Growing Stronger

A Plan for the Future of Detroit's Community Development Corporation System

Christopher Ash, Patrick Dieter, Andy Fang, Deirdre Groves, Xueying Li, Elizabeth Luther, Michal Pinto
Urban & Regional Planning Program | Taubman College of Architecture & Urban Planning | University of Michigan

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- CDCs: *seven*
- City of Detroit Planning and Development Department: *one*
- Detroit LISC: *two*
- Support Organizations (CEDAM, NDNI): *two*
- MSHDA: *three*
- Detroit Foundations: *four*
- Banks: *four*

- Cleveland: *six*
- Memphis: *two*
- Philadelphia: *five*
- Pittsburgh: *two*

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Summary

Detroit's community development corporations (CDCs) face a crisis. CDCs have traditionally sought to strengthen neighborhoods by providing quality housing for low- and moderate-income residents, while working on a range of other issues including community organizing, workforce development, commercial revitalization, youth programming, and others. The current loss in demand for housing and other new physical development, however, limits the ability of CDCs to provide some of these traditional services in their neighborhoods. Moreover, it reduces revenues for CDCs that have supported themselves with real estate development fees. Detroit's CDCs need to find ways to further their missions and support themselves in the current environment.

Community Development Advocates of Detroit (CDAD) is the trade association that advocates on behalf of CDCs throughout the city. In early 2009, CDAD's Futures Task Force asked students and faculty from the Urban and Regional Planning Program at the University of Michigan to prepare a plan to help Detroit's CDC industry become stronger and more effective despite the current economic crisis.

Process

Developing recommendations for the future of community development corporations in Detroit required an understanding of the city's current system. Analysis of the system's components revealed its strengths, weaknesses, challenges and opportunities. To gain perspective on potential strategies for Detroit, this plan analyzed the community development industries in four other cities. Results of these analyses include:

A description of the current state of Detroit's CDC system (in Chapter 2) including the roles of and relationships among major stakeholders:

- Neighborhoods
- Community Development Corporations
- Intermediary
- Local Initiatives Support Corporation (LISC)
- Resource providers
- Federal, state, and local governments
- Philanthropic foundations
- Financial Institutions

Strengths of the Detroit CDC System

- Diverse organizational missions
- Growing communication efforts among stakeholders
- Opportunities for foundation support
- High per-capita allocation of CDBG dollars to the city from HUD
- History of successful housing development

Challenges Facing the Detroit CDC System

- Low levels of CDBG funding for CDCs
- Poor data access
- Loss of developer fees due to economic conditions
- Lack of CDC evaluation standards
- Little strategic input to targeting processes
- Culture of distrust among leaders of different parts of the CDC industry

After describing the CDC system of Detroit, Chapter 3 of the plan profiles the systems of four cities with similar economic conditions to Detroit, but stronger CDC systems. Cleveland, Memphis, Philadelphia, and Pittsburgh fit these criteria. The plan examines promising strategies and practices from these other cities that could be viable in Detroit, and provides a menu of recommendations in support of three goals that are central to a stronger CDC system in Detroit.

Recommendations

The overall goal of this plan is **to expand CDC capacity**. Building capacity leads to active CDCs that serve neighborhoods with missions and activities that respond to residents' needs. This overall goal includes two more specific goals:

- Clarify roles and relationships at the neighborhood level.
- Improve interactions between CDCs and the larger community development system—intermediaries, resource providers, and support organizations.

Specific recommendations support these goals and aim at increasing five types of CDC capacity:[1]

- Network – CDCs' ability to work with other organizations in the system.
- Political – CDCs' ability to understand the needs of their neighborhoods

and advocate for them.
- Resource – CDCs' ability to generate support via fees, grants, loans, etc.
- Organizational – CDCs' ability to manage their internal operations effectively.
- Programmatic – CDCs' ability to provide appropriate levels and types of services.

Chapter 4 describes the connection between strategies, practices, and these different types of capacity. Strategies and practices that CDAD and CDCs can implement to increase CDC capacity include:

CLARIFY ROLES AND RELATIONSHIPS AT THE NEIGHBORHOOD LEVEL

- Elevate the importance of community organizing. CDCs have their roots in community organizing, and reconnecting with these roots would strengthen CDC network and political capacities at the neighborhood level.
- Implement evaluation criteria to measure CDCs' success. The understanding of individual CDCs that all levels of the CDC system gain through a system for evaluating CDCs could expand the resource capacity of CDCs best suited for particular activities.
- Develop a neighborhood indicator system for identifying neighborhood development priorities. A neighborhood indicator system could expand the programmatic capacity of CDCs through better informing them on the needs of their neighborhoods.
- Structure a CDC-led response to geographic targeting. CDCs could improve their network and resource capacities if they could provide input from their perspectives to resource providers making targeting decisions.
- Consider strategies for CDC mergers and consolidation. Merging and consolidating CDCs when appropriate could strengthen the organizational and programmatic capacities of merging or consolidating CDCs, and possibly also the resource capacity of all CDCs in the system.
- Enhance peer awareness of activities. CDC awareness of the activities of other CDCs could improve CDC network, political, and programmatic capacities.
- Explore supplemental development resources in response to the current economic situation and diversify services that CDCs provide based upon neighborhood needs. Housing development is difficult in the current economic climate, but resources exist to support CDC development activities and keep this component of their resource capacity from diminishing. Additionally, neighborhoods need more than housing to become stronger, and CDCs can expand the programmatic capacity or their organizations by engaging in activities that serve needs beyond physical development.

DEVELOP AND IMPROVE INTERACTIONS WITH THE LARGER COMMUNITY DEVELOPMENT SYSTEM—INTERMEDIARIES, RESOURCE PROVIDERS, AND SUPPORT ORGANIZATIONS.

- Create a consortium that includes CDCs, intermediaries, city departments, foundations, banks and corporations in industry-wide planning processes and decision-making. CDCs can improve their networking capacity by increasing the opportunities available to work with other parts of the CDC system.
- Advocate for the formation of a local intermediary. A local intermediary might be in a position to fund CDCs based on a thorough understanding of local needs, expanding the resource capacity of Detroit CDCs.
- Continue discussions with the new director of the Planning and Development Department to influence reform of the CDBG allocation process. Working directly with the Planning and Development Department on this issue can improve the political capacity of CDCs.
- Lobby for an improved tax-credit policy to support CDCs. A tax credit policy that benefits CDCs could expand their resource capacity.
- Cultivate a system of advocacy spanning all levels of government. CDAD's advocacy efforts can help to expand all types of CDC capacities.

These recommendations represent a sample of options to consider for cultivating a stronger CDC system in Detroit. These ideas have been successful for organizations and systems in other cities that face similar challenges as Detroit.

Detroit's system has strengths but also faces political, financial, and organizational challenges. Strategies to address these challenges can focus on each component of the system in addition to the system as a whole. CDAD, the Futures Task Force, and CDCs can simultaneously address CDC capacity at the neighborhood and system-wide levels to strengthen Detroit's neighborhoods.

Summary Notes

1. Norman J. Glickman and Lisa Servon, "More than Bricks and Sticks: Five Components of Community Development Corporation Capacity," Housing Policy Debate 9:3 (1998): 503-504.

CHAPTER 1

INTRODUCTION

Detroit's community development corporations (CDCs) currently face a crisis. Factors such as mortgage and tax foreclosures, the weak economy, and the resulting loss in demand for housing have hit Detroit hard, and the city's residents urgently need help. CDCs' closeness to and knowledge of their neighborhoods places them at the crux of these problems, facing both opportunities and challenges. They are in an ideal position to strengthen Detroit's neighborhoods by dealing with poverty and other quality-of-life issues at the neighborhood level, yet must also reexamine their place in the greater community development industry.

Detroit's CDCs have traditionally sought to strengthen neighborhoods by providing quality housing for low- and moderate-income residents, while working on a range of other issues--community organizing, workforce development, commercial revitalization, youth programming, and others. The current loss in demand for housing and other new physical development, however, limits the ability of CDCs to provide some of these traditional services in their neighborhoods. Moreover, it reduces revenues for CDCs that have traditionally supported themselves with real estate development fees. Detroit's CDCs will need to find ways to further their missions and support themselves in the current environment. This could mean recognizing neighborhoods' changing needs with new forms of assistance, i.e. foreclosure counseling and creative forms of economic development. To advance these changes, CDCs may merge, form partnerships, and acquire new means of support to serve their neighborhoods and expand capacity.

Additional financial hindrances exist. CDC leaders note that foundations have less funds available due to the drop in the value of their endowments. Despite this challenge, at least one foundation has directed more giving to Detroit. Finally, targeted investments in neighborhoods by the Detroit Local Initiatives Support Corporation and various foundations have disadvantaged the community development organizations working in sections of the city that remain untargeted, according to CDC leaders. The criteria that form the basis for targeting should be addressed in future analyses of Detroit's CDC system.

The Community Development Advocates of Detroit (CDAD) formed the Community Development Futures Task Force (Futures Task Force) in late 2008 to "respond strategically to the core needs of CDCs struggling to serve neighborhoods in the current economic climate."[1] CDAD is a trade association for non-profit community development organizations in the city. Its primary mission is to advocate for policies that will strengthen Detroit's CDC industry and, in turn, its neighborhoods. In January 2009, the Community Development Futures Task Force asked students and faculty from the Urban and Regional Planning Program at the University of Michigan to prepare a plan to enable Detroit's CDC industry to emerge stronger and more effective in the current economic crisis.

Initial steps toward considering the issues addressed in this plan include examining the larger system of community development within which CDCs function and identifying CDCs' different roles in response to different definitions of community development.

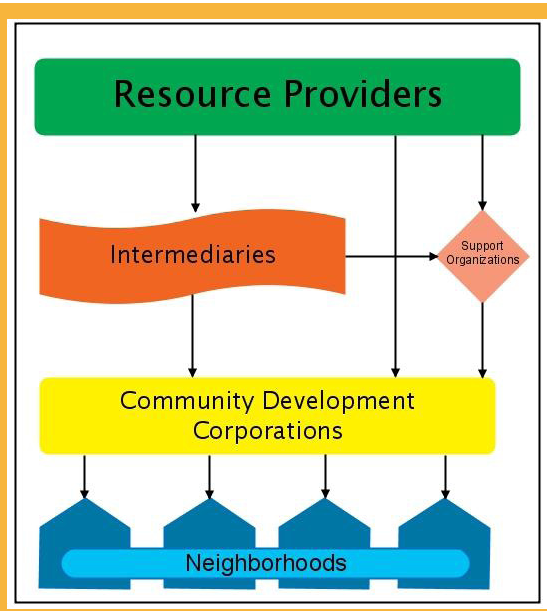


Figure 1.1: Basic Structure of a CDC Industry.[2]

Figure 1.1 illustrates the basic system that supports CDCs and their neighborhoods in most cities. This system includes CDCs themselves,

intermediaries, resource providers, and other support organizations. A version of this diagram describing Detroit's CDC industry in more detail appears in the next chapter.

According to one definition, CDCs are "a deliberate response to perceived inequalities in neighborhood quality and livability."[3] CDCs work to improve the quality and livability of their neighborhoods in three ways. The first is affordable housing development, which has historically been the activity with which people most commonly associate CDCs. The second is commercial development. And the third is community building, which includes community organizing and increasing opportunities and services for residents.[4] A 1999 survey of CDCs nationwide revealed the following hierarchy of completed programs, activities, and focuses: housing development, planning and organizing, homeownership programs, commercial and business development, workforce and youth programs, community facilities, and open space.[5]

This diversity of activities suggests that CDCs in some cities may embrace a more comprehensive approach to community development. "Comprehensive development" recognizes that needs are complicated and interrelated at the neighborhood level. Those seeking to address them "must take into account the whole range of issues and circumstances . . . in an equally comprehensive and integrated manner."[6] Development on this level can be physical, economic, or social. Thus, if CDCs have difficulty developing new housing in the current environment, they may still be able to address some neighborhood needs and support themselves by engaging in economic and social development. A problem with this approach to development, however, may be that the system that presently supports CDCs emphasizes physical development activities.[7]

CDCs sometimes let the expectations of their support system shape their activities; much of the support that Detroit's CDCs now receive assumes a definition of community development that lacks a comprehensive approach to cultivating healthier neighborhoods. Yet a strong CDC system can help its members influence their supporters to "consider community-based concerns in neighborhood development activities."[8] Where CDC support is currently tied to activities that do not address neighborhoods' most immediate needs, Detroit's CDCs may play a role in articulating these needs-- physical, economic or social--to their resource providers. Working toward a set of goals for strengthening the Detroit CDC system will help CDAD and its member CDCs reach a position to effectively advocate for more comprehensive development in Detroit's neighborhoods.

This plan identifies three goals -- one overarching and two more specific -- for CDAD and its members to strengthen Detroit's CDC system. These goals serve as the basis for specific recommendations that CDAD could choose to implement to help strengthen the CDC system in Detroit. Both Goal 1 and Goal 2 contribute to expanding Detroit CDCs' capacity and creating a stronger system.

Overarching goal: Expanding CDC capacity speaks to CDCs' abilities to form productive relationships, advocate for their communities, garner resources, organize themselves, and provide a comprehensive set of services.[9]

Goal 1: Clarifying roles and relationships at the neighborhood level addresses the CDAD Futures Task Force's aim to define the role of key entities engaged in community development in Detroit.

Goal 2: Developing and improving relationships within the larger CDC system addresses the Futures Task Force's aim to increase support for CDCs through CDCs' and CDAD's interactions with resource providers and support organizations.

The following three chapters address these goals in relation to Detroit's CDC system.

Chapter 2 describes the present CDC system in Detroit.

Chapter 3 outlines CDC systems in other cities whose economies resemble Detroit's but that have stronger CDC systems.

Chapter 4 recommends specific steps CDAD and its member CDCs can take to meet the plan's goals. These recommendations are based on an assessment of the CDC systems in Detroit and other cities, and on CDC industry research across the country. These recommendations could help achieve the three goals for adapting Detroit's community development system to current conditions.

