

**Community Economic Development Project**  
**in the Northeast Los Angeles Community of El Sereno:**  
**The Intersection of Arts, Culture, Economics and Politics**

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**Community Economic Development Project in the Northeast Los Angeles Community of El Sereno:  
The Intersection of Arts, Culture, Economics and Politics**

*Abstract*

The project—operated between the spring of 2008 and 2009—was the creation of a working group composed of community stakeholders who sought to create a community economic development project expanding upon the programming offered by an autonomous community space called the Eastside Café. The long-term outcome was one of community ownership; the community space sought to purchase real estate to continue offering educational, cultural and health related programming. Primarily, the short-term outcome of this collaborative was to establish a social purpose silk-screening business to render jobs and build the capacity of the organization.

The project was based El Sereno, a Latino community in Northeast Los Angeles that lacks locally controlled community spaces and gathering places that benefit residents. The lack of community control is due in part to social, economic and environmental inequalities faced by minority groups and lack of financial and business management skills. Major research strategies speak about the political context of minority communities, arts and culture, autonomy and social enterprise business development.

Ultimately, this project became an investigation into the issues faced by independent community groups when faced with the need to acquire business development skills in order to realize autonomy and sustainability.

## Section 1: Community Context

### *Community Profile*

El Sereno was founded in 1905. Translated to English it means the tranquil one. El Sereno is the easternmost district of the City of Los Angeles and is nestled between Downtown and the San Gabriel Valley, bordering the city of Alhambra to the East. It has been a Latino neighborhood for the past 40 years and the communities that border it to the West, Lincoln Heights, and to the South, City Terrace, are similarly Latino neighborhoods. Only the City of South Pasadena, directly north, is a more affluent community with a white majority population. According to a 2001 report completed by the USC Department of Geography titled *Sustainable Cities and Industrial Ecology in El Sereno* the community “is a primarily working class and Latino neighborhood that has suffered from many of the structural economic and environmental inequalities affecting minority communities in Los Angeles” (Pincetl, p.15).

El Sereno has a very ethnically diverse and immigrant past as it was home to Italians, Germans, and Japanese before and until just after World War II when non-Mexican peoples moved to newer areas in Los Angeles. It is easy to tell that you are in a Latino neighborhood if you drive through El Sereno’s few, but long thoroughfares; Huntington Drive, Valley Boulevard, Soto Street, Eastern Avenue, Mission Road and the 710 Interstate Freeway. You will notice Latino restaurants bearing the names Taste of Brazil, El Taquito, Tamale Man and the like;

Latino themed murals with Aztec designs or Mexican revolutionaries; advertisements for AT&T, Kraft, Colgate, etc. in the Spanish language, but most of all you will see Latinos walking the streets of the community.

The area covers approximately 4.7 square miles with many of the neighborhoods within it defined by the hills they are built into. The neighborhoods within the community of El Sereno are Hillside Village, the historical Berkshire District, Monterey Hills, Rose Hills and University Hills. Some homes have been in the area for as long as a century and the community used to have a streetcar line, the Pacific Electric Railway that connected it to downtown through its main thoroughfare, Huntington Drive.

The community has been able to retain a small and quiet neighborhood feel because it is a somewhat landlocked area, due to the hills. According to an article in the Los Angeles Times,

El Sereno has been standing in the path of development for years but has managed to retain the low-key, lowbrow residential character that lives up to its tranquil name...it joined neighboring South Pasadena to fight the proposed extension of the Long Beach Freeway...(www.latimes.com).

Since it is somewhat geographically isolated and the community has fought back against unjust development it has retained a character unlike many of the other low- to moderate-income areas in Los Angeles.

Dr. Denise Fairchild, Chair of the Community and Economic Development Department at Los Angeles Trade Tech College, puts forth a theory about drought, leakage and isolation being the causes of structural poverty; where isolation is explained as lack of access due to geographic/physical isolation, social/cultural isolation; where leakage is explained as loss of community income due to residents shopping and investing outside the community, non-residents owning community assets; and where drought is the lack of income due to no jobs, inadequate income, no access to credit and capital. While Dr. Fairchild's theory of drought,

leakage and isolation does explain why the community suffers from inequality it should be noted that El Sereno has actually benefitted from geographic isolation. Lisa Garcia Bedolla (2005) in her book, *Fluid Borders: Latino Power, Identity and Politics in Los Angeles*, notes that the social/cultural isolation “allowed the community to retain its distinctive character, including its language and cultural traditions” (p. 46).

### *Demographics*

El Sereno is most typically assessed by its zip code 90032, with various census tracts comprising the community. According to the 2000 US Census data, El Sereno has a population of 46, 942. El Sereno boasts a Latino population of 83%, with the other 17% being of various ethnicities and races: Asians, Whites and African Americans respectively.

Total households equal 12,596 and of those 6,059 are owner-occupied housing units, which accounts for 48.1% of all occupied housing units. This is one of the most glaring figures in the community compared to its neighbors and comparably low to moderate-income areas. Lincoln Heights, one of El Sereno’s immediate neighbors has a home ownership rate of only 29.8%, while City Terrace is slightly better at 38.7%.

The estimated median household income in 2005 was \$38,897 according to [www.city-data.com](http://www.city-data.com) compared to the states’ median income of \$53,629. Residents below the poverty level according to 2000 census data were 21.2%, which is 7% higher than the states’ average. When considering the high percentage of homeownership in the community and the fact that communities in South Los Angeles have poverty rates that are more than double that of El Sereno’s those numbers are not all that high.

### *Key Institutions*

California State University, Los Angeles (Cal State LA) is the institution of the community, it is located within the zip code (90032) that defines El Sereno and provides the most jobs to the community. The graduate presents Cal State LA as a major stakeholder of the community because it is also home to the largest arts center in the community, the Harriett & Charles Luckman Center, to be described further within this report.

Other important community representatives and institutions include: El Sereno Neighborhood Council; Greater El Sereno Chamber of Commerce; Jose Huizar – Council Member District 14, City of Los Angeles; Academia Semillas del Pueblo – Charter School; Caltrans; North East LA Open Space Coalition; El Sereno Community Garden; Antigua Cultural Coffeehouse (closed 2008); Barrio Action; CHARO Community Development Corporation.

### *Community Needs Assessment*

While this community has had a Latino majority for over 40 years, this has not resulted in the ability to assert community control in the area. El Sereno still deals with social, economic and environmental inequalities, to be described in more detail briefly. Borrowing from characteristics of community economic development as adapted by Dr. Michael Swack this project attempts to gain community control through community ownership, jobs, capacity (skills), and cultural equity. The Masters in CED proposal is a community economic development project in the form of a social purpose silk-screening business that would help sustain the Eastside Café, an autonomous space that has been operating in the community of El Sereno for the past five years offering educational, cultural, and health related programs.

The social purpose silk-screening business would assist the Eastside Café in staying open perpetually and provide the space the opportunity to be a stronger and more accessible gathering place related to the Mexican and Chicano culture of the community. A working group will be formed in order to create a business plan and will be responsible for other necessary components of the project keeping in mind the Eastside Café's principles of autonomy central as well as their arts and culture programming.

### *Political Context*

For Mexican and Chicano communities and minority communities in general there has been a long struggle with Anglo and more affluent groups for community control over political and economic decisions. Most economic development projects in El Sereno have utilized a traditional process of 1) attracting outside capital that benefits outside investors, 2) residents being seen as and treated like passive stakeholders, and 3) resources being controlled and allocated by government and designated developers. Minority communities have struggled to shift the dynamics of power and to have resources allocated to them, as such it has also been difficult to develop and sustain gathering places where artistic and cultural traditions are celebrated.

El Sereno community groups, activists and even politicians have challenged projects like the 710 Interstate Freeway expansion and the development of upscale homes on open space, they have even stood up to racist attacks against Academia Semillas del Pueblo, a charter school located along Huntington Dr. in El Sereno. Luis J. Rodriguez, author and co-owner of Tia Chucha's Café Cultural spoke of the situation on his website:

[The] charter school for kindergarten to eight grade students, in the Eastside community of El Sereno continues to be targeted for closing...attacks against Mexicans have been going on for

decades. But the recent removals and targeting against institutions is to destroy anything that provides Mexicans self-sufficiency and independence (www.luisjrodriguez.com).

This struggle dates back to the end of the Mexican American War (1846-1848) and the signing of the Treaty of Guadalupe Hidalgo, which included the sale of more than half of Mexico's pre-war property to the United States. Lisa Garcia Bedolla (2005) in her book, *Fluid Borders: Latino Power, Identity and Politics in Los Angeles*, said of the Mexican population after the war, "the result was that the extant Mexican-Origin population in Southern California at the time of the annexation was slowly removed from the centers of social, economic and political power" (p.36) and they "were effectively shut out of both California and LA politics and were socially and economically subordinate to the Anglo population" (p.41).

