further intensified the perceived community conflicts. The Virgil Village RCO chair asserted that the deep distrust between local businesses and residents created a formidable obstacle against consensus building. With this example in mind, policymakers should consider the interaction between social and physical capital.

This study has identified three distinct categories with regard to the nexus between local needs and assets in the LANI neighborhoods:

- Critical physical and social problems and inadequate stocks of physical or social capital.
- Critical mass of both physical and social capital stocks.
- Substantial stocks of physical and social capital.

Vermont Square exemplifies the first category in that its local assets (physical or social capital) proved inadequate for capacity building. The persisting social stigma of South Central Los Angeles surrounding Vermont Square counteracted the accumulated stock of social capital produced during LANI and prevented Vermont Square from leveraging additional dollars. This shortcoming suggests that both people- and place-oriented needs should be addressed in neighborhoods such as Vermont Square. Similarly, neighborhoods with meager physical and social capital stocks and sizable social problems showed little promise for consensus building. Creating a critical mass of physical capital alone (for example, image building by celebrating architectural, cultural, and historical assets or creating narrow, pedestrian-friendly streets) without addressing pressing social deficits (for example, factionalism and divisiveness) proved insufficient for Highland Park and Virgil Village. (Highland Park did, however, raise additional funds, thanks to investments other than LANI, on the basis of its architectural history and culture.)

The second category represents neighborhoods with a critical mass of both social and physical capital stocks (for example, Jefferson Park, Leimert Park, and Sun Valley). Jefferson Park fostered image building by hosting local parades and celebrating the community by holding a naming ceremony, which helped alleviate the stigma of being part of South Central Los Angeles. In Sun Valley RCO leadership successfully improved community image by leveraging local resources with outside funds. Landscaping and other physical improvements enhanced Sun Valley's sense of place and community pride. These positive efforts helped Sun Valley partially offset its negative image as an industrial, nonresidential area. Leimert Park also capitalized on its unique African-American heritage and image by successfully holding social and cultural events (for example, annual jazz festivals and cultural events such as Kwanzaa).

Neighborhoods with high amounts of physical and social assets (the third category) successfully leveraged resources with outside funds. North Hollywood built new capacities through public-private partnerships and leased new park/plaza space to professional office buildings in the area. Both physical and social capital stocks were inextricably linked to North Hollywood's success in capacity building.

The LANI experience helps elucidate the circumstances under which consensus building, image building, and capacity building form a continuum that leads from the planning process to successful neighborhood outcomes. Understanding these circumstances and their interactions can guide policymakers in their efforts to work with neighborhoods to strengthen their economic vitality and restore civic pride.

Acknowledgments

The author thanks the U.S. Department of Housing and Urban Development staff, the anonymous referees, and the editor of this special issue of *Cityscape* for their insightful comments about this article.

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Note

1. The interviews were conducted between June 1998 and April 1999.

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