Chapter 1 Notes

1. Public Policy, Community Development Advocates of Detroit, [online] http://www.detroitcommunitydevelopment.org/policy.html, [accessed]: 03.29.09
2. Based on a diagram of CDC systems by Avis Vidal, 01.09.09
3. Avis C. Vidal, "Reintegrating Disadvantaged Communities into the Fabric of Urban Life: The Role of Community Development," Housing Policy Debate 6:1 (1995): 208-209.
4. Ibid. 211-13.
5. Christopher Walker, "Community Development Corporations and Their Changing Support Systems," Washington DC, The Urban Institute Metropolitan Housing and Communities Policy Center (2002).
6. Robert J. Chaskin, Mark L. Joseph, Selma Chipenda-Dansokho, "Implementing comprehensive community development: Possibilities and limitations." Social Work 42:5 (Sep 1997), 435-444.
7. Avis C. Vidal, "Can Community Development Re-Invent Itself?: The Challenges of Strengthening Neighborhoods in the 21st Century," Journal of the American Planning Association63: 4 (Dec 1997), 430-431.
8. J.S. Yin, "The Community Development Industry System: A Case Study of Politics and Institutions in Cleveland, 1967-1997," Journal of Urban Affairs 20:2, 138.
9. Nancy Nye & Norman J. Glickman, "Working Together: Building Capacity for Community Development," Housing Policy Debate 11:1, 163-198.

Chapter 2
Detroit's Community Development System

Source of Revenue	Amount $ (000)
Donations (banks)	214.0
Contributions	9.4
City – CHDO	54.9
City – CDBG (associated with NOF)	25.0
Developer fees	435.0
Foundations	59.6
NIP Grant	336.8
Neighborhood Opportunity Funding (NOF) for public service & counseling	21.0
Other	73.8
Total Revenue	**$1,229.7**

Table 2.1 – A Sample Detroit CDC's Revenue in 2005[1]

Introduction

Detroit's community development system faces a crisis. Community development corporations (CDCs) have lost substantial amounts of funding. CDCs face a market where they can no longer develop housing because financing is not available for homebuyers and the recession has reduced demand for new housing. These factors mean that CDCs cannot build new projects, cannot sell existing homes, and have therefore lost a significant amount of income from developer fees. As table 2.1 shows, developer fees could make up 30% to 40% of a Detroit CDC's annual revenue.

Furthermore, foundations have lost considerable value in their endowments and consequently have less money for grants – another major source of income for CDCs. Financial institutions, too, have limited funds and have decreased non-profit and community development support.

The industry faces each of these perils at the same time that neighborhoods need strong CDCs more than ever. This chapter describes the state of Detroit's community development industry in 2009. The industry includes community development corporations, intermediaries, resource providers such as federal, state and local governments, financial institutions, philanthropic foundations, and organizations that supply technical expertise. Each participant plays a different role within the industry. Discussion of the roles and functions of the industry's components reveals the industry's strengths as well as the challenges it faces. This examination of the industry suggests strategies and opportunities for resolving the crisis facing the industry. Chapter 4 will describe these strategies and opportunities in greater detail.

The Detroit CDC System

The CDC system is different in every city, but most have four general elements. **CDCs** themselves, with their connections to neighborhoods, are the basis of a CDC system. Many systems have, as their second element, at least one **intermediary** that channels funding and other resources to CDCs. All CDC systems have a group of broadly defined **resource providers** that contribute funding, either directly or through an intermediary, and in some cases other types of assistance to CDCs. The fourth element of a CDC system includes **organizations that support CDCs** through advocacy, training, or other services. While most CDC systems have these four elements, the actual organizations that make up each element vary from city to city. Figure 2.1 outlines the CDC system in Detroit.

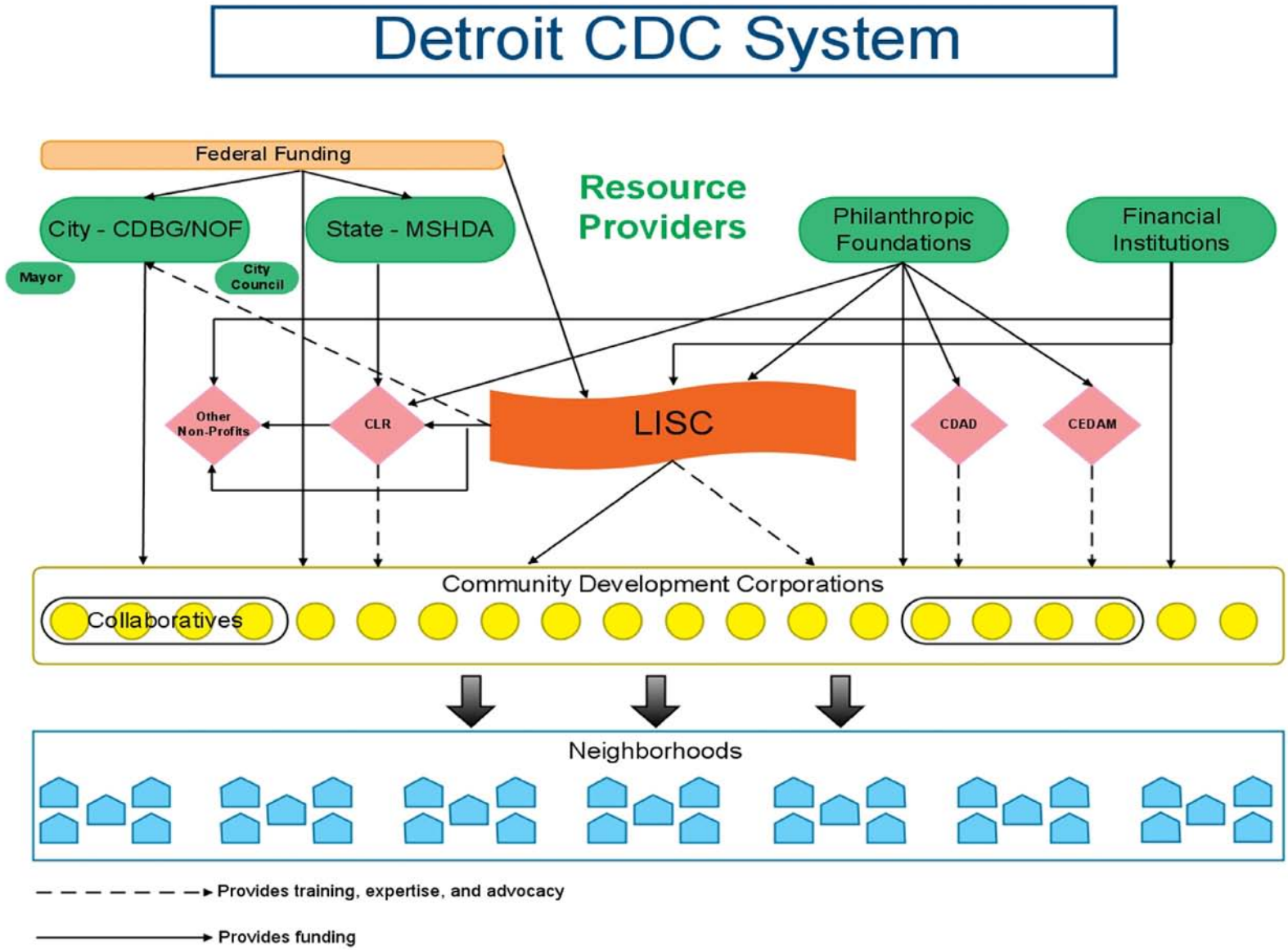


Figure 2.1 – The Detroit CDC System[2]

Community Development Corporations

This section describes Detroit CDCs' activities, locations, staff levels, budgets, and collaborations. CDCs are non-profit organizations that focus on specific geographic areas, but different parts of the CDC system may have different ideas about the "specific geographic areas" that a CDC can claim to serve. Some within the CDC system may recognize organizations that claim to serve the whole city as CDCs, while others may argue that more neighborhood-based organizations are the true CDCs by definition. Defining CDCs is an issue that the different elements of the CDC system in Detroit may seek to agree on as part of the goal of clarifying roles and relationships at the neighborhood level. The term "CDC" in this plan includes any organization in Detroit that defines itself as a CDC.

Detroit CDC Activities

The activities that Detroit CDCs engage in vary. Figure 2.2 shows the most common activities of 32 surveyed CDCs in Detroit based on their responses to a survey of CDAD members that Community Legal Resources conducted in 2008. The survey listed the activities; respondents selected those that applied to their CDCs. Respondents also had the option of selecting "other" and writing a response; thirty-three percent did so and listed various activities.[3]

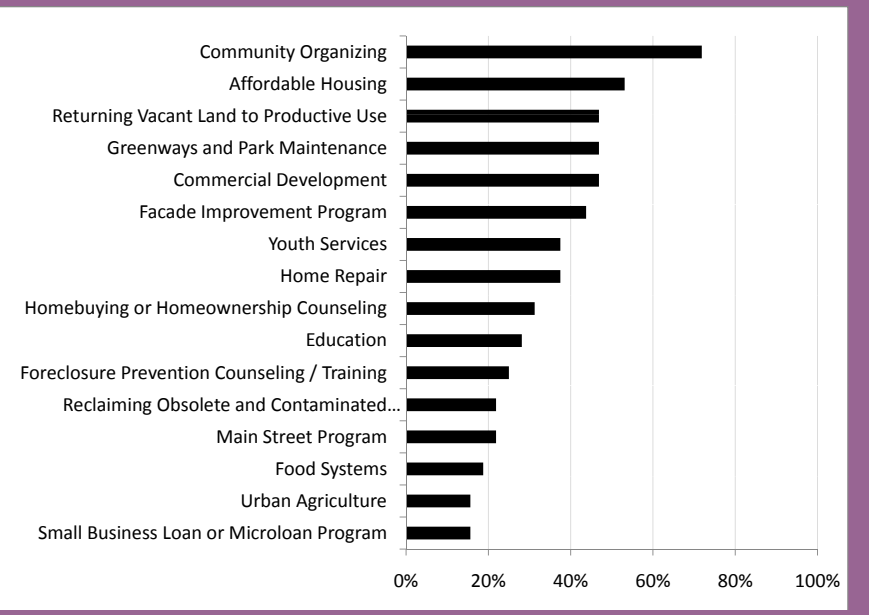


Figure 2.2 – Common Services Detroit CDCs Provide[4]

Survey findings show that CDCs in Detroit commonly engage in physical development. About 53% of the 32 CDCs that responded to the CDAD member survey listed affordable housing as one of their activities; about 47% did commercial development; and about 47% had programs for "returning vacant land to productive use."[5] These percentages may, however, reflect the activities that these CDCs have traditionally undertaken rather than work that they are currently doing. A theme in recent interviews with several CDCs was that housing development is a low priority in the current economic climate.[6]

The same interviews also suggest that Detroit CDCs now offer counseling on preventing home foreclosures more often than Figure 2.2 implies. This reflects the difficulty of getting credit, both for CDCs and potential homeowners, that has complicated developing new units of housing. On the other hand, engaging in non-housing related activities may prove difficult for CDCs if most of CDCs' revenues are tied to housing development, both in terms of funding from funders and developer fees.

Seventy-three percent of the CDCs that responded to the CDAD member survey listed community organizing as one of their activities. This shows the connection that CDCs have to the areas that they serve. This connection puts CDCs in a better position than city wide agencies in knowing the most pressing needs of their service area and tailoring their activities to address them.

Detroit CDC Boundaries

The maps in Figure 2.3 and Figure 2.4 show the boundaries of 67 Detroit CDCs as reported on their CDAD membership applications from 2005 to 2007. Some CDCs on these maps may no longer exist, and some boundaries may have changed during the three year period. Figure 2.5 shows poverty rates in Detroit in 1999 by census tract. Comparing Detroit's poverty map to its neighborhood-based CDC coverage (Figure 2.3) shows that many areas with high poverty have less CDC coverage than areas with lower poverty levels. Figure 2.4 shows the citywide CDCs that may serve these high poverty areas that lack local CDCs. These maps also show that the boundaries of two

or more CDCs overlap in some areas of the city. Boundary overlap is most apparent in the central, southeast, and southwest areas of the city.

Detroit CDC Staff Levels

Most Detroit CDCs have small staffs. Figure 2.6 is a graph of 28 surveyed CDCs organized by number of employees. This graph shows that CDCs in Detroit generally do not have large capacity in terms of employment, although the graph may not include part-time staff and does not include volunteer labor.

Detroit CDC Budgets

A graph of CDC revenues (Figure 2.7) paints a picture similar to that of the graph of CDCs by number of employees above. Most CDCs had less than $500,000 in revenue in 2008. Since their funding is generally low, CDCs may find it difficult to take on more costly projects. CDCs could increase staff size and project size if they received more funding.

Detroit CDC Collaborations

The diagram of the CDC system in Detroit (Figure 2.1) shows black ovals surrounding several of the individual CDCs. These ovals represent collaborations among CDCs.

Two primary collaborations of CDCs exist in Detroit. The Detroit Eastside Community Collaborative (DECC) has 18 CDCs as members.[12] DECC's general mission is to "improve Detroit's eastside" through assisting its member organizations with capacity building, information, and coordination of development strategies.[13] Southwest Detroit Development Collaborative (SDDC) is open to residents, businesses, CDCs within its boundaries, and other organizations not located within the collaborative boundaries but that "support the mission and goals" of the SDDC.[14] SDDC's purpose is to "act as a collective voice for its members" and facilitate their collaboration on development in southwest Detroit.[15]

Detroit CDC Affiliations

Southwest Housing Solutions (SWHS), a CDC located in southwest Detroit, is a NeighborWorks affiliate. NeighborWorks is "a nationwide network of more than 242 community development organizations working in nearly 4,358 urban, suburban and rural communities across America. These organizations engage in revitalization strategies that strengthen communities and transform lives."[16] The NeighborWorks system includes national and local partners that provide technical assistance and training toward community development efforts.[17]

Intermediary

Intermediaries act as "bridges between community-based development organizations and the potential supporters of community-based development... intermediaries identify and promote intersections of interest. They serve as a point of connection and, in effect, as a means to an end."[18] The Local Initiatives Support Corporation (LISC) is a national intermediary with an office in Detroit.