One of the greatest historians of Mexican and Chicano culture is Rodolfo Acuña, an author and Chicano Studies professor at California State University, Northridge, and his work like others has exposed the continuous problem of discrimination, racism and subordinate status faced by the population he writes about. Acuña (1996) pointed out in *Anything but Mexican: Chicanos in Contemporary Los Angeles* that Anglos like to give the impression that nothing existed before their arrival and this "erasure has devastating consequences: an ethnic group unable to define its past in unable to take pride in its accomplishments, learn from past mistakes or assess its current situation" (p.20). This brief excerpt from *Occupied America: A History of Chicanos* speaks volumes of the difficulties faced by the people:

During the 1950's, urban renewal menaced Mexicanos. By 1963, 609,000 people nationally had been uprooted because of urban renewal, two-thirds of whom were minority group members...in Los Angeles the Eastside barrio came under attack by urban land grabbers engaged in freeway building, business enterprises, and urban renewal. (Acuña, 2000, p.324)

Freeways have already cut up huge chunks of the Eastside of Los Angeles and have also threatened El Sereno as discussed in the problem statement section of the report referring to the 710 Interstate Freeway expansion project.

Speaking of Latinos in Los Angeles, Villa (1999) editor of *Urban Latino Cultures* expressed that “the continuous restructuring of the central city has regularly disrupted their community lifeways, erased or exoticized their cultural landscapes, and threatened the spatial basis of their collective political organization.” (p.80). Minority communities have constantly had to struggle with discrimination and racism in their attempt to gain a foothold in this country and they have continued to persevere despite this constant attack. Unfortunately, the attacks continue and minorities are continually targeted when urban renewal, or revitalization projects come into their communities.

Roberto Flores, a founder and member of the Eastside Café, in an article that appeared in [www.inmotionmagazine.com](http://www.inmotionmagazine.com) titled *Community Autonomy: The El Sereno Community in Northeast Los Angeles* spoke of other causes and effects resulting in negative outcomes in US communities:

The media, government bureaucracy, and many service agencies perpetuate the image of a dependent community, one that can do nothing for itself, that is helpless and incapable of solving its own problems. Unfortunately, this negative myth has been internalized by a significant sector of the community. Gang warfare, and drug use manifest this negative view of self-hatred...this has fueled the definition of community as people with needs that someone from the outside can service. (Flores, 1999)

### *Arts and Cultural Amenities*

El Sereno recently opened the doors of a new constituent center that is said will provide educational, recreational and family services that have been severely lacking in the community. A press release from Councilman Jose Huizar's office states that the 34,000 square foot building will house Council District 14 offices, a Los Angeles Police Department community office, the L.A. 32 Neighborhood Council, a gym, a weight training room, a dance room, a library and computer room, counseling offices and will also house a non-profit organization, Barrio Action Youth and Family Center, which serves 1,200 youth and their families annually.

While a great start, the constituent center comes on the heels of increased concerns of redevelopment in the area, which does not take the community and its wishes into consideration. Barrio Action and the constituent center are a great resource for the community, yet they can only offer services and programs to a small percentage of the estimated population of El Sereno. US Census data of zip code business patterns demonstrate that only two arts, entertainment and recreation businesses exist in El Sereno ([www.census.gov](http://www.census.gov)) while only three nonprofit organizations are dedicated to the arts and culture function in the community ([www.ag.ca.gov](http://www.ag.ca.gov)). These organizations are relatively small and do not focus on community economic development work. In reference to Dr. Fairchild's theory of drought, leakage and isolation it is evident that El Sereno suffers from leakage when it comes to arts and cultural spaces in the community since only a limited number exist.

The largest arts and culture facility in the community is the Harriett & Charles Luckman Arts Center located on the campus of Cal State LA was built in 1994 and is now in its twelfth year of programming. It is worthy of note that a search through their website ([www.luckmanarts.org](http://www.luckmanarts.org)) makes no reference of El Sereno in the organizations' 'About Us' page. They do however, mention it is only five miles east of Downtown Los Angeles; it is adjacent to

the San Gabriel Valley and even accessible from Pasadena through surface streets. Even though some patrons of the Arts Center would have to travel through El Sereno it is still not mentioned, seemingly rendering the community invisible, or just in between more important areas. The only other visible and known arts and culture spaces are the Eastside Café, which is the sponsor organization for this project and Antigua Cultural Coffeehouse, which closed down almost a year ago in the summer of 2008.

Antigua Cultural Coffeehouse was a for profit business that sold coffee and sandwiches with an indigenous flavor and provided a space for activists, artists, students and writers living in the area to network and collaborate. They also opened up their business for artists to sell their pieces and they also regularly showcased lived music and poetry, but they had to close their doors after only three years because of changes in the community. Further supporting the argument that there is a lack of community-oriented gathering places in El Sereno that benefit residents and that can be linked to economic development in the community with an arts and culture focus.

### *Project Target Community*

The proposed social purpose silk-screening business would target the population of El Sereno and beyond, as it would be a gathering place related to the Mexican and Chicano culture of the community. On another level, given that the population of El Sereno includes Central Americans, Asians, Whites and Blacks as well as immigrants it is essential that this project be inclusive of multicultural and international communities. The project would target people over the age of 18; as 70% of the population of El Sereno is over 18 years of age with the majority of the population being between 18 and 44 years of age.

Research has shown that it is only recently that arts and culture has been linked to the economic development of communities and what that has done to help improve the quality of life. Phillips (2004) pointed out that “art as a strategy for encouraging quality community economic development has only recently gained wide spread attention in the U.S. (p.2). Some cultural arts organizations and businesses in several Latino neighborhoods have already created spaces/venues for the benefit of the community, but there simply are not sufficient spaces in the City that provide opportunities for people to learn and express themselves. Additionally, there is a lack of organizations and/or businesses connecting arts and culture in communities to economic development in El Sereno.

The proposed project will be a collaborative effort including the Eastside Café an educational, cultural and health oriented community space in El Sereno. The space offers programs to people in the community at a discounted rate and because it is an autonomous space and informal organization it does not receive government or foundation funding other than private donations, earnings from fundraisers as well as proceeds from the programs it currently offers. The spaces’ mission statement reads as follows:

The Eastside Café Echospace is a cultural and educational space founded by El Sereno residents for the evolvment of sustainable self-reliance through education, cultural awareness, health and the arts. The Café represents the initial phase of a long-term community development plan committed to supporting an active citizenry and a renewed community identity that is continuously engaged in planning for the future. (<http://eastsidecafeechospace.blogspot.com>)

The Eastside Café is sponsoring this Masters project because they have been seeking an opportunity to create an economic development proposal to make the space self-sustainable. The Eastside Café generally targets individuals over 18 by offering programs and fundraisers that attract that specific age demographic:

Examples of programming include:

Music, Women's Self-Defense, English as a Second Language, Poetry, and Dance

Examples of fundraisers include:

Film Presentations, Band Performances, Speakers, and Food Sales

With the closure of the Antigua Cultural Coffeehouse, including the apparent disconnect between the Harriett & Charles Luckman Arts Center and El Sereno residents, that leaves the small community space and sponsor of this project, the Eastside Café to use their assets to improve the quality of life of residents. While the Eastside Café is not as well known as the Luckman, it is nonetheless visible and appreciated by the community. The problem is that it lacks the business model and financing necessary to propel it to the next level so that it can provide needed services to the population of El Sereno into the future as well as the City of Los Angeles and its current and future stakeholders.

The Eastside Café is composed of collectives and individual members that bring a wealth of skills to the table, something that has undeniably carried them this long. Groups consider themselves collectives because they share common interests and work on specific projects in addition to sharing leadership and making decisions based on consensus. Members include University professors, activists, organizers, students, and artists (musicians, graphics designers, painters, writers) to name a few. Not only that, but they are ingenious when it comes to organizing and coordinating events with limited resources. This complements what Jackson, Kabwasa-Green and Herranz (2006) have called cultural vitality in their report titled *Cultural Vitality in Communities: Interpretation and Indicators* “people participate in arts and cultural activity in many different ways and at different skill levels—as practitioners (making and doing

work), teachers, students, critics, supporters, and consumers...people also engage individually and collectively, sporadically and on a regular basis.” (p.17)

## Section 2: Problem Analysis

### *Problem Statement*

The problem this project is addressing is the lack of locally controlled spaces as well as community gathering spaces that can increase community ownership and job opportunities for the residents of El Sereno as well as provide spaces for the advancement of arts and culture and opportunities for networking and making connections.

