Shift in Community Development Model:

Changing roles for Community Development Corporations (CDCs)

Abstract

Community development has historically focused exclusively on low income housing creation but is now broadening to include community engagement and issues affecting income disparity such as health, jobs and schools. As a result community development funders and intermediaries such as Local Initiatives Support Corporation (LISC) and Neighbor Works are changing the way they invest in neighborhood revitalization; Community Development Corporation (CDC) roles are also changing. This paper will focus on how this shift is changing the role of CDCs in neighborhood revitalization. Specifically I will provide background on CDCs in Cincinnati and review literature on CDCs in Chicago and Detroit.

Introduction:

While their specific missions vary across the United States, CDCs have traditionally existed to provide stable housing and serve as a bridge to homeownership.
“In 1979 neighborhood development corporations were still a fairly new idea. In Cincinnati, emerging leaders from their respective neighborhoods found that many other leaders wanted to learn how to foster community control of development in their areas.” (Community Development Corporations Association of Greater Cincinnati)

The first Cincinnati CDCs were Mt. Auburn Good Housing Foundation, Walnut Hills Redevelopment Foundation, Avondale Redevelopment Corporation and Bond Hill - Paddock Hills Community Urban Redevelopment Corporation.

Since the 1970’s CDCs have focused on the production of affordable housing for low to moderate income people, seniors, minorities, disabled and others who are not provided for by private market forces. Since the economic downturn in 2007, CDCs have stepped up to take on the role of redeveloping foreclosed properties as part of US Department of Housing and Urban Development (HUD)’s Neighborhood Stabilization Program (NSP). This program was created in response to the collapse of the housing market and is implemented at the city level. The City of Cincinnati was an NSP recipient from a national competitive process and awarded $8 million dollars in funding from HUD. This money was targeted to the Cincinnati neighborhoods with the most need. CDCs in those neighborhoods contracted with the City as a NSP sub-recipients. These funds are for acquisition of foreclosed properties and as down-payment assistance to end buyers. This government funding will help to put housing back into production with the main goal of stabilizing neighborhoods.

Emerging Trends in Community Development

Community development is broadening to include a more comprehensive set of issues:
“As resources have tightened and market forces weakened, the consequences have struck lower-income communities on multiple fronts: housing foreclosures and vacancies, troubled and failing businesses, shrinking employment, lost health coverage, stressed and anxious families. A coordinated, community-wide response to these difficulties is not only the most effective way to grapple with their interlocking causes and effects. It is also the surest way for communities to protect and preserve the assets that will allow them to rebound when times improve.” (LISC)

The community development model is shifting at the national level towards a sustainable approach to neighborhoods encompassing social, economic and environmental improvements. Sustainable community development focus areas are:

- Built Environment
- Family Income and Assets
- Economic Vitality
- Education
- Health and Environment

This shift in national focus will affect how investments are made, and the work CDCs are funded to do. While the shifting role of CDCs affects neighborhoods nationwide, it is especially relevant for Cincinnati’s I-71 study area neighborhoods. The shift towards sustainable community development holds the potential to change the function of CDCs as well as alter dynamic relationships between CDCs and the communities they serve (Private and public funders, stakeholders, community councils, residents, government). This paper investigates how the shift towards sustainable community development affects CDC roles. Specifically, my research is focused on the possible new functions of community redevelopment corporations. My findings are based on academic journal articles, LISC publications as well as interviews with community development practitioners in Cincinnati.
Literature Review

Chicago provides a good example of possible new roles for CDCs: Increasing access to affordable housing and now also improving schools, public spaces, and working to reduce income disparity. These new projects are planned and implemented by residents engaged through community organizing, making the plans more integrated and sustainable. In 2003 Chicago Mid South Side residents formed the Quad Communities Development Corp.(QCDC) and organized a quality-of-life planning process for their neighborhood. QCDC assembled a coalition of city government, universities, businesses, non-profits and residents to create a plan for a diverse array of projects. (See fig.1)