National LISC

The Ford Foundation formed LISC in 1980 to "help community residents transform distressed neighborhoods into healthy and sustainable communities of choice and opportunity... with: (1) loans, grants and equity investments, (2) local, statewide and national policy support, and (3) technical and management assistance."[19] LISC currently oversees 28 local offices[19] and two affiliates nationwide[20] (for more about LISC affiliates, see PPND, Pittsburgh Case Study, Chapter 3). Detroit LISC's mission is closely aligned to national LISC's, and its ties to national LISC mean it benefits from national level fundraising, grant making, research, and advocacy.[21] It also has access to specific national LISC initiatives with varying levels of applicability to Detroit's CDC system.

Detroit LISC

Within the Detroit CDC system, Detroit LISC acts as a conduit between the city's CDCs and the entities seeking to support community development. LISC supports CDCs by providing funding for some of their operations and programs. It also offers research and advocacy at the municipal and national levels, training, and technical assistance to CDCs and other non-profits.

Detroit LISC's primary method of supporting Detroit's CDC industry is as a substantial, high-risk lender for both non-profit and for-profit projects. It also allocates loans and grants to CDCs and other non-profits throughout Detroit based on various initiatives and criteria.

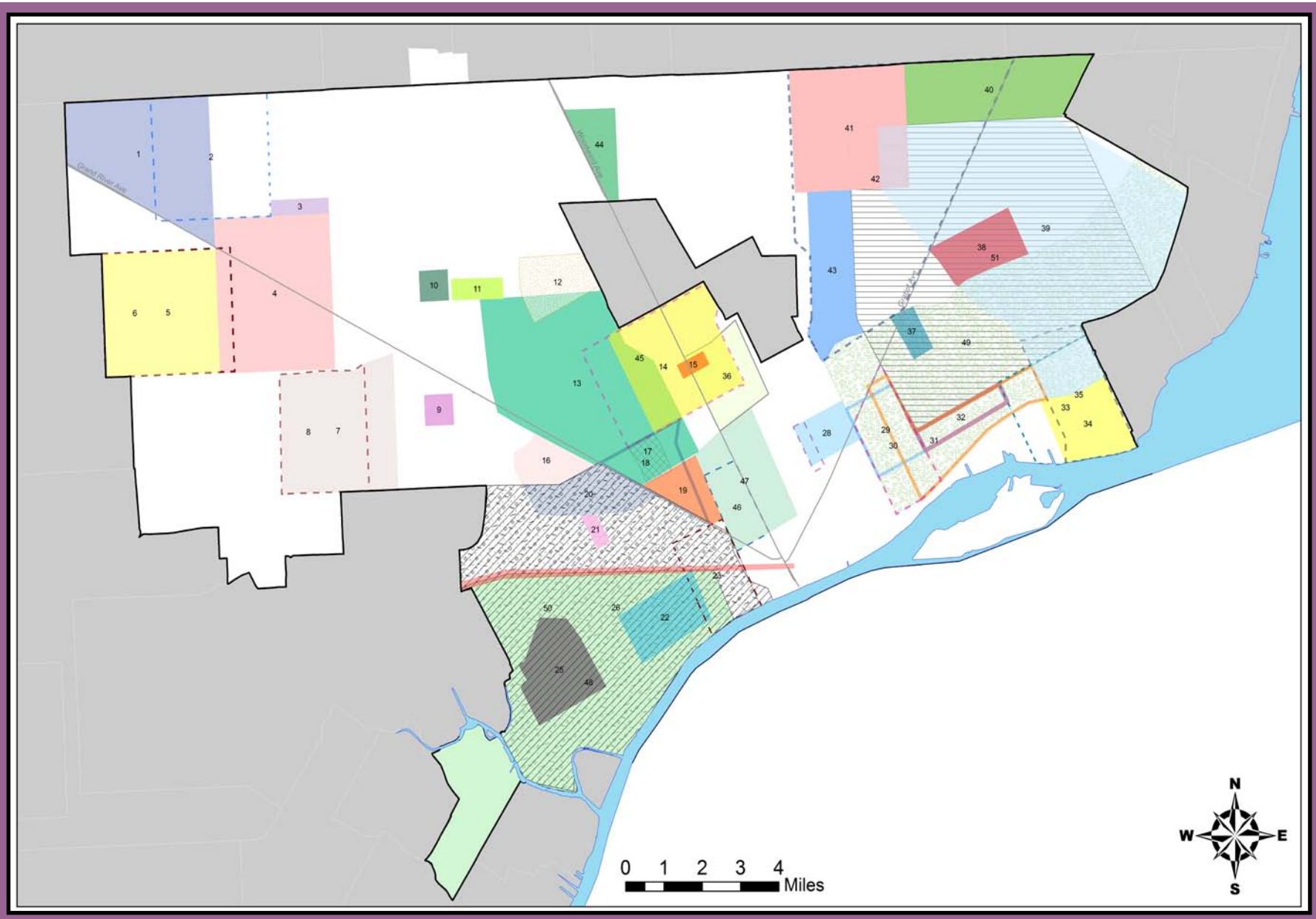


Figure 2.3 –CDAD Member Boundaries, 2005-2007[7]

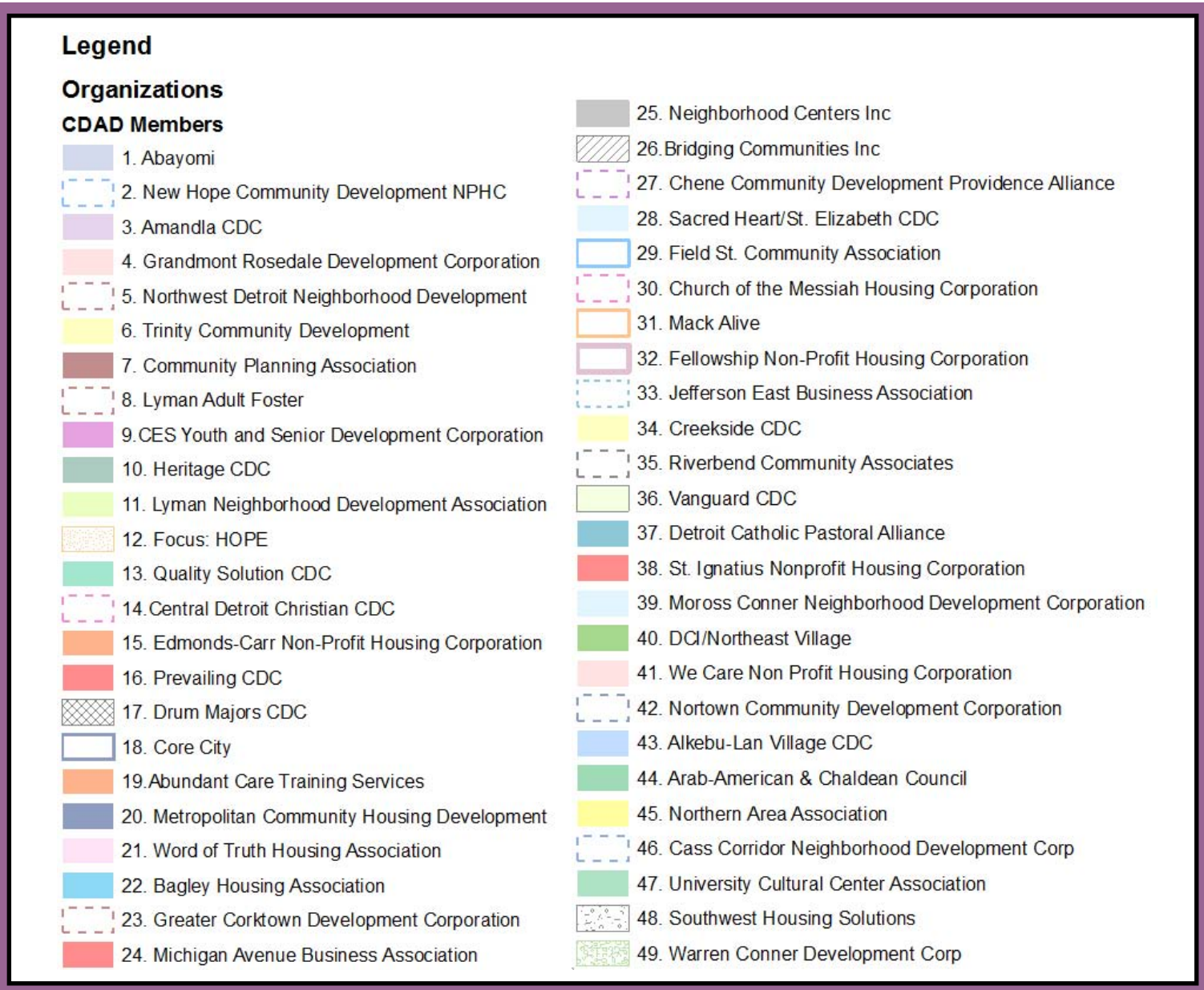
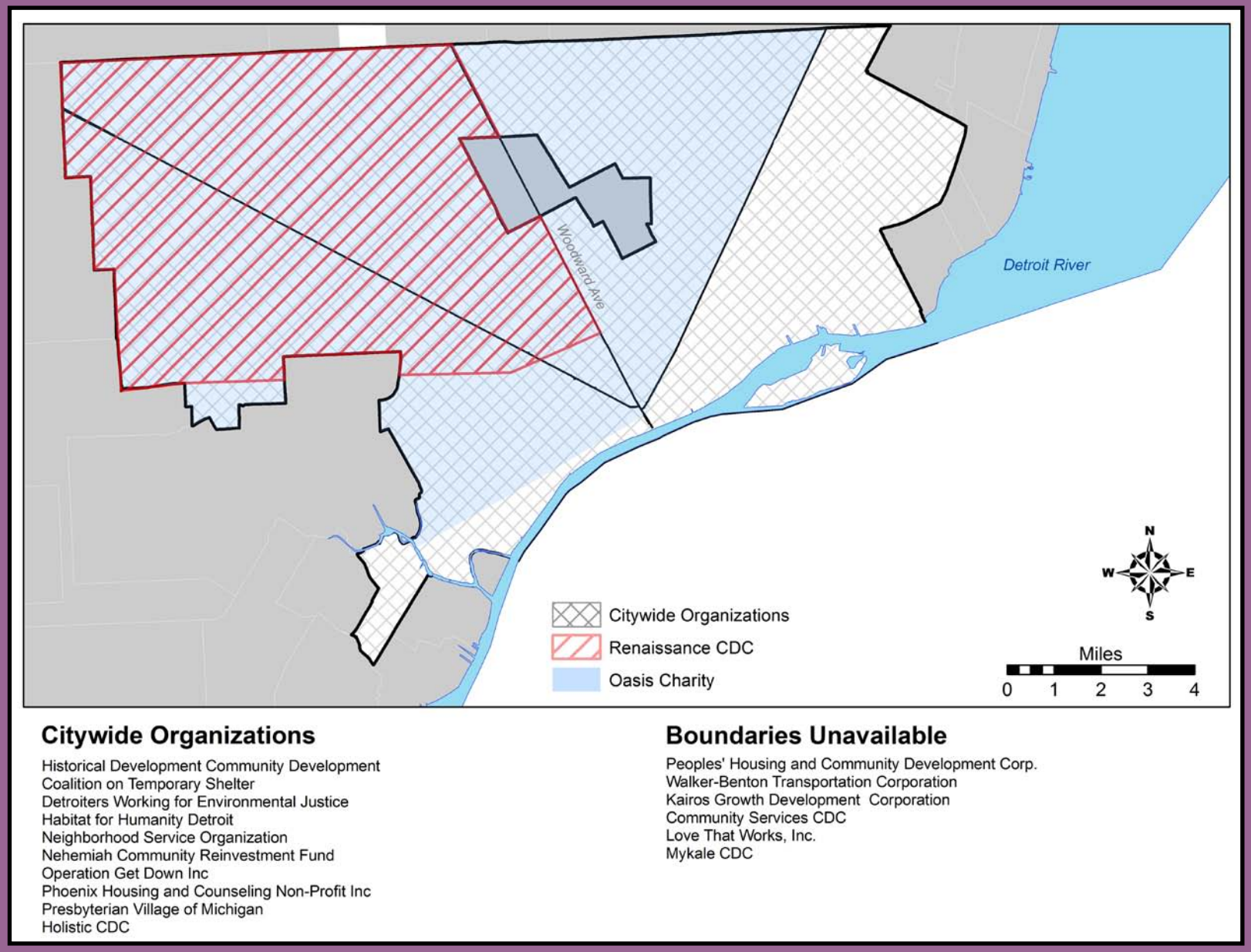


Figure 2.3 –CDAD Member Boundaries, 2005-2007[7]



Citywide Organizations

Historical Development Community Development
Coalition on Temporary Shelter
Detroiters Working for Environmental Justice
Habitat for Humanity Detroit
Neighborhood Service Organization
Nehemiah Community Reinvestment Fund
Operation Get Down Inc
Phoenix Housing and Counseling Non-Profit Inc
Presbyterian Village of Michigan
Holistic CDC

Boundaries Unavailable

Peoples' Housing and Community Development Corp.
Walker-Benton Transportation Corporation
Kairos Growth Development Corporation
Community Services CDC
Love That Works, Inc.
Mykale CDC

Figure 2.4 – CDAD Members that Cover Most or All of Detroit 2005-2007[8]