One threat in the area and for the proposed project is that redevelopment initiatives in the area have the potential to start driving out long time residents with the outcome of changing the small town feel and Latino character of El Sereno. McQuaid (2000), in *Artful Business: Using the Arts for Community Economic Development* spoke of the expansion of the 710 freeway as follows, “for supporters, it remains much-needed relief for traffic and a catalyst for local development...for opponents, it's a case of high-handed central planning, a destroyer of local character; to some, it represents a historic pattern of discrimination” (www.nola.com).

### *Development Projects and Organizing Efforts*

The community of El Sereno was able to band together with the City of South Pasadena

to stop the expansion of the 710 Interstate Freeway, which would have been completely below ground level through Pasadena, 20% above ground through South Pasadena, but almost entirely above-grade through El Sereno. South Pasadena is majority white (60%) with a median household income of \$58,943 well above that of El Sereno and even the State of California.

More about the City:

South Pasadena prides itself on its small town character. Less than three and one-half square miles in area, South Pasadena lies between the far larger City of Pasadena, of which it was once part, and the metropolis of Los Angeles ([www.ci.south-pasadena.ca.us](http://www.ci.south-pasadena.ca.us)).

As the battle raged on, South Pasadena was the only one getting credit for fighting back against the development when all along El Sereno residents were involved in the process and El Sereno would have lost more homes, many of which were historic. The Mexican American Legal Defense and Education Fund and the Environmental Justice Resource Network joined activist groups like El Sereno Neighborhood Action Committee, Mothers of East Los Angeles and El Sereno Organizing Committee in filing a lawsuit against the California Transportation commission, which they eventually won. “Yet even in victory, El Sereno mattered less, as South Pasadena got all the credit” ([www.newangelesmonthly.com](http://www.newangelesmonthly.com)). The report *Sustainable Cities and Industrial Ecology in El Sereno* connected this and other challenges to the community stating, “more generally, the residents of El Sereno are in a constant struggle to assert their home as more than just a place in between” (Pincetl, p. 23).

El Sereno residents and other community agents such as the City councilman for the area, Jose Huizar, “...most recently rallied to block a planned subdivision of some two dozen upscale homes on Elephant Hill...the project is now in the courts” ([www.latimes.com](http://www.latimes.com)). Although the effort did stop the development, the same councilman has also celebrated the development of a new two story commercial building. “...Construction is almost completed on a two-story

commercial building expected to house a bookstore, martial arts studio, banquet hall and...a new coffee shop, possibly a Starbucks, the developer says. (www.latimes.com). Antigua Cultural Coffeeshouse is now gone due to disagreements between the coffeeshouse owners and the landlord and it seems that the gathering place for the community is being replaced by a national chain that values profit over people. The change that is underway does not take into account the culture and history of the community and its residents and it does not take into consideration whether they agree with the changes or not.

The effects of all of these projects, developments and new businesses are beginning to threaten the community. If the community does not band together with stronger economic and political power then El Sereno will change to the detriment of its current residents and those who have fought to have their voices heard and concerns addressed. If the community gets organized and utilizes two of its most potent strengths, culture and economic might, it will have the opportunity to not only continue with its rich Mexican and Chicano history and culture, but it will also provide that to future generations.

### *Gathering Places and Sustainability*

Lack of cultural gathering places affects not only El Sereno, but also many minority communities around the city.

Imix Books located in Eagle Rock is also considered part of Northeast Los Angeles has been in operation close to eight years as a sole proprietorship. In that time job opportunities have not been created, there has also not been sufficient asset accumulation that could provide collateral for the purchase of the property and the business owner has operated without a business plan since inception. Yet, Imix has been a gathering place for the community and the

owner has been able to keep the store open independently without debt. In a recent discussion with Elisa Rodriguez, Imix bookstore owner, she shared the store is struggling to remain afloat and the certainty of remaining open was unclear. Like many small businesses, Imix does not have a business plan to inform process or utilize as a tool to secure additional capital. Rodriguez relied on her previous experience operating a business and her commitment to creating a community space around education, art and culture.

Café Tierra Luna Sol was a community-based business—vegetarian restaurant, arts and culture space—that operated from 1996 to 2003 in the MacArthur Park community of Los Angeles as a Limited Liability Company. A collective of individuals without a business plan, restaurant experience, or an organizing background started the Café, which they operated for seven years creating part- and full-time jobs for the community. The Café also succeeded in creating a gathering place where artists, activists, and health-conscious diners could learn about as well as experience the different arts and culture activities. In 2003, the Café closed after only seven years in operation for various reasons cited by founder Robert ‘Tito’ Lopez such as having to lease a space, not accumulating sufficient assets, and the disbanding of the founding members. Café Tierra Luna Sol provided a space for artists, activists, people who wanted health conscious alternatives and most importantly a space for the community to experience art and culture as well as a space they felt belonged to them even if only for seven years.

Other notable art and culture gathering places in Los Angeles include Self Help Graphics & Art in East Los Angeles and Plaza de la Raza in Lincoln Heights. Both institutions have been serving the Latino community of East and Northeast Los Angeles since the 1970’s and have been the most stable organizations providing arts and culture for the community. The continued stability of both entities can be attributed to the fact that both are formal 501(c)(3) nonprofit

organizations and therefore do not fall within the scope of a social purpose business where the intent is to generate profit. Most recently, the building housing Self Help Graphics & Art for more than thirty years has been sold to a private developer who has given the nonprofit less than a year to raise enough funds to purchase the building or vacate. There is presently no information about Self Help Graphics & Art fate, but the outlook is not positive.

A common theme found in the businesses cited above were 1) absence of a business plan, 2) a gap in business development and planning skills and 3) non-ownership of real estate. Other community cultural spaces and businesses in the Los Angeles area experience similar deficiencies that may eventually lead to their closure. Other businesses attempting to enter the market would greatly benefit from studying Imix Books and Café Tierra Luna Sol to better understand the strengths and weakness of their business models. The circumstances of Self Help Graphics & Art exemplify the need for social purpose business to own the space they occupy.

### *Project Goals*

The Eastside Café and its collectives have been an asset to the community for five years and have achieved this through autonomy, without debt, capital or grants. The Eastside Café has operated through the contributions of sustainers (members, regular contributors) and donors; they recognize they need to find alternatives to solving their financial issues, or rather their long-term sustainability, in order to fully align with their mission statement. The Eastside Café has a great a opportunity to capitalize on its current programming (i.e., fandangos, open mic nights, live bands, discussions, book signings) and the skills they possess if coupled with a for profit business catering to their patrons that will create opportunities for jobs and wealth building. Done appropriately the Eastside Café can accomplish one of their long-term goals of purchasing

real estate to operate their community space. If organized and armed with a concise business plan, the Café can create economic development opportunities while offering arts and culture programming to the community. The benefits to the community may include capacity building, a gathering place for networking and jobs creation.

Phillips (2002) argues, “if the definition of community economic development [is] a planned effort to build assets that increase the capacity of residents to improve their quality of life...then arts-based community development holds much potential” (p. 2). Longoni, Severson, and Wali (2002) further argue:

Many communities have abundant but underutilized capacity-building potential, including rich connective networks and other social assets. Yet, community development strategies are often focused exclusively on physical infrastructure and economic development, lacking intentional strategies to expand and build upon existing social structures (p. 232).

Dr. Denise Fairchild of Los Angeles Trade Tech College and Dr. Michael Swack, formerly of Southern New Hampshire University, state that CED practitioners have through trial and error created mechanisms like asset development, asset accumulation, and/or ownership as well as developing ties to regional economies among others to resolve the structural and systemic imperfections created by capitalism, all the while using capital markets.<sup>1</sup> This project intends to utilize the above concept with the Eastside Café.

Between the challenges against unwanted development, their issues with power relations and the lack of sustainable gathering places the community of El Sereno faces the threat of being consumed by the encroaching developments by the City of Los Angeles and the cities of Pasadena and South Pasadena. The *CED Training Guide for Peace Corps Volunteers* (2002) states, “the CED approach is based on the assumption that development starts at the grassroots

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<sup>1</sup> Southern New Hampshire University. School of Community Economic Development, CED 701, Spring 2008.

level and the initiative, creativity, and energies of the people can be used to improve their own lives” (p. 9). This project will be guided through the latter principle to improve the quality of life for El Sereno residents, but only as a collective grassroots effort and not by traditional economic development projects, that value profit over people.