“These projects included: $36 million reconfiguration of 3,000 public housing units at Oakwood Shores, development of Donoghue Charter Elementary School, commercial revitalization along Cottage Grove, development of a new Hyde Park Arts Center, and the creation of a Center for Working Families, a one-stop source of help with financial planning, employment, tax preparation, and application for public benefits.” (LISC)

In Detroit, CDC functions include healthy food access, economic development, job training, financial counseling and green building. One faith based example is Central Detroit Christian CDC, whose stated function is, “Through education, employment and economic development, Central Detroit Christian (CDC) strives to instill hope, faith and values while inspiring individuals within the community to reach their highest potential as confident, productive and caring community leaders and citizens.” (Central Detroit Christian CDC) Not only does this CDC create new affordable housing, they also repair homes, counsel homebuyers, prevent foreclosures, work with youth, provide tutoring, healthy food (“peaches & greens” program), job training, as well as direct service such as supplying school supplies and Christmas presents.
Also in Detroit, Vanguard CDC is changing its function to respond to the unemployment and foreclosure crisis. They do this by expanding their role to address immediate community needs such as food, shelter, clothes, utilities, transportation, employment and education:

“Vanguard Community Development Corporation has served over 25,000 families and invested more than $50,000,000 in Detroit through programs and development since 1994. We have built over 160 units of affordable rental housing and have plans for over 100 more affordable new units over the next year. Vanguard CDC is working with partners across the country to create innovative ways to create new business and sustainable businesses and jobs in the new emerging economy. Educating, training, and empowering community residents around healthy urban food production and alternative energy resources is a straight path to sustainable quality of life based neighborhoods.” (Vanguard CDC)

Vanguard CDCs functions are educational, economic development and community development. The educational component includes programs to increase academic achievement and student motivation. Their economic development component includes an urban artist collective, small business center and micro-enterprise academy. Vanguard CDC’s range of community development programs is impressive; even the housing function is different from the traditional aim of affordable housing creation. Their housing program is “…invested in creating residential communities that are targeted at mixed income price points to attract a diverse group of residents as well as support, sustain, and complement the existing housing stock and residents.” (Vanguard CDC) This perspective reflects a trend in comprehensive community development and yet VCDC community development function is innovative because it is locally driven. VCDC North End Transportation System provides affordable access to grocery and other services, North End Radio Patrol offers community safety options, U-Save Community Food Club, Senior Days and homebuyer training.
Conclusion

As our national economic and social trends shift, so follow models for community development. Since the emergence of CDCs in the 1970s their focus has been on creating affordable housing; roles have since changed. This shift is changing the roles community development corporations play in the neighborhoods they serve. Although CDCs still aim to provide stable housing for low and moderate income residents, their role now extends much farther to meet new neighborhood challenges posed by the unemployment and foreclosure crisis. CDCs in cities such as Chicago and Detroit are engaging residents, providing access to education, transportation, fresh food and job training. CDCs are developing housing, public spaces, retail, and public spaces. They’re working with youth, seniors, homeowners and neighbors to address basic needs of food, shelter, utilities, financial counselling, employment and education. The possible new roles for CDCs encompass a broad range of issues which address comprehensive neighborhood revitalization; this shift is central to the future function of CDCs in Cincinnati’s Uptown neighborhoods.
Figure 1: Quad Communities

LEGEND

1. Black Metropolis National Heritage Area
2. The Woodlands Home Ownership Counseling Project
3. Hyde Park Art Center Youth Barrier Project
4. University of Chicago Charter School, Donoghue Campus
5. Oakwood Shores
6. Center for Working Families
7. Lake Park Crescent
8. Jazz on the Boulevard
9. Groovin’ on the Grove Festival
10. Elementary School Pinopolis’s Cluster
11. Little Duck Powell Murals Arts Project
12. King College Prep
13. Little Black Pearl Art & Design Center
14. Muntau Dance Theatre of Chicago
15. Shops & Lofts at 17
16. Bronx Math / Science Specialty School
17. Dyett High School
Bibliography