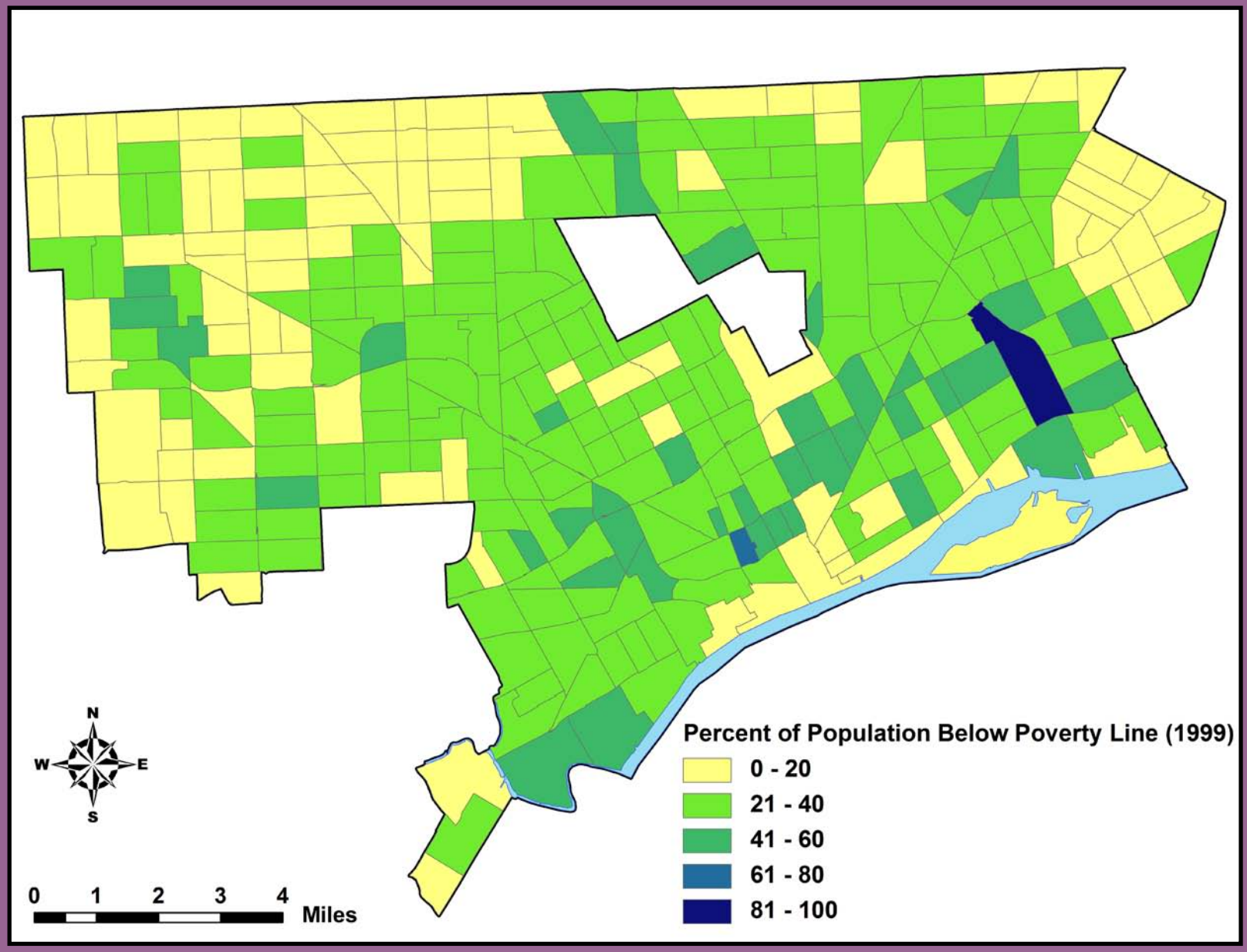


Figure 2.5 – Percent of Poverty, Detroit, 1999[9]

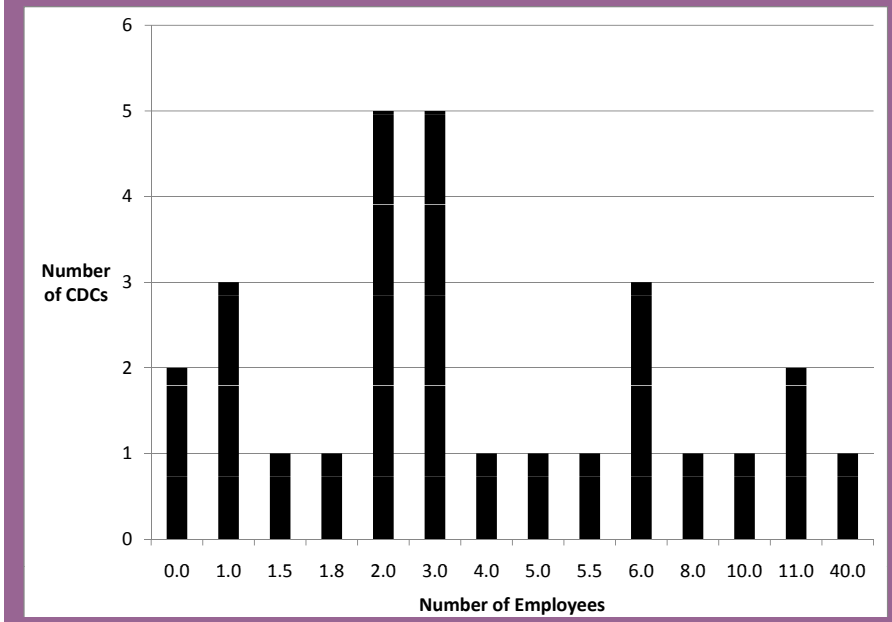


Figure 2.6 – Surveyed Detroit CDCs by Number of Employees[10]

As of February 2009, 12 full-time staff members offered both technical and geographic expertise. A LISC employee works with each of the organization's five targeted geographic areas, while employees also specialize in certain types of community sustainability initiatives such as physical development, crime and safety programs, and the support of social infrastructure.

Since 1990 Detroit LISC has invested approximately $125 million toward community development in the city. Local and national foundations, national LISC, and the U. S. Department of Housing and Urban Development (HUD) are Detroit LISC's primary funders. Detroit LISC also supports its operations with revenues from its lending.[22] The Kresge, Kellogg, Skillman, Hudson-Webber, Knight, and McGregor foundations are the most prominent foundations that fund Detroit's community development industry through LISC. Detroit LISC also oversees earmarked allocations through national LISC[23] from the Ford Foundation, an international foundation based in New York City,[24] and HUD Section 4 and Living Cities funds. Section 4 grants flow directly from HUD to Detroit LISC (and other community development intermediaries nationwide) "to develop the capacity and ability of non-profit community development corporations (CDCs) to undertake community development and affordable housing projects."[25] The Living Cities initiative (formerly the National Community Development Initiative, or NCDI), a national collaborative of foundations and philanthropic organizations with the goal of "a new approach to aggregating capital to benefit low-income communities," channels its funds largely through LISC and Enterprise.[26]

With the combination of these funds, Detroit LISC currently provides operating support to 16 CDCs, some but not all of which are CDAD members, and other non-profits located within five geographic areas of the city known as Strategic Investment Areas (SIAs), indicated in Figure 2.8. Detroit LISC also channels funding to CDCs and other non-profits outside of these SIAs in order to fulfill the larger missions of the organization and its funders.

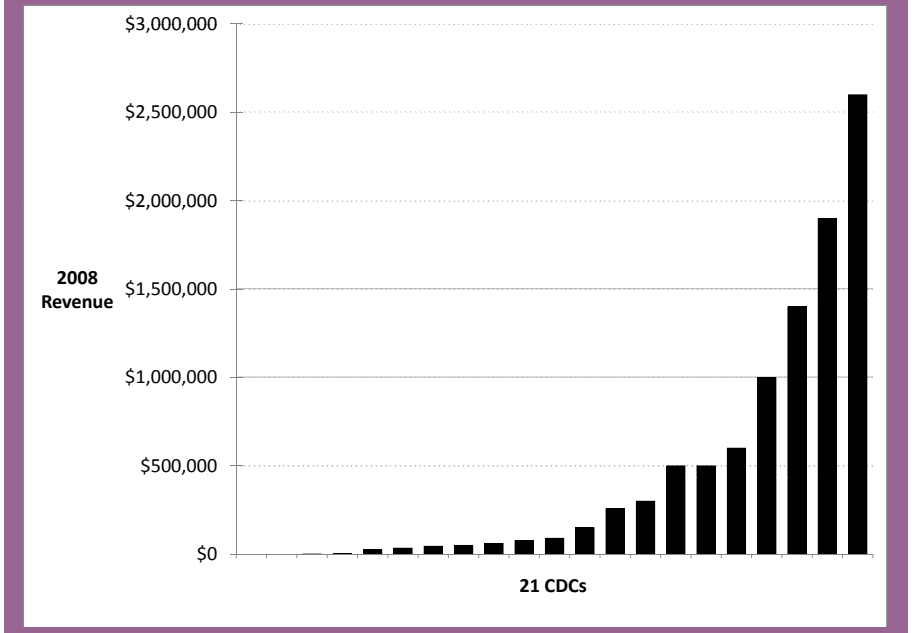


Figure 2.7 – Detroit CDC budgets, 2008[11]

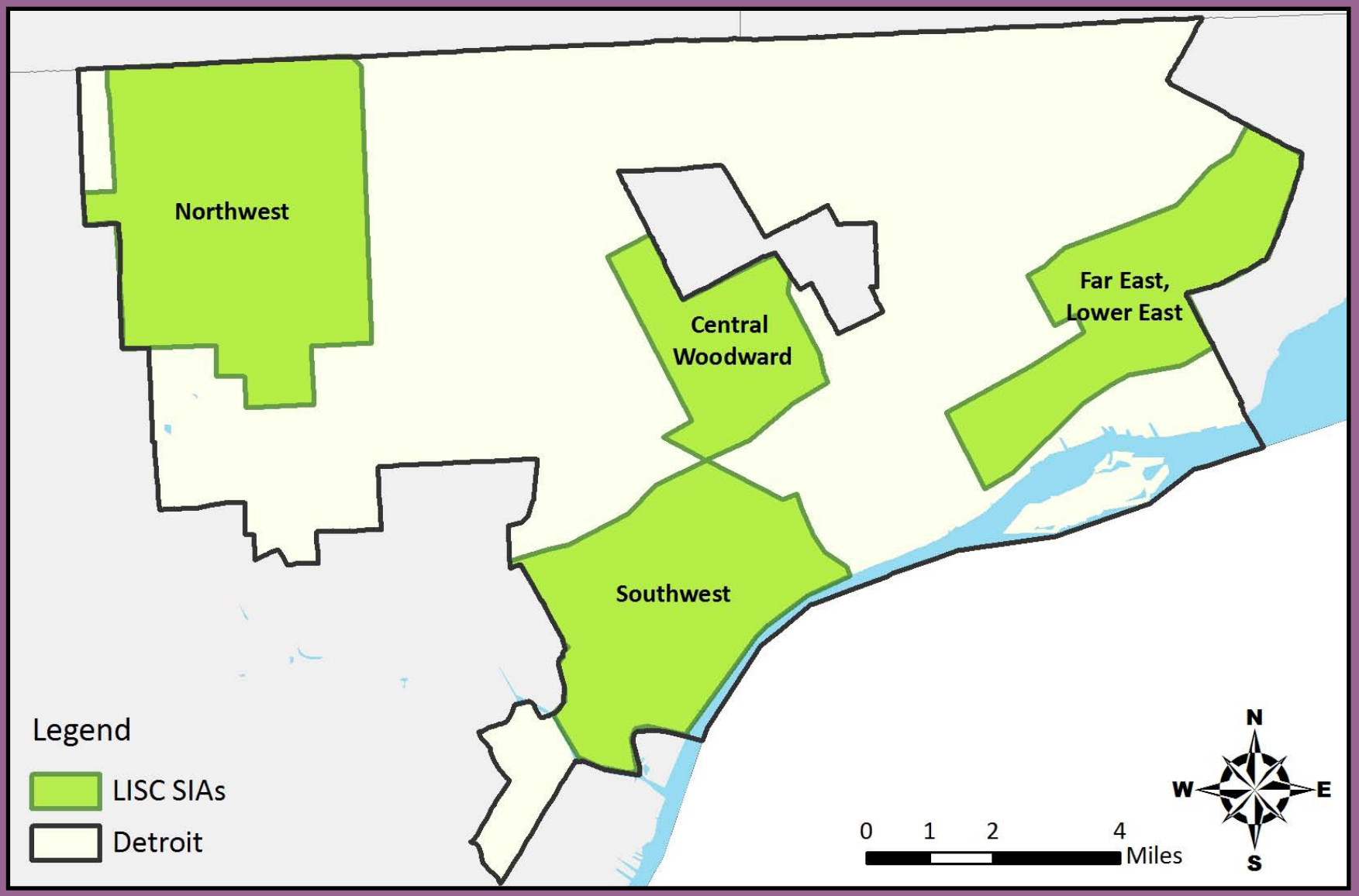


Figure 2.8 – Detroit LISC Neighborhoods NOW Strategic Investment Areas, 2007[27]

Detroit LISC's mission—"to develop strategic relationships that serve as the catalyst to empower neighborhood developers, using our financial and technological resources to build economically viable neighborhoods"[28]—is currently expressed in five Comprehensive Sustainable Community Development (CSCD) goals. A combination of its mission and these goals guide its current funding allocations with the following objectives:

- Increasing family income and wealth
- Stimulating local and regional economic activity
- Developing, preserving, and investing in the physical environment
- Improving access to quality education
- Fostering livable, safe, and healthy environments

Detroit LISC's executive director, Deborah L. Younger, stresses that implementing strategies to create sustainable neighborhoods and communities is what drives LISC's mission. CDCs and other non-profit community development partners are critical to the neighborhood delivery system. Detroit LISC invests in these partners to deliver the services that create healthy and sustainable neighborhoods.

This perspective and the way it guides LISC's current funding allocations has shifted from the way Detroit LISC interacted with the city's CDCs for the first 15 years of its existence. In the early 1990s LISC acted primarily as a lender to CDCs, infrequently supplementing loans with grants. In the mid-1990s LISC began allocating funds through programs with specific goals and continues to do so today. The following initiatives describe how LISC has targeted funding over the past two decades.