## Section 3: Literature Review

The Eastside Café operates with the principles of democracy, respect, human development and above all autonomy. James DeFilippis (1999) in *Alternatives to the "New Urban Politics": Finding Locality and Autonomy in Local Economic Development* published in the Journal Political Geography defined autonomy as “the freedom...to act independently of, and almost in isolation from, the outside world” (p. 979). DeFilippis also provided insight into the problems these types of relations create; although they create local control “they still exist in a larger set of economic relations,” and “the potential of localities to realize autonomy through local ownership is incredibly constrained in places where past economic relations have been...capital flight” (p. 985). Michael Porter (1995) touched on this in his much criticized work, *The Competitive Advantage of the Inner City*, which appeared in the Harvard Business Review:

Lacking an overall strategy, such programs have treated the inner city as an island isolated from the surrounding economy and subject to its own unique laws of competition. They have encouraged and supported small, subscale businesses designed to serve the local community but ill equipped to attract the community's own spending power, much less export outside it (p. 55).

Utilizing arts and culture as well as entrepreneurship can still present problems for community groups, or individuals in the struggle towards changing the structural inequalities that exist in this country. The SEEDCO Policy Center in New York published a report in 2007 aptly

titled *The Limits of Social Enterprise: A Field Study & Case Analysis* wherein they pointed out the well-known statistic that “more than half of all small business ventures fail within a few years” (p. 7). The study discussed social purpose businesses launched by nonprofit entities, where organization sought to create revenue through a for profit social enterprise venture, yet one of the findings of the report was “the notion that nonprofit social ventures can be purely self-sustaining has not been borne out by real world experience” (p. 5). Such structures facilitate access to grants and capital through their non- and for- profit status. The Eastside Café’s principle of autonomy precludes them from seeking funding from public sources and capital from private institutions.

The Urban Institute’s report titled *Culture and Commerce: Traditional Arts in Economic Development* by Walker, Jackson and Rosenstein (2003), speaks to the positive connection and contribution of arts and culture to economic development also made the case that “not all cultural communities are equally ready to participate in the marketplace in ways that contribute meaningfully to economic development efforts in the short and medium term” (p. 32).

Despite some of the aforementioned issues this project looks to the advantages in achieving autonomy, looking to arts and culture as community economic development, and the development of social purpose businesses.

The California Community Foundations’ Chairman of the Board, Jane B. Eisner, made this remark in the 2007 Annual Report: “Urban physical challenges such as inadequate housing, parks and health care are crucial concerns...but so are urban challenges of the spirit, which can be addressed through the arts” (p. 5). The report also stresses that the Foundation will by 2015 enhance human development opportunities including arts and culture. The Urban Institute has embraced arts and culture as a tool to increase wealth in communities. The Institute’s *Culture*

*and Commerce: Traditional Arts in Economic Development* by Walker, Jackson and Rosenstein (2003) outline three arguments that justify the value of arts for economic development:

1. Active cultural participation can build strong communities,
2. Strengthening cultural communities creates economic value, and
3. The value created by cultural production can be harnessed for regional growth. (pp. 7-10)

Although the report focused on folk art and its relation to culture and economic development it still builds the case that arts and culture are viable to pursue as community economic development projects when looking to solve problems in communities.

Porter (1995) in the *Competitive Advantage of the Inner City* did make the case for arts and culture business stating, “many of the largest and most enduringly successful minority-owned (although not necessarily inner-city based) businesses have drawn their advantages from serving inner city residents' cultural and ethnic needs” (p. 59). DeFilippis' (1999) work *Alternatives to the "New Urban Politics": Finding Locality and Autonomy in Local Economic Development* cautioned against taking autonomy to the extreme of isolation from the larger community and was actually in favor of local control strategies:

At the heart of all of these strategies is the creation of institutions of capital accumulation that are locally owned and controlled...[they] insure greater local control over the processes of investment and disinvestment, and therefore offer the potential for greater control over the production of the locality (p. 983).

Further evidence that arts and culture are important to the economic viability of communities, Santagata (2004), in the *Handbook on the Economics of Art and Culture* wrote:

Culture matters not only because it represents the anthropological image of the material, spiritual and social life of a people, but also because it is a basic resource for sustainable economic growth. Defined in its

broadest sense, the notion of culture encompasses a wide range of idiosyncratic meanings: historic, political, legal, technological and artistic (p. 2).

Arts and culture are central to the Eastside Café and the work being done around the world in those areas is increasingly drawing attention to it as well as the importance of economics and politics in improving communities.

Communities like El Sereno and autonomous spaces like the Eastside Café would necessarily have to seek out alternative strategies to solve its problems and through this project with a community economic development approach. Flores (1999) in *Community Autonomy: The El Sereno community in northeast Los Angeles* commented:

The overall approach proposes that El Sereno initiate the reconstruction of itself not primarily in response to its destruction but in recognition of its constructive potential. The proactive asset based model sees the community as a collective of resourceful and equal subjects. The proactive asset based model projects a profound belief that the answers are in the community ([www.inmotionmagazine.com](http://www.inmotionmagazine.com)).

The types of solutions this project seeks are community economic development in nature through a social purpose silk-screening business that aligns with the mission of the Eastside Café and the desires of the community. It is very important that the assets of the community are not only utilized, but also mobilized to produce positive results through the projects that are being pursued.

One work by Masters (2003), *Profit Making for Nonprofits and Social Enterprise Toolkit* calls the lack of grants and decreases in government funding the reasons why:

More and more nonprofit staff and board members are looking at themselves from a different perspective -- as entrepreneurs...many are using sound business techniques to sell products and services related to their social mission...as they begin to think like entrepreneurs, new income producing possibilities are emerging (p. 13).

These newer and in some ways more sustainable forms of community economic development are increasing receiving more attention as organizations and passionate individuals committed to positive change rewrite the ways in which communities can improve quality of life.

Bornstein (2004), made the case in his book, *How to Change the World: Social Entrepreneurs and the Power of New Ideas*, that social entrepreneurs were needed and essential because they are “creative, tenacious individuals with unshakeable motivation— (and) are needed to propel the innovation that is necessary for society to tackle its most serious ills” (p. 264). Given that the alternative strategies exist, the goal of this project is to partner with the Eastside Café to build on these strategies with willing community members in order to improve the quality of life in El Sereno.

## Section 4: Project Design/Logic Model

The theory of change being proposed has as a long-term goal of generating enough capital to collectively purchase real estate so that the Eastside Café can offer programming perpetually for the community (Table 1).

### *Inputs and Activities*

The project inputs will be students, volunteers and members of the Eastside Café as well as the space that the Eastside Café rents at 5469 North Huntington Drive, Los Angeles CA, 90032. From these inputs, the collaborative will form a working group that will establish a formal partnership and structure in order to carry out the creation of the social purpose business. The other activities involved in this phase will be for the working group and Eastside Café members to be involved in some technical assistance work and research in order to develop the skills and obtain the tools necessary to move forward with the project. The working group and members will receive technical assistance in business plan development and community economic development. The working group will also complete research in community economic development and its alternative strategies like social purpose businesses and cooperatives, as well as the very important activity of researching lending and fundraising opportunities. This has been happening mainly through the work of the graduate student, as every month the CED student is bringing in materials to planning group meetings and doing most of the financial projections for the project as well as learning about business development. The plan is to collaborate with Eastside Café members, to combine their knowledge and skills and create new

and improved skills through the dissemination of information gathered through the masters program.

### *Outputs*

From the activities phase, the working group and Eastside Café members will move to the anticipated outputs and then onto the outcomes of the projects' activities. In this project the outputs will bring the working group towards the first short-term outcome: the creation of a social purpose silk-screening business. The outputs section of the logic model was created on the assumption that a social purpose business plan would be developed and ready for implementation, that finances for the business will be obtained, that the group will have gained the knowledge and skills necessary to carryout the project and that an organizational structure would be in place.

### *Outcomes*

In most moderate-sized to large projects a theory of change includes short-, intermediate- and long-term outcomes, or goals. Once the outputs of this project are achieved the short-term goal would be to implement the social purpose silk-screening business in order to progress towards the intermediate goals that will take our theory of change to its ultimate community economic development strategy of generating community assets. As intermediate goals the project is for the social purpose business and working group to provide for the maintenance of the community space and aid in the expansion of programming. Other goals include the generation of revenue from orders for clothing and other items with logos as well as the creation of employment opportunities from the growth of the business and/or expansion of programming.

### *Issues with Project Design*

The project was accepted as a collective into the Eastside Café in June 2008 and has been discussed at monthly meetings at the Eastside Café every month since then. All of the inputs have been in place from the inception of the project and even some of the activities have been initiated, but issues have presented themselves and moving from activities to outputs have put the project in jeopardy. Looking at it from the perspective of Dr. Michael Swack's CED chart the project is stuck in the development phase because it is lacking human as well as physical resources. Funding opportunities have been researched and financing opportunities have been made available, but again the graduate student has led it and members of the Eastside Café have only participated passively. The graduate student brought forth the issue that members of the Eastside Café were not involving themselves in the working group and that funding and financing opportunities were not being pursued. The only response given was that they did not have the time to commit to the project and members agreed to seek out willing participants with no results until this point.