Table 2.2 further illustrates LISC's historic and current investment in the Detroit CDC industry by showing patterns in LISC's total, loan and grant funding over the past two decades in nominal dollars. LISC's total investments and loans per year increased through 2007, totaling $126.7 million in total investments that represent 105[29] Detroit non-profits since 1990. The numbers in this table, provided by LISC in April 2009, do not distinguish between funding allocations to CDCs and to other non-profits. Additionally, the grant figures do not include the number of CDCs funded per year nor funding for capacity-building, technical assistance, public policy and other activities, making it difficult to assess exactly how LISC'S types of funding and funding level per CDC have changed over time.

Selected Detroit LISC Initiatives

- 1996 – 2001 | Funders' Collaborative Round 1 (FCR1)
  - Duration: 5 years
  - Participating CDCs: 15-16
  - Goal: "Improve capacity and productivity of individual community development organizations and to strengthen the larger citywide system for responding to the community development needs in the city's neighborhoods."[30]
- 2001 – 2004 | Follow-up: Funders' Collaborative Round 2 (FCR2)
  - Duration: 3 years
  - Participating CDCs: 12
  - Goal: "Demonstrate that with continuing support [CDCs and other non-profits] would be able to further stabilize their operations, which would result in an increase in their real estate production capability."[31]
- 2004 – Present | Neighborhoods NOW
  - Duration: Continuing
  - *Initiating* CDCs: 16
  - Goals, divided into four strategies:[32]
    - Organizational development and capacity building
    - Public policy and land use
    - The Metro Detroit Regional Investment Initiative (MDRII, though this title is outdated) focusing on development in three "gateways" between Detroit and its inner ring suburbs
    - The Detroit Strategic Investment Areas (referenced in Figure 2.8) initiative, which targets five Detroit areas: Far/Lower East, Northwest, Southwest, and Central Woodward
- Late-2008 – 2011 (Projected) | Emergency "Business Plan" funding
  - Duration: 3 years
  - Participating CDCs: 16, subject to change[33]
  - Goal: "Provide financial and technical support to our partner CDCs to assess their current state, build their organizational capacity, and restructure/retool them to respond adequately to the current crisis and build a sustainable future."[34] Funding will be focused on neighborhood development criteria drawn from SIA neighborhood plans and national LISC's CSCD goals.

Program	Year	Number of Targeted CDCs per Initiative	Total Investment (millions)	Loans (millions)	Grants (millions)	Average LISC Grant Money Allocated per Year per Initiative
	1990		$5.5	$4.5	$1.0	$200,000
	1991					
	1992					
	1993					
	1994					
	1995		$21.8	$12.5	$9.3	$1,550,000
Funders Collaborative, Round 1	1996	16				
	1997					
	1998					
	1999					
	2000					
Funders Collaborative, Round 2	2001	12	$23.9	$15.8	$8.1	$2,025,000
	2002					
	2003					
Neighborhoods Now & Current	2004	18				
	2005		$45.5	$38.6	$6.9	$2,300,000
	2006					
	2007					
	2008		$30.0	$27.6	$2.1	$2,100,000
	2009	16				
	2010					
Totals			***$126.7***	***$99.0***	***$27.4***	***$1,442,105***

Note: "Total Investment" includes grants, loans, equity, recoverable grants, lines of credit and guarantees. "Loans" includes equity, recoverable grants and lines of credit. "Grants" includes grants only, and does not include investment in capacity-building, technical assistance, public policy and other activity supported by Detroit LISC. Not included: investment in capacity-building, technical assistance, public policy and other activity supported by Detroit LISC.

Table 2.2- Detroit LISC's Investment in the Community Development Industry[29]

Foundations often use LISC as a channel through which to direct funds in order to realize their community development missions, and Detroit CDCs have long relied on LISC's funding allocations and training for both operational and program support. CDCs receive funding from a number of sources besides LISC, i.e. the city government, foundations, MSHDA, and developer's fees.[35] Yet LISC, as Detroit's sole intermediary, remains especially influential in the way it affects funders' perceptions of the CDC industry and CDCs' perceptions of the avenues through which they receive support for operations, programming, and training. Citing inconsistencies in CDC capacity throughout the city, and a prevalence of sluggish systems (i.e. the Planning and Development Department's CDBG allocation process as noted in the Resource Provider section of this chapter), Detroit LISC has defined a relatively top-down approach to funding community development in the city. LISC's strong presence in Detroit suggests that its current and future policies will greatly influence the future direction of the Detroit CDC industry.

Support Organizations

Support organizations are integral to the success of Detroit's CDCs and the overall system. Support organizations provide technical assistance, knowledge, and networks.

Community Development Advocates of Detroit (CDAD)

CDAD is the trade association for non-profit development organizations in Detroit.[36] CDAD advocates for its members with the goal of "enhancing the capacity and effectiveness of Detroit CDCs."[37] CDAD membership gives CDCs a chance to work together and network. CDAD also offers training for CDC staff through its "Advance Executive Training Program."[38] The Advance training sessions are "a unique series of trainings, symposiums and one-on-one coaching" and are free for CDAD members.[39] CDAD members are also automatically members of CEDAM, which advocates for CDC interests in the state of Michigan as a whole.[40]

The Community Economic Development Association of Michigan (CEDAM)

CEDAM is the trade association for "community and economic development interests" at the state level.[41] CEDAM has four committees that deal with different aspects of assisting CDCs and other organizations involved in community development. The first of these, the Public Policy Committee, advocates for policies at the state and local levels that will benefit CDCs. The Membership Services Committee provides services, such as access to low-cost insurance and networking opportunities for CEDAM members. CEDAM also has a Training and Technical Assistance Committee that connects CDCs with statewide and national CDC system resource providers. Finally, the Economic Development Committee assists CDCs with commercial and real estate development activities.[42]

Community Legal Resources(CLR)

Based in Detroit, CLR provides free legal resources to non-profit community organizations throughout Michigan. Their mission involves the provision of "pro bono legal representation for unfulfilled legal needs of non-profit community organizations in Michigan that serve low-income individuals and communities, with an emphasis on community economic development activities."[43] CLR receives funding from corporate donors, financial institutions, non-profit organizations, Michigan law firms, and individual lawyers and citizens throughout the region.

CLR conducted ten educational seminars in 2008 with content ranging from organizational strategy to non-profit filing requirements.[44] In conjunction with the educational seminars, CLR assists CDCs and other non-profit organizations with support that includes:[45]

- Issues requiring a skilled lawyer
- Hiring and firing employees
- Real estate acquisition
- Tax filing

CLR provides support services associated with affordable housing, community and economic development, and social services for CDAD members and other CDCs throughout the state. CDAD members who received CLR's services in recent years include Grandmont-Rosedale Development Corporation, Jefferson East Business Association, Southwest Detroit Business Association, and Coalition for Temporary Shelter (COTS).[46]

Detroit Vacant Property Campaign

CLR operates the Detroit Vacant Property Campaign (DVPC) which is "building a coalition of community groups, non-profit organizations [including CDCs], government officials, and business leaders… to enhance the future of Detroit's neighborhoods."[47] The DVPC is an initiative of Detroit LISC that seeks "solutions to reduce the negative effects of vacant property" by providing planning and technical assistance, community education and outreach, and policy and system reforms.[48]

Next Detroit Neighborhood Initiative

The Next Detroit Neighborhood Initiative (NDNI) is a non-profit that participates in the coordination of projects to strengthen the physical, economic, and social assets within neighborhoods. In this sense, their goals often coincide with those of a CDC. The organization often provides CDCs and other community-based organizations (CBOs) with networking and programmatic support in six Detroit neighborhoods. The organization estimates that it serves roughly 45% of the city's population in some capacity.[49] NDNI's targeted neighborhoods are:

- **7 Mile/Livernois & East English Village.** NDNI seeks to **Reinforce** stable neighborhoods with high home-ownership.[50] NDNI facilitates links to funders for programs such as public works improvements and community policing in these neighborhoods.
- **Grand River / Greenfield & Osborn.** NDNI seeks to **Revitalize** these neighborhoods by assisting with programs that address "negative economic and social trends"[51] in the presence of an otherwise stable housing stock.
- **Brightmoor & North End.** NDNI seeks to **Redevelop** these neighborhoods by assisting in the development of creative new land use strategies in areas dealing with severe blight, uninhabitable housing, and considerable vacant land.[52]

NDNI focuses on coordinating resources and facilitating stakeholder networking within its targeted neighborhoods. Its nine staff members, six of whom manage NDNI's six targeted areas, also engage in small re-granting initiatives to CDCs and CBOs for a wide range of programs. In addition to re-granting, NDNI coordinates relationships between neighborhoods and resource providers for programs associated with neighborhood safety, minor home repair, public works projects such as streetlight installation and repair, and streetscape and façade improvements.[53] The organization views itself as a "roadmap for funding solutions" within its neighborhoods.[54]

NDNI currently works with some of the CDCs that receive grants from the city's Office of Neighborhood Commercial Revitalization. The staff help recipient CDCs coordinate with city departments such as Planning and Development and Engineering. Most of NDNI's coordination efforts involve CBOs such as block clubs, churches, and neighborhood associations rather than CDCs.[55]

NDNI was a city agency within the Mayor's office until 2008, when it became a non-profit. The initiative has retained the targeting concept and areas throughout its organizational shifts, yet views its targeted areas as test markets for neighborhoods throughout the city. In 2009, NDNI expects to serve in a project management capacity for each of its six targeted neighborhoods with respect to the Neighborhood Stabilization Program (NSP) grants.[56]

Resource Providers

As the Detroit CDC system diagram illustrates, several resource providers funnel funds through LISC or directly to CDCs. The main resource providers in Detroit include the City of Detroit, the Michigan State Housing Development Authority, philanthropic foundations, and financial institutions.

City of Detroit

Detroit's city agencies serve multiple roles within the CDC system. Most roles are associated with funding and administrative provisions that support CDCs. The city oversees the disbursement of Community Development Block Grants and HOME funds from the US Department of Housing and Urban Development. The city allocates funds to CDCs and other non-profit organizations for activities including physical development (i.e. - acquisition of land and buildings, demolition, and construction), home rehabilitation, or public services.[57] The Planning and Development Department (PDD) supports the mayor's office in administrative and enforcement capacities associated with the CDBG awards process while the City Planning Commission (CPC) supports City Council's legislative efforts to evaluate proposals. The mayor's office also oversees the Office of Neighborhood Commercial Revitalization.

The city also provides non-monetary resources that support the CDC system. CDCs often acquire property from Detroit's supply of tax-reverted land for physical development projects. When CDC projects take place in areas the city has designated as urban renewal zones, an advisory body of local constituents known as Citizens' District Councils engage in the development process. See below for more information on Citizens' District Councils.

Community Development Block Grants (CDBG)

The City of Detroit refers to its CDBG grant program for non-profit organizations as the Neighborhood Opportunity Fund (NOF) program. Originally intended to separate short-term, one-year grants such as minor home repair or public facility rehabilitation from long-term physical development projects that require funding over multiple years, NOF has become the program through which CDCs receive funding for the following major activities regardless of expected duration:[58]

- Public services/homeless public services
- Home repair
- Development
- Public facility rehabilitation

CDCs compete with other non-profit and community-based organizations for a limited amount of CDBG/NOF funding. For Fiscal Year 2009 Detroit received $42,781,292 in federal CDBG funding.[59] Table 2.3 shows a breakdown of how the city distributed these funds:

2008-09 CDBG Allocation	Amount	% of Total	% of NOF
NOF	$12,025,833	28%	
CDAD Members	$3,449,900	8%	29%
Other Non-Profits	$8,575,933	20%	71%
Loan Repayment	$4,082,464	10%	
City Projects	$9,454,424	22%	
City Staff	$17,218,571	40%	
Total	***$42,781,292***		

Table 2.3 - CDBG Allocations, Detroit 2008-2009[60]

CDAD members received 8% of the Fiscal Year 2009 CDBG budget, while the City of Detroit used 62% of the grants for municipal projects and administrative staff. The city allocates CDBG funding toward staff costs to compensate for decreases in budget allocations from the general operating fund.[61] Many city agencies that service the CDBG process have significantly reduced their staff, reducing the city's capacity to administer support and service for grant recipients. The following section on Detroit's organizational structure illustrates the complexities associated with the CDBG award process. The section begins with a diagram of the city's procedure for processing CDBG/NOF applications.

The CDBG allocation process mirrors the municipal budgeting process in that the executive branch submits recommendations to the city council which ultimately approves the legislation.[63] For the CDBG/NOF budget, applicants submit their proposals to the Planning and Development Department (PDD). The Grants Management section oversees the intake process. Grants Management then forwards applications to the appropriate reviewing entities in the executive and legislative branches of the city. Branches review applications simultaneously, but each branch assesses proposals according to its own criteria.[64]

Executive Review Process

PDD assigns different departmental sections to review applications depending on the type of funding the applicant seeks:[65]

- Housing Services reviews proposals for minor home repair.
- Development reviews proposals for new housing construction and economic development.
- Neighborhood Development reviews proposals for public service projects.
- Engineering reviews proposals for public facility rehabilitation.

Project managers from each section review proposals and evaluate their merit "based on each organization's past performance spending of CDBG/NOF funds. Key indicators of success include timely expenditures and billing, good record keeping, and accomplishments."[66] PDD leadership conducts the next level of reviews, forwarding their recommendations to the Budget Department for inclusion in the city's annual budget.[67] The Mayor's office ultimately reviews and submits the Executive Branch recommendations for awards to the City Council for consideration.

Legislative Review Process

The legislative branch of the review process involves the City Council, City Planning Commission (CPC), CPC staff members, and the Citizens Review Committee (CRC).

The legislative review process contains two separate avenues of assessment depending upon the type of application an organization submits. CPC staff members conduct initial reviews of CDBG applications for new construction of physical development. The CRC conducts initial reviews for all NOF proposals. The CRC is an 11 member advisory panel appointed by the City Council. The NOF review and recommendation process is CRC's sole function.[68]

CPC staff and CRC appointees submit their recommendations to the CPC which serves as the official advisory board for the City Council. CPC incorporates the comments and evaluations from its staff as well as the CRC to make final recommendations for CDBG and NOF awards to the City Council.

Final Approval of Awards

Council considers recommendations from both the CPC and the mayor before adopting the awards as part of the annual budget legislation. Upon submission of the annual budget, the mayor has the authority to veto the legislation in part or in full. Council may subsequently override an executive veto with the support of at least 2/3 of the council (6 members).[69]

HOME Program – Detroit Participating Jurisdiction

The Home Investment Partnership (HOME) Program states the following intentions:[70]

- Provide decent affordable housing to lower-income households
- Expand the capacity of non-profit housing providers
- Strengthen the ability of state and local governments to provide housing
- Leverage private-sector participation

HUD provides HOME funds to Participating Jurisdictions (PJs) which can be cities, states, townships, or other units of local government. PJs subsequently distribute and manage HOME funding to developers, private lenders, Community Housing Development Organizations (CHDOs), or other non-profits.

The City of Detroit is a certified PJ in the HOME program. It received $14,800,674 in HOME funding in 2008.[71] PJs have 24 months from the time of the grant to enter into written agreements with developers, contractors or CHDOs for a development project. PJs then have five years to expend allocated HOME funding.[72] The 2009 Detroit HOME application is 84-pages long and gives applicants approximately six weeks from the time of issue to the deadline for submission. In 2009, HOME project proposals that take place within the nine targeted Detroit neighborhoods associated with the Neighborhood Stabilization Program (NSP) will receive bonus points in their evaluation.[73] This may provide advantages to CHDOs and CDCs that work within the targeted areas and may disadvantage CDCs that do not work in these areas. The city has also specified that any CHDO must be able to complete a proposed project within 36 months of receiving funding commitments. Funding commitments do not equal the transfer of funds, but rather an award notice from the Housing Services section of PDD approving the CHDO's proposal. This may cause difficulty to organizations that do not have money for pre-development, planning, or construction costs.

The city recently placed a moratorium on new CHDOs unless they are attached to an approved HOME award.[74] In order to qualify for a new CHDO certification, an organization must also receive a HOME award for FY 2009. The moratorium discourages CDCs that have not attained CHDO status in the past from applying for HOME funding.

Mayor's Office of Neighborhood Commercial Revitalization (ONCR)

ONCR is an effort by the City of Detroit, foundations, and community organizations to revitalize commercial districts throughout the city using revenue collected from Detroit's gaming industry.[75] ONCR oversees two initiatives that provide benefits for CDCs: Re$tore Detroit, and ReFresh Detroit.

- **Re$tore Detroit** awards the sponsoring non-profit organization funding to employ 1.5 full-time commercial revitalization professionals to help plan, promote, and implement new commercial strategies within the specified districts. Seven CDCs received Re$tore awards in 2009.[76]
- **ReFresh Detroit** provides reimbursement funding up to $45,000 ($20,000 for physical improvements, $15,000 for architectural services, $10,000 for general administrative costs) for commercial façade improvements. Five CDCs received ReFresh awards in 2008.[77]

The approved FY 2009 budget allocated $272,263 to ONCR.[78] This figure

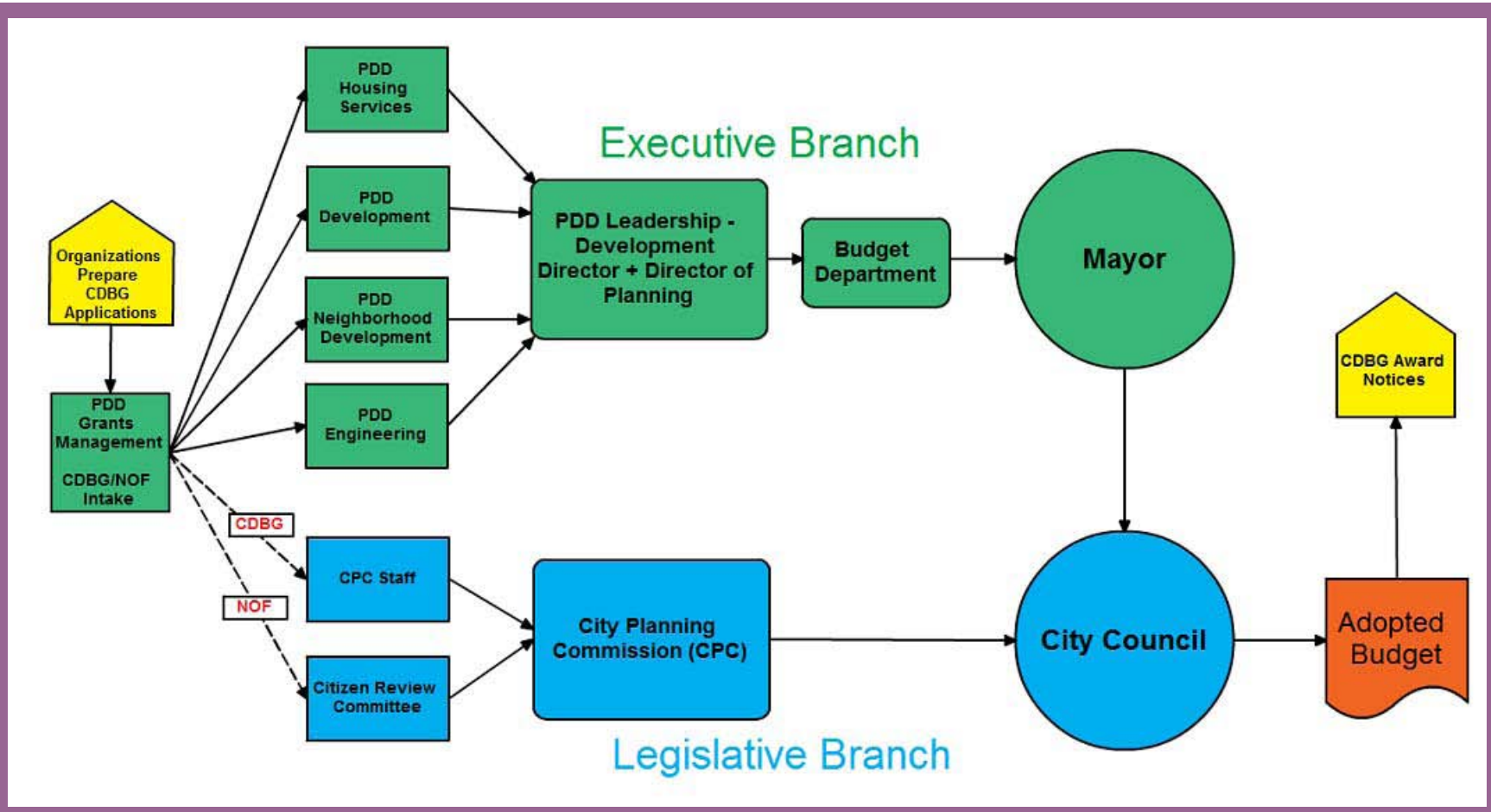


Figure 2.9 – City of Detroit CDBG Funding Decision Process[62]

does not appear to include the funds granted to the organizations. The 2010 executive budget proposes a 4% decrease for ONCR.[79]

Public Land Disposition

Sale of public land in Detroit involves offices in the Planning and Development Department and requires City Council approval. In Detroit, the Planning and Development Department (PDD) received most of its land from the property tax foreclosure process. Detroit CDC developers purchased most of the properties they developed from the city.[80] CDCs in Detroit apply and submit to PDD a concept plan (project description, time frame, cost of project, developer qualifications, and a list of properties being used in the project) for the purchase and reuse of city-owned land.[81] The same CDCs and other non-profit developers apply for purchase of land with the intention to develop almost immediately.

The way city owned land is administered in Detroit affects CDCs' reuse of

land. The procedures for purchasing property are not public and transparent. City owned land in Detroit does not always have clear title so CDCs must clear title before purchase.[82] Additionally, the price of city-owned land is high and unpredictable so CDCs have uncertainty in preparing development pro formas. Although data management has improved, data on the city owned land inventory may not be up to date so prospective CDCs may purchase property already purchased by someone else.[83]

Citizens' District Councils

While redevelopment projects may have positive economic effects, these activities can also alienate residents in these neighborhoods. Residents often worry about loss of local control during rapid redevelopment of their neighborhoods. As a result, the city created an official channel for residents living within designated urban renewal areas to voice their concerns in the form of Citizens' District Councils. Citizens' District Councils are official municipal advisory boards that are often referred to by their acronym: CDCs. Citizens' District Councils share no organizational similarities with Community Development Corporations.

Michigan created Citizens' District Councils in 1969 via a series of legislation "formed in response to inequities growing out of Urban Renewal."[84] The legislation required organized Citizens' District Councils for all redevelopment projects in 14 Urban Renewal areas in Detroit.[85] Citizens' District Councils "advise the government on proposed policy on redevelopment programs, make recommendations for new projects, and promote better relations between units of government and residents of designated development areas."[86] Today, Citizens' District Councils act as advisory boards providing a means of citizen participation regarding "design elements, land use decisions [including that of eminent domain], and the financing of proposed development projects."[87]

Limiting the councils' role to an advisory one means their recommendations have little clout. However, "the City of Detroit is required to seek the review and input of [Citizens' District Councils on] development plans within their district area."[88] In fact, no public agency may approve a development plan in a council's district area without review by that council.[89] By working with the city's Planning and Development Department and Planning Commission, "the suggestions offered by the councils on development plans [within their district area] are incorporated where reasonable."[90]

Presently, six active Citizens' District Councils remain in Detroit. Some participants in Detroit's community development network believe that Citizens' District Councils have limited prospects for the future. Although enhancing relationships between citizens and the government regarding development projects motivated the original establishment of Detroit's Citizens' District Councils, other organizations may better fill this role in the present community development system.

Michigan State Housing Development Authority

The Michigan State Housing Development Authority (MSHDA) supports Detroit CDCs' housing development. According to a 2008 survey, more Detroit CDCs received "a lot of support" from MSHDA, CEDAM and Community Legal Resources than they did from any other entities.[91] Approximately 20 Detroit CDCs regularly apply for funding from MSHDA. In 2008, MSHDA provided $4.1 million in grants to the Detroit CDC industry (7% of its $57million statewide total; see Table 2.4), and $5.9 million in Low Income Housing Tax Credit (LIHTC) allocations to both for-profit and non-profit housing developments in Detroit.[92]

Established by state legislation in 1966, MSHDA's mission is to "provide financial and technical assistance through public and private partnerships to create and preserve safe and decent affordable housing."[93] MSHDA oversees a number of US Department of Housing and Urban Development (HUD) allocations and offers various low-interest loans to CDCs, other non-profits (both community-based and not), private developers, and municipal departments.[94] By allocating resources to non-profits and governments primarily through its Office of Community Development, MSHDA seeks to "improve Michigan's affordable housing stock, promote self-sufficiency among persons at risk of Homelessness, and to enhance the quality of life in communities throughout the state."[95]

MSHDA funds Detroit CDCs primarily by overseeing three HUD programs (HOME, HOMELESS, and LIHTC[96]), selling tax-exempt bonds, and allocating some state funds. Allocations for some of these programs require Community Housing Development Organization (CHDO) designation;[97] both MSHDA and

the City of Detroit's Department of Planning and Development can designate CDCs as CHDOs.[98] MSHDA allocates these resources under a number of different programs[99] as follows.

Grants to Local Units of Government and Non-Profit Housing Service Providers

HOME Grants. The HOME Investment Partnerships Program (HOME): HOME is the largest HUD program focused exclusively on the provision of low-income housing via state and local governments. HUD awards HOME funds to states and municipalities by a formula; Michigan and Detroit each oversee HOME fund allocations. HUD's formula takes into account a number of factors including a jurisdiction's housing supply, financial situation, and poverty level.[101] In 2008 MSHDA awarded approximately $68,250 in HOME grants to Detroit CDCs for projects such as financing for home purchase, rehabilitation, and site acquisition and improvements.[102]

Homeless Grants. HUD allocates a number of grants for programs to assist homeless persons.[103] Of these, MSHDA's HOMELESS Grants funding category allocates funding to "match and supplement HUD's Emergency Shelter Grant (ESG) program, [which] . . . offers financial assistance to public and non-profit organizations that are responding to the needs of Homeless populations."[104] In 2008 at least two CDAD members – Neighborhood Services Organization. and Southwest Housing Solutions – provided services funded with Homeless Grants.[105]

Housing Resource Fund (HRF, last used in 2007). The Housing Resource Fund "supports projects designed to change the housing market of existing neighborhoods to make them more livable for current residents and more attractive to new residents."[106] 2007 grantees included municipalities, CEDAM, and a handful of Detroit CDCs.[107]

Targeted Revitalization Fund (TRF, first used in 2008). An extension of the Housing Resource Fund (above), MSHDA's TRF is a new program that targets funding for place-making projects in Michigan cities' downtowns and neighborhoods. TRF grants often, but not always, fund housing projects.[108] Like those that received 2007 HRF allocations, 2008 grantees included municipalities, Detroit CDCs, and other non-profits.[109]

Housing and Community Development Fund (the Fund). The Michigan state legislature established the Fund in 2008 to "meet the affordable housing needs of low income, very low income and extremely low income households and to revitalize downtown areas in Michigan."[110] In 2008, MSHDA allocated the Fund's approximately $2 million to 18 entities statewide, including to 3 in Detroit. MSHDA's intent is to grow the fund annually.[111]

Low-Income Housing Tax Credits

Low Income Housing Tax Credit (LIHTC) allocations have played an influential role in the U.S. housing market since their creation in 1986 by providing "tax subsidies for developers building rental units targeted to low-income households."[112] In Michigan, public housing authorities, non-profit, and for-profit developers apply annually to MSHDA for LIHTC allocations. MSHDA then selects which projects to fund based on eligibility requirements, administrative review and selection criteria. Specifically, MSHDA seeks to fund projects that aim to serve low-income tenants for long periods of time within federally designated "Qualified Census Tracts."[113] In 2008, six of the ten projects in Detroit received 39% of MSHDA's LIHTC allocations.[114]