As an autonomous group the Eastside Café has remained an informal organization and members say that they are not interested in being part of the system as stated in their principles, "we believe in developing an autonomous, alternative, moral economy that allows for the dignified development of the human potential" and "we believe in community-based organizing that is independent, pluriethnic and asset based (as opposed to deficit based)...we rely on who we are and what we can do." Although in their mission statement they mention community development they have shown a penchant against capital and as DeFilippis (1999) states, "for local scale projects antithetical to capital, the possibilities of realizing autonomy are strictly

constrained” (p. 980). It is possible that Walker, Jackson and Rosenstein (2003) in *Culture and Commerce: Traditional Arts in Economic Development* were correct in their assessment:

Many traditional artists and arts organizations are not yet ready for active participation in the marketplace...furthermore, direct relationships between traditional artist and economic development agencies are difficult to establish and maintain (p. 1).

In several meetings and individual conversations it has been made clear that Eastside Café wants to remain independent and want to create their own economy. The concept of the Eastside Café has great principles, they have ambitious goals and they have existed through their own efforts for a number of years, but it does seem that they are being unrealistic in pursuit of their goals. Several different projects have been discussed throughout the Masters program and all have been rejected and/or members are unwilling to become involved in the process. Quite possibly they are limited by what Cutler (2005) concluded in *The Double Bottom Line: Lessons on Social Enterprise from SEEDCO's Nonprofit Venture Network 2001-2004*, “Nonprofits need a threshold level of capacity to participate successfully in a business venture, and structured capacity building efforts can help...not all nonprofits have what it takes to successfully create a business venture” (p.14). It is difficult to tell how the project will move forward if these issues keep cropping up and so far nothing seems to have changed from the vantage point of the Eastside Café and their membership. At this point in the process the project has been tabled and it is being reevaluated. The Eastside Café is still working on their own projects, namely the development of a women’s sewing cooperative as well as a task force working on organizing the community to stop the destruction of some bungalows behind the Eastside Café space that were left over from the averted 710 Interstate Freeway expansion. Like the other gathering places that have disappeared, or are struggling it seems that these groups are largely driven by a concept, an idea and with little know-how to translate their goals into actual outcomes.

### *Best Practice Models*

There are gathering places in Los Angeles and around the country that exhibit community economic development ideals and practices that could be considered best practices for the Eastside Café to emulate or adapt in their endeavor to create a community economic development project through the creation a social purpose silk-screening business to help sustain the gathering place in the community of El Sereno.

Tia Chucha's Café Cultural opened in 2001, as a for profit partnership, in the San Fernando Valley. The Cultural Café was established by three residents Maria Trinidad Rodriguez, Enrique Sanchez and Luis J. Rodriguez all of whom envisioned that "Tia Chucha's Centro Cultural and Bookstore [as] a dream of community empowerment" ([www.tiachucha.com](http://www.tiachucha.com)). By 2003 they were able to also lease the storefront right next to the café to open Tia Chucha's Centro Cultural, a nonprofit organization devoted to the arts and culture. Both spaces had the ability to offer a combination of a bookstore, café, performance space as well as a cultural center within two years after opening.

Like many other community spaces Tia Chucha's serves many purposes and gives back to the community in many ways, for example they employ arts, music, dance, theater, writing, film, and publishing. They have created a gathering place where people can share ideas, history, politics and ideas on economics among other topics. Tia Chucha's vision of community empowerment and the use of arts and culture to accomplish that vision with both for-profit and nonprofit strategies have a clear community economic development connection as evidenced by the literature on arts and culture and community economic development.

La Peña Cultural Center was founded in 1975, as a nonprofit organization where Chilean expatriates and community members of Berkeley, CA could share art and culture. "In Spanish,

the term "La Peña" means gathering place. The concept originated in the 1960s in Chile where painters, musicians, poets and cooks got together at Peñas to preserve traditional art forms and encourage fresh creations” (www.insidebayarea.com). From its inception the ‘gathering place’ was meant to provide an open space to share ideas, but more importantly transmit and preserve art and culture with a vision for peace and social justice.

Although the center is a nonprofit and much of their programming is sustained through private foundations, grants, state funding and individual donations they also have some profit making ventures within and/or connected to the center. Since the original idea of Peñas involves food they run the Café Valparaiso, which serves traditional Chilean food and has a small performance stage where most nights artists perform. Another profit making activity involves the renting out of space at the center because they have a performance hall that can seat 175 people, a community room that fits about 30-40 people and the café, which also seats about 40.

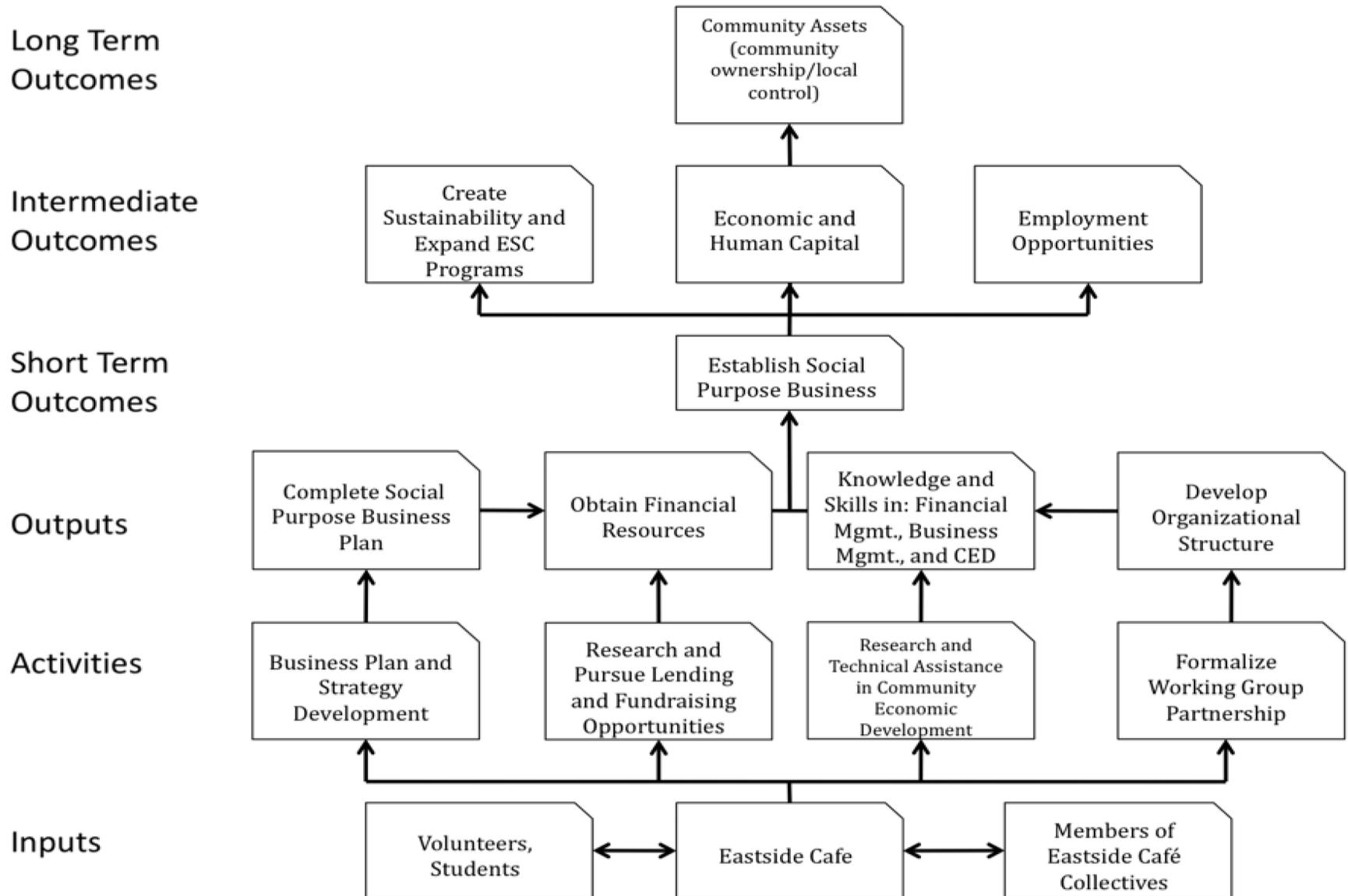
La Peña Cultural Center does seem to represent a community economic development strategy in that they merge nonprofit and for-profit activities reminiscent of the social enterprise model. The decision-makers at La Pena Cultural Center are forward thinkers and understand that to stay open to the community they had to make changes that would alter their strategies in order to help them remain as a gathering place for the community.

Busboys and Poets opened in 2005 and by 2008 have opened three locations, one of which is part of nonprofit economic development project. Every storefront’s business sign reads ‘food, books, film, coffee, stage, Internet, bar’ making it clear what is available at the space. The ‘community gathering place,’ as described on the restaurant website was created by Andy Shallal with a loan from black-owned Industrial Bank in Washington, DC and is also a partnership with a nonprofit called Teaching for Change which operates the bookstores located at each location.

Like many other community spaces that want to proliferate arts and culture as well as politics Busboys and Poets' events include art openings, poetry readings, lectures, book signings, fundraisers, receptions, open mic nights, etc. The Busboys and Poets model proves the current notion as espoused by Phillips (2004) that "only recently accepted as congruent concepts are the arts as an economic development strategy" (p. 1).

Of all of the best practice models Busboys and Poets has had the most success, but it was established by an individual and although the business has a partnership with a nonprofit organization—again similar to social enterprise—it continues to be driven by an individuals' passion and drive whereas the Eastside Café is driven by several community collectives. The Eastside has a relationship with Tia Chucha's Cafe Cultural and they have been made aware of the other best practices investigated, but this has not changed their views of how they envision creating community change.

Table 1: Logic Model



## Section 5: Methodology and Implementation Plan

If the issues with project design are resolved and it becomes possible to move forward with the project, then the methodology and implementation plan would proceed as follows:

### *Project Beneficiaries*

The proposed project would target the population of El Sereno as well as artists and members of social and political movements; the project would target people over the age of 18; as it is 70% of the population of El Sereno is over 18 years of age with the majority of the population being between 18 and 44 years of age.

With the Latino population of the City of Los Angeles is at 48.9% and the fact that there are relatively few institutions and gathering places for arts and culture as well as continuing social, economic and environmental inequalities, focusing on the community of El Sereno is a perfect start because it is majority Latino community and the existence of the Eastside Café can work towards community economic development models. While the research makes clear that some cultural arts organizations and businesses in several Latino neighborhoods have created gathering places/venues for the benefit of the community, there just are not enough spaces in the City that provide opportunities for people to learn and to express themselves as well as have a sense of place and the knowledge that the space is owned and operated by, for and with the community.

### *Host/Organizational Group*

The group involved in the implementation of this project is the Eastside Café in El Sereno located at 5469 North Huntington Drive, Los Angeles CA, 90032.

The Eastside Café has existed thanks to the aid of generous sustainers giving necessary funding, revenues generated from the various programs offered at the space as well as fundraisers that benefit the community. El Sereno residents founded the organization and it is not a legal entity, rather it is run as an informal organization. The space operates with the principles of democracy, respect, human development and above all autonomy. Currently, the Eastside Café is home to 10 community groups and/or collectives that offer varying programs and put on needed events to continue the tradition rooted in the principles on which it was founded.

Partial list of members of the Eastside Café: Las Cafeteras (Son Jarocho Music – Traditional Mexican Music); English as a Second Language (ESL) students; Olmeca (Hip Hop Classes); Echo-space Poets (Poetry); Global Women’s Strike (International Activist Group); Restoring the Balance (Hip Hop).

The Eastside Café is a space that has been open to the needs and has especially catered to the assets of the community. The space has over the years been sponsored by various institutions; municipal, educational and charitable. And it has also housed countless community groups, programs and activities.

The organization does not have a board of directors and it does not have paid staff, but it does have committed volunteers who do everything from creating event calendars, to running its programs, participating in fundraisers, to strategic planning. The organization has monthly meetings where Eastside Café members discuss upcoming events, different proposals for the use of the location and the direction of the organization.

The organization believes in participatory democracy and to that end they use a horizontal leadership structure in which everyone at the table has an equal voice. The

organization has pursued its mission since its founding and continues planning for the future as evidenced by its interest in economic development proposals that aim to truly sustain the space, create jobs and help develop skills.

### *Project Staff*

The project will be primarily comprised of a working group formed by the graduate student, volunteers and Eastside Café participants; at least two to three part-time people involved in the social purpose business; the 8 to 10 collectives and related instructors, or volunteers to continue Eastside Café programs; consultants that will assist in the development of a business plan, the initial steps in the creation of a nonprofit organization, and others involved in the possibility of planning for the purchase of a building to house the spaces' programs.

### *Other Stakeholders*

Although the primary staff will be responsible for most of the roles, tasks and responsibilities of the project, provided is a list of other stakeholders in the community that would in the future be very important to not only continue building relationships with, but also create new relationships with: El Sereno Neighborhood Council; Greater El Sereno Chamber of Commerce; Jose Huizar – Council Member District 14, City of Los Angeles; Academia Semillas del Pueblo – Charter School; Caltrans; North East LA Open Space Coalition; and, California State University, Los Angeles. The Eastside Café has also built an extensive network inclusive of some of the other arts and culture gathering in and around the Los Angeles region. Some of these include Imix Books in Eagle Rock, Tia Chucha's Café Cultural in San Fernando, and El Centro Cultural de Mexico in Santa Ana to name a few.

### *Roles, Tasks and Responsibilities*

Working Group: This group will have the role of leading the creation of a business with a social mission in line with the needs and assets of the El Sereno community. The responsibility of this group will be to compile research and create a sustainable social purpose business plan for a silk-screening company. The group will have the tasks of either enrolling in a small business training course, creating a work plan for the development of business plan, or the outsourcing of this task to an outside consultant.

Eastside Café planning group: The role of the planning group will be to oversee the project throughout its duration and ensure the forward progress of the project. The working group will be responsible for keeping all project activities in line with the project timeline and budget as well as scheduling the use of the Eastside Café space. The tasks that the working group will carry out will be to meet on regularly scheduled dates and times, to monitor the progress of all ongoing Eastside café programs as well as new incoming projects.

Eastside Café collectives: The primary roles, responsibilities, and tasks of the Eastside Café collectives will be to continue offering programs to the community and be involved in the planning for the expansion of the spaces' programming, along with seeking out other volunteers and/or instructors. Since the Eastside Café includes in their membership 10 collectives and each of those collectives has anywhere from one to nine members the collectives will also be asked to promote the social purpose business.

If necessary, consultants: Because the outcomes of the project proposal will require a lot of technical assistance at any time throughout the project, the working group might have to seek out the help of professionals who might act as consultants for any of the intended projects related

to the Eastside Café. These might or might not include the development of a business plan, the initial steps in the creation of a nonprofit organization, and other planning involved in the long-term outcome related to the purchase of a building to house the Eastside Cafes' programs.

**Project Beneficiaries:** The roles, responsibilities and tasks of the project beneficiaries will be the continuous participation in Eastside Café programs and to help recruit more participants as programming begins to increase.

**Key Stakeholders:**

The stakeholders mentioned in the "Other Stakeholders" section will need to be supporters and advocates of the expansion of the Eastside Café. These stakeholders will not have any roles, responsibilities, or tasks associated with the project, but relationships will need to be built and it is possible that some of the stakeholders might be involved in approving, or at the very least advocating for the space. Some of these key stakeholders would be current Eastside Café supporters, which include students, artists, cultural workers and activists from in and around the Los Angeles region and beyond.

<i>Table 2: Masters Project Timeline Workplan</i>																	
Period Activity (Enter Date)	M 1	M 2	M 3	M 4	M 5	M 6	M 7	M 8	M 9	M 10	M 11	M 12	M 13	M 14	M 15	M 16	Outcomes
Research Alternative Community Development Strategies	█	█	█	█	█	█	█	█	█								Identify best practices
Research Community (El Sereno)	█	█	█														Become familiar with community and previous revitalization efforts
Build Relationships with Host Organization			█	█	█	█	█										Present project idea, identify project staff and create collaborative
Finalize project proposal and gain consensus with host organization								█	█	█							Prepare to move forward on project activities
Technical Assistance: Create Social Purpose Business Plan									█	█	█	█	█				Have business plan that can be implemented
Revisit Project Proposal and decide on expansion strategy													█	█			Decide whether social purpose business plan, development of nonprofit org., and/or purchase of property are best strategies
Obtain skills and tools in Business Mgmt., Financial Mgmt., Community Economic Development									█	█	█	█	█	█	█	█	Masters student and community group will be prepared to run social purpose business
Implement social purpose business and/or other strategies															█	█	Begin project that will help expand programming
Plan for post Masters Project Workplan															█	█	Clear vision for carrying out project after completion of Masters Project