Other Resources

In addition to the funding programs above, MSHDA provides a number of other "Community Development Tools" that may be useful to Detroit CDCs seeking MSHDA funding. These tools include libraries of blueprints and model documents, policy bulletins, audit templates, and training and workshops.[115] MSHDA often partners with CEDAM in disseminating training, technical assistance, and information to CDCs and non-profits. For example, MSHDA sponsors CEDAM's Michigan Build program, an "effort to ensure that purchasers of new affordable housing in Michigan will be moving into truly healthy, affordable housing"[116] that offers consulting and energy certification services to non-profit housing developers including Detroit CDCs. CEDAM also provides technical assistance to organizations, i.e. CDCs and municipalities, seeking MSHDA financing. Technical assistance programs include strategic housing and business planning, fund development, board development, internal program improvement, staff training, housing development, construction management, and portfolio management. [117]

MSHDA Grant and LIHTC Totals, Statewide and Detroit	2006	2007	2008
Statewide MSHDA Office of Community Development (OCD) Grant Allocations	$30,878,694	$51,566,389	$43,244,556
Detroit MSHDA OCD Grant Allocations	$4,000,707	$6,998,009	$2,066,050
Detroit HOMELESS Allocations	*$32,500*	*$6,139,709*	*$467,400*
Detroit HOME Allocations	*$3,551,092*	*$300,000*	*$68,250*
Detroit Housing Resource Fund Allocations	*$417,115*	*$508,300*	*$-*
Detroit Targeted Revitalization Fund Allocations	*$-*	*$-*	*$1,005,400*
Detroit Cities of Promise Allocations	*$-*	*$50,000*	*$525,000*
Detroit Grant Allocations as a % of Statewide Total (above grants only)	**13.0%**	**13.6%**	**4.8%**
Detroit Grant Allocations as a % of Statewide Total (ALL reported grants)	**9.2%**	**10.5%**	**7.0%**
Statewide MSHDA OCD Low Income Housing Tax Credit (LIHTC) Allocations	$28,885,347	$17,759,545	$15,167,553
Detroit MSHDA OCD LIHTC Allocations	$11,137,911	$4,033,079	$5,948,262
Detroit LIHTC Allocations as a % of Statewide Total	**38.6%**	**22.7%**	**39.2%**

Table 2.4 - Detroit and Statewide Grant and LIHTC Allocations Received from MSHDA, 2006 – 2008[100]

While MSHDA's grant allocations to Detroit as a percentage of all its grant allocations have been somewhat proportional to Detroit's population over the past few years, program changes caused MSHDA's Detroit support to drop very slightly in 2008. Still, MSHDA operates in a way that is transparent to those within the Detroit CDC system; its staff is open about how their departments allocate funding to CDCs, other non-profits, municipalities, and developers. As Detroit CDCs move toward operating under a new model, MSHDA resources, including those it provides through CEDAM and CDAD, will likely remain an important source of funding and assistance.

Financial Institutions

Financial institutions also play an important role in Detroit's CDC system. Although recently this role has been limited and less direct,[118] banks support the CDC system in a number of ways including:

- Providing funding for CDC operating support
- Providing funding for specific initiatives, such as workforce development, financial literacy, and foreclosure prevention
- Providing matching grants for neighborhood improvement programs
- Assisting in property acquisition for non-profits
- Serving on boards of directors of CDCs and Detroit LISC

The federal Community Reinvestment Act (CRA) of 1977, formed in response to redlining in low-income neighborhoods, requires banks to invest in communities they serve.[119] Banks do this mostly through making loans to businesses and homeowners in the areas where they receive deposits – which is more important than the funds for CDCs and other non-profits. CRA ensures a flow of resources to low-income areas for community and economic development by promoting bank investments. Recently, relaxed CRA regulations led banks and investors in search of a lending process that boosts CRA ratings rather than strengthens community and economic development in low-income areas.[120] While CRA may have played a significant role in improving neighborhoods in Detroit in the past, a lack of real estate development projects, coupled with weak regulations reduces its importance today.

In effort to satisfy CRA benchmarks, some banks have funneled money through ShoreBank Enterprise Detroit.[121] ShoreBank Enterprise is a separate

non-profit arm of ShoreBank that invests in triple bottom line development, including - financial, social and environmental benefits. For example, National City Bank, along with other Detroit financial institutions, bought $1.5 million shares of stock in ShoreBank Enterprise Chicago to open a ShoreBank Enterprise branch in Detroit.[122] ShoreBank Enterprise Detroit then invests in small minority-owned businesses in the city by providing loans and technical assistance.

Banks also participate in the CDC system when their representatives serve as board members for Detroit CDCs.[123] In this role, banks create a level of credibility and foster relationships with CDCs; moreover, CDCs can further obtain information and network on financial matters associated with community development. A number of banks also sit on the Detroit LISC Local Advisory Committee (LAC), along with foundation leaders and others.[125]

Philanthropic Foundations

The fourth type of resource provider, and perhaps most substantial in terms of dollars, is foundations. The Detroit area has a number of national and local foundations, each with a specific mission, that fund CDCs. Foundations play a significant role in community development in Detroit. This section describes how funding makes its way from philanthropic foundations to CDCs.

The top five foundations that fund community development corporations directly and via LISC, in order of influence by net assets (see Table 2.5), include:

- Kresge Foundation
- Community Foundation for Southeast Michigan (CFSM)
- Skillman Foundation
- McGregor Fund
- Hudson Webber Foundation

While foundations often funnel money through the intermediary LISC which in turn disperses money to CDCs, foundations also award grants directly to CDCs.[126] Although foundation representatives state that a majority of grants go through Detroit LISC,[127] annual reports indicate that Detroit CDCs receive considerable funding directly from foundations, often more than goes through LISC. For example, in 2007, the Hudson Webber Foundation granted about .6% of total grant-making to LISC, compared to about 9% of grant making that went directly to CDCs during the same year.

A recent decline in assets due to a national economic decline limits current foundation grant making to CDCs. Therefore, foundations seek projects that best leverage funding and provide a greater impact on community development. Some foundation representatives believe that an evaluation of CDCs' organizational capacity using a set of CDC-created performance standards would identify strong projects and strong CDCs. This, in turn, would inform foundations' grant-making decisions. Furthermore, foundation representatives seem favorable to the idea of CDCs creating their own evaluation system.[128]

Foundation representatives also express support for Detroit LISC and view the intermediary as an asset to foundations for various reasons. Detroit LISC has a system-wide perspective as an intermediary linking foundations to CDCs. Moreover, Detroit LISC provides funding faster than foundations given the different grant cycles and funding distribution methods LISC has in place.[130]

Targeting Initiatives

Targeting, or concentrating resources, provides support and attracts resources to specific geographic areas, rather than spreading resources thinly citywide.[129] A primary goal of targeting government support and non-profit investments is ultimately to stimulate private investments in the neighborhoods. Additionally, since 2003 and 2006 respectively, the Knight Foundation[130] and the Skillman Foundation have focused their funding on six targeted areas in Detroit. Figure 2.10 conveys the large number of stakeholders involved in targeting, the areas receiving support from multiple targeting efforts, as well as differences in area designations throughout Detroit.

While the Kresge Foundation does not designate areas for targeting, the foundation collaborates with other funders and targeting initiatives. For example, the Next Detroit Neighborhood Initiative (NDNI), initially a city program, now a non-profit, that receives substantial support from foundations – including Kresge and the Knight Foundation, targets six Detroit areas. The McGregor Fund does not designate target areas. However, most

COMPARISON OF FOUNDATION DOLLARS GRANTED								
Foundation	**Year**	**Total Granted**	**Granted to LISC**	**Percent of Total Granted to LISC**	**Granted to CDCs**	**Percent of Total Granted to CDCs**	**Granted to CDCs & LISC**	**Percent Granted to CDCs & LISC of Total Granted**
Hudson Webber Foundation	2007	$7,918,801	$50,000	0.6%	$725,000	9.2%	$775,000	9.8%
Kresge Foundation	2007	$50,850,328	$1,500,000	3.0%	$1,280,000	2.5%	$2,780,000	5.5%
Skillman Foundation	2005	$7,961,919	$1,000,000	12.6%	$2,005,000	25.2%	$3,005,000	37.7%
Skillman Foundation	2006	$16,018,800	$500,000	3.1%	$1,744,050	10.9%	$2,244,050	14.0%
McGregor Fund	2006	$9,000,787	$0	0.0%	$275,000	3.1%	$275,000	3.1%
McGregor Fund	2007	$9,376,412	$1,500,000	16.0%	$340,000	3.6%	$1,840,000	19.6%
Community Foundation of SE MI	2007	$47,500,000	$0	0.0%	$356,876	0.8%	$356,876	0.8%
Total		***$148,627,047***	***$4,550,000***	***3.1%***	***$6,725,926***	***4.5%***	***$11,275,926***	***7.6%***

Assumptions: Grants marked for Detroit CDCs without connotation of going through LISC are counted as going directly to CDCs; Each of the foundations award funding in different multi-year periods, so the comparison of funding between Detroit LISC and Detroit CDCs might differ from year to year; Detroit CDCs' foundation funding comes principally from these five foundations; Detroit CDCs' funding came through Kresge's Detroit Program, not its other funding initiatives.

Table 2.5 – Five Foundations' Funding for LISC and CDCs in Detroit[124]

of its community development funding is funneled through Detroit LISC. In this way the McGregor Fund and other such foundations implicitly support LISC's Strategic Investment Areas (SIA) targeting program.

The president and CEO of the Kresge Foundation, Rip Rapson, suggested creating an open-dialogue forum among foundations and other resource providers in Detroit.[132] Officially called the Detroit Neighborhood Forum, its participants are foundations, banks, and LISC. Although CDCs make presentations at Forum meetings, they do not participate regularly.[133] Streamlining resources available to Detroit community development organizations and aligning funding strategies among foundations are the Forum's goals.

Conclusion: Strengths and Challenges

The review of the four groups of players of the CDC system (community development corporations, intermediary, support organizations, and resource providers) provides an opportunity to both showcase the Detroit's CDC system's strengths and discuss its challenges.

The strengths of Detroit's CDC system:

- **Diverse organizations:** Detroit's CDC system includes a wide variety of organizations that serve different purposes and fulfill different needs at both the neighborhood and citywide levels.
- **Enhanced communication efforts:** CDAD has facilitated recent efforts to

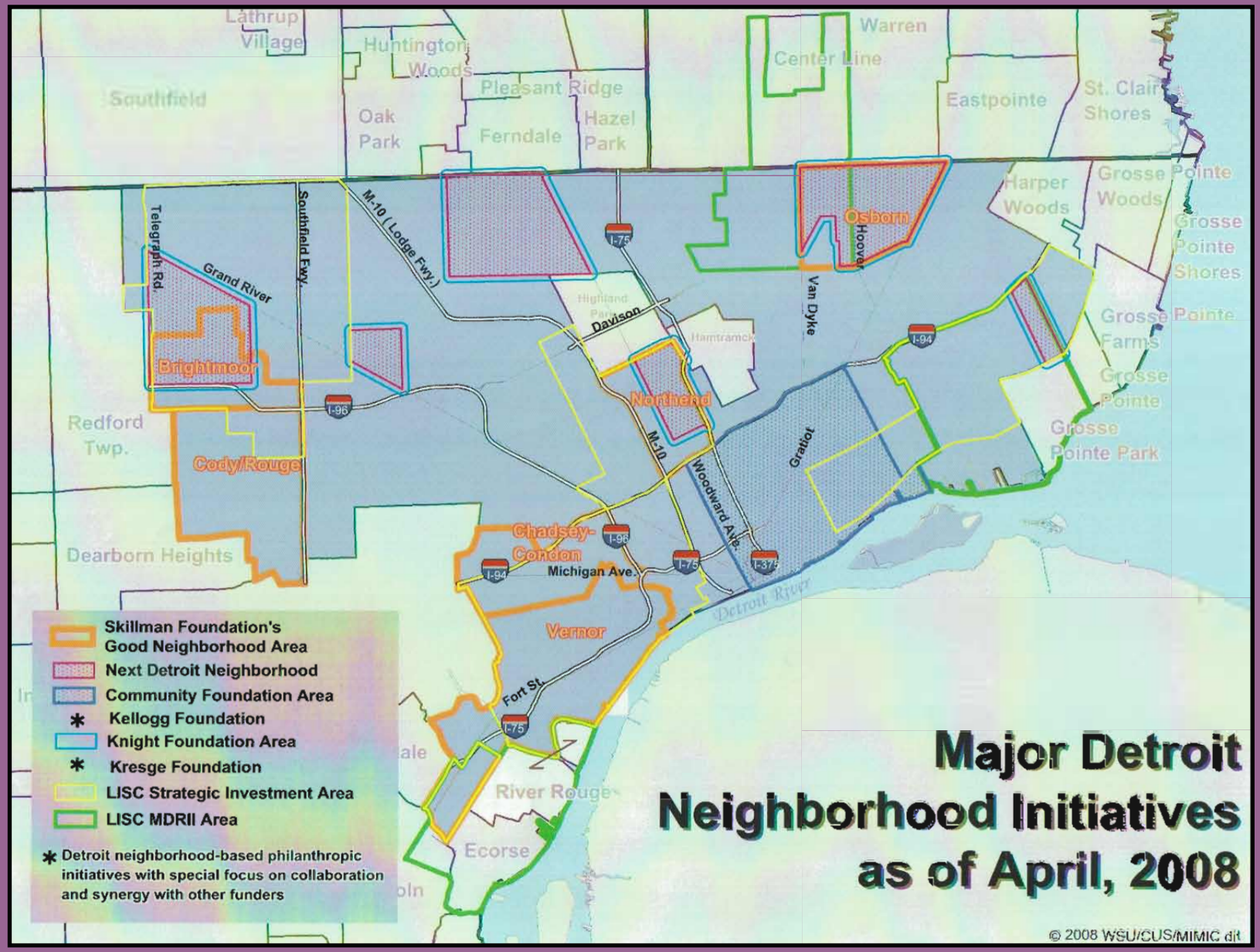


Figure 2.10 - Major Detroit Neighborhood Initiatives, as of April 2008[131]

enhance communication and collaboration with funders, banks, and the city through the Community Development Futures Task Force.