Table 3: Budget Detail

<b>Expense</b>		<b>Cost</b>
Equipment:		
Screen Shop Setup w/ 6 Color 4 Station Press		\$6,700.00
Computer and Printer		\$500.00
Beginning Inventory		\$2,400.00
Salaries and Other Expenses:		
Employee A (\$10/hr, 20 hrs/wk)		\$800.00
Employee B		\$800.00
Employee C		\$800.00
Transportation/Delivery		\$400.00
Professional Fees		\$300.00
Licensing & Permits		\$200.00
Rent (First and Last Mos.)		\$1,000.00
Utilities:		
Phone		\$50.00
Internet		\$40.00
Water		\$20.00
Electricity		\$100.00
Advertising:		
Website		\$200.00
Online, Dailies		\$300.00
Office Supplies		\$80.00
<b>Sub-Total Expenses</b>		<b>\$14,690.00</b>
10% Safety Factor		\$1,469.00
<b>Total Start-Up Expenses</b>		<b>\$16,159.00</b>

*Table 4: Budget Summary*

<b>Item</b>	<b>Percent</b>	<b>Total</b>
Silk-screening Equipment	65%	\$9,600
Salaries and other expenses	29%	\$4,300
Utilities	2%	\$210
Advertising	4%	\$580
<b>Sub-Total</b>	<b>100%</b>	<b>\$14,690</b>
Safety Factor	10%	\$1,469
<b>Total Start-Up Expenses</b>		<b>\$16,159</b>

## Section 6: Monitoring Plan

In order for this community economic development project, which at its core is the creation of a social purpose silk-screening business, to get off the ground it will first of all be important to make sure that the inputs involved are available and that the working group does develop a concrete organizational structure and a completed business plan. It will also be necessary for the working group and Eastside Café members to complete the other activities that lead into the outputs described in the logic model.

This project is currently at an impasse, but most if not all activities have been initiated at some level. A business idea has been developed and the financial information has been determined, but due to a re-evaluation process with initial social purpose idea and issues with forming a stable working group it is not certain that it is the most feasible plan to move forward with.

Overall, the working group will be responsible for monitoring the project activities and continually checking-in with project staff to find out why, if necessary, there are any delays and if alternative actions have to be considered. Six of the seven activities have already been started in some way and only the development of the business plan has yet to initiate. The tool used will be the monitoring report attached below (Table 5).

Table 5: Monitoring Report

ACTIVITIES	DATES	STATUS	TIMELINESS	EXPLANATION FOR DELAY	ALTERNATIVE ACTION	ATTAINMENT OF OUTPUT
Research alternative CED strategies	Start: 1 Sep '08 End: 1 Oct '08	Fully Completed			N/A	Target: Knowledge and Skills in alternative CED To date: Group will develop cooperative and social purpose business concurrently
Formalize Working Group Partnership/Organizational Structure	Start: 1 Mar '08 End: 26 Oct '08	Partially Completed	Delayed	Because Eastside Café members are volunteers it is difficult to formalize the working group	N/A	Target: Working Group working on El Sereno Project To Date: Business models decided upon and cooperative already has members. Social purpose silk-screening has only member (masters student)
Technical Assistance: Business Plan Development (BPD)	Start: 25 Aug '08 End: 1 Jan '09	Not Started	Delayed	Business models only decide upon in late January	N/A	Target: Executable Business Plan To date: Will have to consider getting Technical Assistance in building a business plan.
(BDP) Licenses, Permits, Copyrights, and Trademarks	Start: 25 Aug '08 End: 1 Dec '08	Not Started	Delayed	Business models only decide upon in late January and cooperative group is unsure of formal business status	N/A	Target: Legal and Protected business To Date: Cannot move forward on this if group cannot decide what structure they want to create
Lending and fundraising opportunities	Start: 1 Jan '08 End: Mar '09	Partially Completed	As planned	N/A	N/A	Target: Financial Resources to startup business To Date: <b>\$7900</b>
(BDP) Branding, advertising, marketing, promotion	Start: 23 July '08 End: May '09	Partially Completed	As planned	N/A	N/A	Target: Get the word out To Date: 2 www.myspace.com accounts created Website created: <a href="http://eastsidecafechospace.blogspot.com">http://eastsidecafechospace.blogspot.com</a>

## Section 7: Evaluation Plan

The working group and participants will most likely conduct the evaluation for this project. The Evaluation Plan Design (Table 6) and Evaluation Plan Matrix (Table 7) both take into account the outcomes expected of the proper execution of the projects' outputs and specify what indicators, data gathering methods, sources for data and the timeframe involved in effectively evaluating the project and its components.

The projects' long-term outcome of generating community assets by way of generating capital to purchase property will not be evaluated until after the completion of the Masters degree program: at 6 months and 1 year after Masters program. The projects' intermediate outcomes will have to be tracked on a monthly basis, except for the variable related to employment opportunities because it is assumed that although it is not a long term outcome it will take longer to produce that variable than the other two. The short-term outcome of establishing a social purpose silk-screening business is currently being re-evaluated by Eastside Café members, so the group is stuck between the activities and outputs section and therefore the outcomes to be evaluated have not been reached. The entire project will be evaluated again at the end of the masters program to identify what business idea will be pursued.

Table 6: Evaluation Plan Design

HYPOTHESES	VARIABLES	INDICATORS	DATA-GATHERING
<ul style="list-style-type: none"> <li>■ If community space is maintained open and services are expanded, then community assets will be generated</li> <li>■ If revenue is generated through business, then community assets will be generated</li> <li>■ If employment opportunities are created, then community assets will be generated</li> </ul>	<p>IV: community space maintained open</p> <p>DV: community asset generation</p> <p>IV: revenue</p> <p>DV: community asset generation</p> <p>IV: employment</p> <p>DV: community asset generation</p>	<p>IV: staff, tenants</p> <p>DV: Property management plan</p> <p>IV: financial records</p> <p>DV: gross profit</p> <p>IV: Employee ID numbers, payroll</p> <p>DV: staff members</p>	<p>Working group discussion</p> <p>Meeting and negotiations with building owner(s)</p> <p>Accounting office records</p> <p>City regulations, zoning</p> <p>Payroll</p>
<ul style="list-style-type: none"> <li>■ If a social purpose business is implemented, then the community space will be maintained and services will be expanded</li> <li>■ If a social purpose business is created, then revenue will be generated</li> <li>■ If a social purpose business is created, then employment opportunities will be produced</li> </ul>	<p>IV: social purpose business</p> <p>DV: community space maintained and services expanded</p> <p>IV: social purpose business</p> <p>DV: generation of revenue</p> <p>IV: social purpose business</p> <p>DV: employment opportunities</p>	<p>IV: produce and sell product</p> <p>DV: attendance sheets, event submission forms</p> <p>IV: low costs and high sales</p> <p>DV: financial records</p> <p>IV: business growth necessitates hiring help</p> <p>DV: payroll records, taxes</p>	<p>Business plan: financials</p> <p>Collectives' group discussion</p> <p>Attendance sheets, event submission forms</p> <p>Accounting office records</p> <p>Payroll</p>

HYPOTHESES	VARIABLES	INDICATORS	DATA-GATHERING
<ul style="list-style-type: none"> <li>■ If a business plan is created and implemented, then a social purpose business will be started up</li> <li>■ If financial resources are obtained, then a social purpose business will be started up</li> <li>■ If participants gain knowledge and skills in financial mgmt, business mgmt and community economic development, then a social purpose business will be started up</li> <li>■ If an organizational structure is developed, then a social purpose business will be started up</li> </ul>	<p>IV: Creation of business plan</p> <p>DV: start up social purpose business</p> <p>IV: Obtaining financial resources</p> <p>DV: start up social purpose business</p> <p>IV: participants gain knowledge in financial mgmt, business mgmt, and community economic development</p> <p>DV: start up social purpose business</p> <p>IV: development of organizational structure</p> <p>DV: start up social purpose business</p>	<p>IV: small business assistance</p> <p>DV: meeting records, due dates, receipts</p> <p>IV: fundraising</p> <p>DV: bank account records</p> <p>IV: knowledge and skills</p> <p>DV: workshops, research materials</p> <p>IV: formal/informal partnership</p> <p>DV: meeting records, Memorandum of Understanding (MOU)</p>	<p>Business plan</p> <p>Market research</p> <p>Accounting office records</p> <p>Fundraising records</p> <p>Attendance sheets, correspondence</p> <p>Working group discussion</p>

Table 7: Evaluation Plan Matrix

OUTCOMES	INDICATORS	DATA GATHERING METHOD(S)	SOURCE(S)	TIMEFRAME
<b>Long Term Outcome:</b> Generation of community assets due to purchase of building for community group programs	<ol style="list-style-type: none"> <li>1. Active pursuit of building acquisition</li> <li>2. Purchase of building for programming</li> </ol>	<ol style="list-style-type: none"> <li>3. Focus group discussion (working group), mtg. with property owner; negotiations</li> <li>4. Document Review (property profile, research comps)</li> </ol>	<ol style="list-style-type: none"> <li>5. Participants, realtor</li> <li>6. Accounting office records, city regulations</li> </ol>	<ol style="list-style-type: none"> <li>7. 4 months, 8 months and 1 year after masters project</li> <li>8. 6 months and 1 year after masters project</li> </ol>
<b>Intermediate Outcome:</b> Maintenance of community space and expansion of services	<ol style="list-style-type: none"> <li>1. Community space collectives offering programs</li> <li>2. More collectives offer new programs and/or existing offer more programs</li> </ol>	<ol style="list-style-type: none"> <li>3. Focus group discussion (collectives)</li> <li>4. Document Review</li> </ol>	<ol style="list-style-type: none"> <li>5. Project participants, collectives' records</li> <li>6. Attendance sheets, event submission forms</li> </ol>	<ol style="list-style-type: none"> <li>7. Monthly</li> <li>8. Monthly</li> </ol>
<b>Intermediate Outcome:</b> Increase in revenue through social purpose business	<ol style="list-style-type: none"> <li>1. Social purpose business turns a profit</li> </ol>	<ol style="list-style-type: none"> <li>2. Document Review</li> </ol>	<ol style="list-style-type: none"> <li>3. Accounting office records</li> </ol>	<ol style="list-style-type: none"> <li>4. Monthly</li> </ol>
<b>Intermediate Outcome:</b> Employment opportunities through social purpose business or community space	<ol style="list-style-type: none"> <li>1. Growth of business necessitates hiring of employees</li> <li>2. Expansion of community space programming necessitates hiring of staff</li> </ol>	<ol style="list-style-type: none"> <li>3. Document Review</li> <li>4. Document Review</li> </ol>	<ol style="list-style-type: none"> <li>5. Accounting office records</li> <li>6. Attendance sheets, event submission forms</li> </ol>	<ol style="list-style-type: none"> <li>7. Monthly</li> <li>8. 4 months and 8 months after masters project</li> </ol>
<b>Short Term Outcome:</b> Establishment of a Social Purpose Business	<ol style="list-style-type: none"> <li>1. Business plan development</li> <li>2. Financing Secured</li> </ol>	<ol style="list-style-type: none"> <li>3. Document Review</li> <li>4. Key Informant Interviews</li> </ol>	<ol style="list-style-type: none"> <li>5. Business plan document</li> <li>6. Accounting records, fundraising efforts</li> </ol>	<ol style="list-style-type: none"> <li>7. January '09</li> <li>8. Beginning of masters project thru March '09</li> </ol>

## Section 8: Sustainability Plan

### *Sustainability of project activities and resources*

The sustainability of the proposed community economic development project rests on the working group and its ability to continue functioning if participants leave the project, or if resources, like money and time, or the availability of working group participants become scarce. The ability to formalize a partnership and ensure the forward and continued progress of the project will be essential to the sustainability of the project.

The other very important factor to consider in sustainability is the establishment, maintenance and growth of the social purpose business because it is one of the main components of the project. The project work plan and monitoring report will help make certain that the business plan will be feasible and that the project will result in the sustainability of the Eastside Café.

### *Sustainability of benefits*

In order for this project to produce and sustain community economic development benefits it will be necessary to grow the business and expand upon the community spaces' programs into the future. The initial business plan will be created for a start up company that may or may not be the most feasible business idea, which is why there is already several evaluation timeframes built into the project so that the group can be prepared for changes. If the social purpose business grows or other business opportunities arise, then the benefits will be sustained. Also, if the community space is able to expand its programs, then the benefits will be sustained.

## Section 9: Conclusions and Recommendations

### *Conclusions*

This project has been a community economic development effort involving an autonomous local community space, the Eastside Café, located in El Sereno. The specific project to be embarked upon was the creation of a social purpose business, initially in the form of a silk-screening company. The goal of the proposed project was to improve conditions in the community El Sereno by giving community residents the opportunity to increase community ownership and jobs through a social purpose business as well as the development of human and social capital achieved through the expansion of the Eastside Café's educational, cultural and health related programming.

In order to accomplish our outcomes a working group was to be formed that undertook research and began the initial steps in implementing the social purpose business as an initial tool to improve the local economy. This project is a direct response to the cumulative effects of structural inequalities faced by minority communities and is in direct correlation to the Eastside Café's own mission statement and long-term goals of community development and autonomy.

This project is considered to be at the intersection of arts, culture and politics because of the work of the Eastside Café. One part of the intended project was to research businesses and organizations that have employed arts and culture as economic development tools as well as those that have employed social purpose businesses as methods to create sustainability and community ownership. Some of these businesses and organizations have failed, some are struggling and others are actually very successful at combining business and arts and culture into a gathering place for the community.

Unfortunately, the project arrived at an impasse and the project has been tabled and is being reevaluated by the Eastside Café and graduate student to determine if changes to the project need to be made. The relationship with the Eastside was built upon over eight to nine months of meetings and research was conducted to help advance the creation of the social purpose business, but support from the membership of the Eastside Café was never garnered making it difficult to develop the project. As much as the Eastside Café works toward community development and autonomy they seem content to do it without participating fully in the marketplace and it has proven difficult to resolve the difference of opinion relating to community economic development and autonomy. The Eastside Café seemed eager to accept this project and yet they only ever participated in a passive way and were never able, or possibly willing to find the resources or make the compromises necessary to make the project a reality.

### *Recommendations*

- 1.1 Anyone interested in working with informal organizations should be very clear about their intentions if they want to avoid problems with their host organization. Several times throughout the process there were issues with communication, which all arose from what each party expected from the other. Perhaps an agreement could be created so that both parties know what each is responsible for.
- 1.2 Working with a community organization it is very crucial that it is understood what capacity the organization has to invest their time, energy and money into the proposed project. The Eastside Café and its membership have a broad array of skills, but the volunteer nature of the organization limits what they can invest into any new projects.

- 1.3 It is important to work with groups willing to make the adjustments necessary to become truly sustainable; compromise is a huge element needed in the process. The Eastside Café has existed independently and has been autonomous for five years, yet they have not realized many of their goals. Throughout the process it was difficult create the necessary shift, or make the resources available to move from programming to business development.
- 1.4 Business ventures require a specific set of skills and it is crucial that community groups are open to learning these skills, or finding individuals who do have them to make business ventures feasible. Members of the Eastside Café are professors, activists, organizers and overwhelmingly artists, but it was difficult to find members with business knowledge and training. Interestingly, members of the Eastside Café were seemingly opposed to participating in the marketplace to make the Eastside Café sustainable and move forward with the outcomes of this particular project.
- 1.5 Successful models combine for profit and nonprofit structures to help with funding and consequently sustainability. Through research it was found that those businesses and organizations that do not have plans and who do seek grants do tend to struggle with sustainability. To survive and become sustainable projects need all three types of capital, economic, human and social.
- 1.6 Gathering places need to be so explicitly and they need to be available to the community as often as possible. The Eastside Café has odd hours and community members have displayed disappointment that the space is not open regularly. The spaces' patrons consider it a gathering place, but the members themselves do not define it as such. The

Eastside Café is a gathering place, but at least until now only when they are running programs, having meetings, or hosting fundraisers.

- 1.7 More community economic development strategies are necessary in order to make community organizations and informal groups sustainable. Minority communities have struggled throughout the history of this country and most have become distrustful. While this project tried employing alternative strategies (social purpose business and arts and culture as community economic development) it was still not enough to convince the sponsor organization to be comfortable with the project. They are interested in cooperatives, informal economies and community currency, but unfortunately this particular project did not focus on those strategies.

### *Next Steps*

At this point, the project has been tabled and is being reevaluated; it is unclear what is going to happen next. The graduate student will continue to be involved with the Eastside Café, but it will most likely not be in the same capacity. In other words, the project that was proposed and worked on throughout the Masters program will have to change if it is going to be developed. Everything remains caught in the development phase, or project design and so the methodology and implementation, monitoring, evaluation and sustainability plans are not within the scope of this project, they would therefore likely change dramatically if the project is resumed.

The last several meetings with the Eastside Café and some of its members have not been very productive and have not helped to move past the current impasse. Expectations and

communication have been an issue, not to mention differences of opinion on how to move forward and who will be involved.

Working on this project with the Eastside Café has been a great learning experience and it is unfortunate that the project did not work out as planned because the project was intended to make the Eastside Café a sustainable business, arts and culture gathering place and service provider.

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