- **Foundation support:** Local foundation representatives have stated a willingness to support CDC programs that exhibit a comprehensive plan and/or vision.
- **CDBG funding:** Detroit receives a large amount of funding per capita from HUD.[134] Detroit was the fifth largest recipient of CDBG funding per capita in 2008 and the eighth largest recipient of total HUD funding per capita in 2008.
- **Leadership:** A number of long-time leaders of CDCs offer vision for the industry and energetic leadership of the network as a whole. They have considerable knowledge and wisdom that can help transition the industry to a new era.
- **City backing:** A new director of Planning and Development is determined to make the CDBG system work better for CDCs and other recipients of funds.
- **Collaborations and a history of success:** CDCs demonstrate strong, longstanding collaborations among each other and a track record of success in affordable housing developments and community organizing.

The challenges of Detroit's CDC system:

- **CDBG funding**: As the fifth largest recipient of HUD funding per capita in 2008, the city allocates only a very small percentage (8%) of this funding to CDCs.
- **Poor data access**: CDCs in Detroit generally do not have easy access to needed data and information for land acquisition and community planning initiatives. Some organizations like the Detroit Vacant Property Campaign provide some level of data access to CDCs. However, as one interviewee indicated, the data sources right now are piecemeal and CDCs have to "dig it up themselves."[135] Some CDCs have personal contacts with data specialists, but these contacts are not widely shared among CDCs in Detroit.
- **Loss of developer fees**: The current economic situation and the loss of demand for housing have provided a difficult environment for CDCs to operate conventionally, which relied heavily on the income from developer fees.
- **Lack of standards and evaluation**: Many CDCs in Detroit are small organizations with limited financial and technical capacity. Therefore, an evaluation tool that effectively defines and provides standards to measure CDCs' capacity is necessary. A lack of performance standards has resulted in:
  - Too many CDCs competing for limited resources.
  - Resource providers facing difficulties in judging the effectiveness of their investment in the CDC industry.
- **Operating support**: The lack of operating support is partly a result of several foundations' project-oriented funding strategy and targeting initiatives. Therefore, the limited amount of operating support to CDCs from LISC and the city has worsened some CDCs'financial situations.
- **Lack of rational strategy in the targeting process**: Some targeting decisions, such as Skillman Foundation's, are transparent and reflect the criteria that resource providers say led to the selection of specific areas. Others, such as NDNI's six targeted areas, do not reflect clear, publicly understood criteria.
- **Culture of distrust:** A culture of distrust exists among participants in Detroit's CDC system. Industry leaders have stated, "Detroit has a long history of city government not feeling the need to cooperate with CDCs," along with other similar expressions of sentiment, including accusations of lack of transparency, incompetence, antagonism, and lack of mutual respect.

Detroit's CDC system continues to face many challenges on political, financial, and organizational fronts. Despite these challenges, the system also has much strength among its individual organizations as well as a demonstrated determination across the entire industry to evolve into a stronger system. With these assets in mind, Chapter 3 presents strengths and challenges from other cities that face hardships like Detroit's, with an emphasis on the implications for strengthening Detroit's CDC system.

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133. Ibid.

134. Calculated from: HUD Community Planning and Development Formula Allocations FY 2008, US Department of Housing and Urban Development [online]: http://www.hud.gov/offices/cpd/about/budget/budget08/allgrantees.xls, [accessed]: 04.27.09; American Community Survey 1-year Population Estimates (2007) [online]: http://factfinder.census.gov/servlet/DatasetMainPageServlet?_program=ACS&_submenuId=datasets_2&_lang=en, [accessed]: 04.27.09.
135. Personal interview, 02.13.09.

Chapter 3
CDC Systems in Other Cities

City	City Area (mi^2)	Population (in thousands)	Population Density (pop/ mi^2)	Population Loss Since Peak	Individuals Below Poverty Level	Median Household Income
Cleveland	82	405	5	52%	30%	$27,007
Memphis	315	649	2	0%	24%	$35,181
Philadelphia	135	1,454	11	30%	25%	$34,767
Pittsburgh	58	296	5	54%	22%	$32,344
Detroit	***143***	***838***	***6***	***50%***	***33%***	***$29,109***

Table 3.1 Population Characteristics for Detroit and Case Study Cities, Current and Peak[1]

Introduction

This chapter profiles the CDC systems of four cities:

- Cleveland, Ohio
- Memphis, Tennessee
- Philadelphia, Pennsylvania
- Pittsburgh, Pennsylvania

These cities have weak economies similar to Detroit's, but their CDC systems are stronger than Detroit's. This distinction suggests that a comparison of these cities' CDC industries to Detroit's may yield ideas for redefining and strengthening Detroit's CDC system despite its current depressed economy. Table 3.1 compares characteristics of these cities with Detroit's.

Case studies of Cleveland, Memphis, Philadelphia, and Pittsburgh reveal patterns in the way CDC systems function in other cities.

Some notable characteristics of the CDC systems in these cities include:

- Strong trade associations exist in the four case-study cities that train, advocate for, and facilitate networking for their CDC constituents.
- Local intermediaries exist in Cleveland, Philadelphia, and Pittsburgh. These organizations sometimes work side-by-side with national intermediaries LISC and/or Enterprise to bring about greater change.
- CDC system funders, both government and private, seek to collaborate and provide increased funding for the industry as needs arise.
- A collective shift prevails toward redefining the industry in a number of ways, such as:
  - broadening program scope industry-wide,
  - encouraging specialization and the sharing of services, and
  - paring down the number of CDCs operating in the city at any one time.
- Clear historical shifts, particularly industry changes led by exceptional leaders, have defined today's CDC systems in ways that strengthen the position of CDCs within the greater community development industry.

Table 3.1 shows that these cities have comparable poverty rates, and each city except Memphis, which has been annexing land since 1940, has lost a large percent of residents since its population peaked.

Community Development Industry History

The community development industry in Cleveland started as a series of small-scale, anti-poverty efforts in the late 1960s, eventually growing into its current status as an industry focused on both social and physical citywide community development.[2] Many of Cleveland's current CDCs' origins trace back to organizations formed in the 1970s or the late 1960s,[3] with agendas largely based around community organizing. The Commission on Catholic Community Action (CCCA) took the lead in the 1960s and 1970s, organizing protests against redlining practices in the city.[4] The corporate- and foundation-led formation of Neighborhood Progress, Inc. (NPI, Cleveland's local intermediary) in the late-1970s/early-1980s, and the grassroots formation of the Cleveland Housing Network (CHN) in 1981 mark the nascence of Cleveland's CDC industry in its current form. In the 40 years of the industry's development, CDCs have gone through a number of shifts, initially "providing resources to address existing urban poverty," then moving toward "territorial development programs intended to enhance physical appearance and support real estate values in hopes of capturing secondary investments by private capital" in the 1980s through recent years.[5] Now, Cleveland's CDC industry is shifting yet again. Like others in cities across the United States in the face of the recent national economic downturn, the industry is seeking to help its neighborhoods and community organizations by redefining community development and supporting CDCs and their changing missions and programming in new and creative ways.

Community Development Industry Profile

Community Development Corporations

CDCs in Cleveland provide neighborhoods with a range of services, i.e. housing and commercial development, homeownership and employment training, crime watch, and others. Due to predatory lending and large numbers of mortgage foreclosures, some Cleveland CDCs have recently begun focusing more heavily on services, training and programming that help homeowners maintain ownership, prevent foreclosures, and address other neighborhood social services not directly associated with physical development.[6] Examples of some of Cleveland CDCs' more creative development tactics include monthly "art hops" or annual events that showcase local food and entertainment;[7] civic leadership training classes;[8] and health programs, i.e. Active Living by Design, which promotes healthy living and educates residents about recreational amenities.[9]

Cleveland CDCs and leaders throughout the industry share what appears to be a trusting, open commitment to community development. CDC leaders have commonly moved among prominent community development roles with the city government, intermediaries, the Cleveland Housing Network, foundations, and CDCs. This pattern

Photo Credit: Margaret Dewar, 2008

Foundation	Year	Total Granted	Granted to Intermediary	Percent of Total Granted to Intermediary	Granted to CDCs	Percent of Total Granted to CDCs	Granted to CDCs & Intermediary	Percent Granted to CDCs & Intermediary of Total Granted
Cleveland Foundation	2007	$85,000,000	$4,440,000	5.2%	$5,393,840	6.3%	$9,833,840	11.6%
George Gund Foundation	2007	$21,315,618	$0	0.0%	$3,347,500	15.7%	$3,347,500	15.7%
St. Luke's Foundation	2007	$2,793,439	$650,000	23.3%	$124,700	4.5%	$774,700	27.7%
Total		***$109,109,057***	***$5,090,000***	***4.7%***	***$8,866,040***	***8.1%***	***$13,956,040***	***12.8%***
Average		***$36,369,686***	***$1,696,667***	***9.5%***	***$2,955,347***	***8.8%***	***$4,652,013***	***18.3%***

Table 3.2 Cleveland - Foundation Dollars Granted to CDCs and Intermediary[30]

encourages transparency and accountability within the industry. It also encourages greater understanding among community development stakeholders and helps keep working relationships constructive.

The Cleveland CDC map in Figure 3.1 shows individual CDCs' service boundaries. Figure 3.2 shows poverty levels across the city. The areas with the highest poverty levels need CDCs the most, and these maps demonstrate that Cleveland CDCs with more narrowly-focused boundaries serve the areas with greater concentrations of poverty. The CDCs that cover the more affluent areas of the city tend to focus on larger areas.

CDC Trade Association

The Cleveland Neighborhood Development Coalition (CNDC), established in 1982, serves as the Cleveland CDC trade association. As of 2009, CNDC functions with an executive director and two staff members. It has three categories of membership: 44 voting members (CDCs), 10 corporate sponsors (mostly banks), and 34 supporting members (universities, the Greater Cleveland Partnership, NPI and the Ohio CDC Association, and others).[12] Voting members' fees are proportional to CDCs' annual budgets. Fees largely fund CNDC's advocacy services. CNDC regularly polls voting members on topical issues and supports them through four general channels of networking, training, providing/organizing technical assistance, and advocating for CDCs on policy issues. Members' votes, exercised annually when selecting CNDC's board of trustees, are all equal.

One of CNDC's most influential members is the Cleveland Housing Network, Inc. (CHN). Established in 1981, CHN is a citywide housing CDC and pioneer in the use of Low Income Housing Tax Credits (LIHTC) to develop housing.[13] It provides physical development investments in neighborhoods in partnerships with 22 CDCs that advance the CDCs' plans for their neighborhoods and offers services for families gaining employment and homeownership skills through its Community Training Center.[14] Since its inception, CHN's large-scale lease-to-purchase model has funded 2,400 new homes, while its for-sale division brought owner occupancy to 1,350 Cleveland homes.[15] CHN also provides energy conservation services and repair for over 71,000 homes throughout the city. The high volume of their production and rehabilitation played a large role in transforming Cleveland neighborhoods. CDCs receive revenue by managing some of CHN's 2,532 units; Tremont West Development Corporation[16] is an example of a prominent Cleveland CDC that does this.[17] CHN faces challenges today, however, due to a decline in the number of households that are seeking to buy homes. In March 2009, the Cleveland Foundation awarded a total of $10 million to Cleveland non-profit organizations; CHN received $167,000 towards operating support.[18]

Recently, CNDC has begun a partnership with NPI and the City's Department of Community Development, organizing peer-to-peer interactions among 29 of its CDCs in consultation with a management consulting firm for non-profits and foundations defining the future of the industry.[19] The purpose is to explore leveraging opportunities with current assets and capacities, explore partnerships and collaborations to meet the current economic challenges and make use of new opportunities provided by the Obama administration.[20]

Cleveland CDCs receive funding from a number of government sources, including the city's Department of Community Development, city council members' ward offices, intermediaries, the Ohio Housing Finance Authority (OHFA), and foundations.

Intermediaries

Cleveland's community development industry benefits from the resources of a national intermediary, Enterprise Community Partners, and a local intermediary, Neighborhood Progress Incorporated (NPI). LISC previously invested substantially in Cleveland's CDCs from the early 1980s through 2007, working in partnership with NPI and Enterprise during that time. In 2007, LISC ceased its operations in Cleveland with NPI's support.[21]

Enterprise

Enterprise, like LISC, is a national intermediary whose mission is to "create opportunity for low- and moderate-income people through fit, affordable housing and diverse, thriving communities."[22] Over the past 20 years, Enterprise invested $225 million in Cleveland to help build thousands of affordable homes using the lease-to-purchase model. Enterprise brings HUD Section 4 and Living Cities funds – money that is funneled almost exclusively through LISC and Enterprise and might otherwise be unavailable in the city – to Cleveland, and staff work closely with NPI to determine coordinated funding strategies for CDCs.[23] NPI allocates Enterprise's Section 4 and Living Cities funds to CDCs and uses its own funds to support some of Enterprise's operations. As a national entity, Enterprise emphasizes policy advocacy at the federal level and brings best practices about different financing and programming approaches to CDCs.[24]

Neighborhood Progress Incorporated

NPI is Cleveland's main CDC intermediary and its only local one. Local foundations (BP, Gund, Mandel and Cleveland) established NPI in the late 1980s as a way to disperse development beyond the downtown area and help focus the city's funding sources for community development. Those behind its inception felt that community development throughout the 1970s had been insufficient and diluted and that those involved in the community development industry should more sensibly and soundly distribute support. To do this, NPI initially focused on allocating foundations' funding to CDCs capable of producing housing at a significant level. At the time, the Cleveland Housing Network improved on the process of leveraging LIHTCs for non-profit housing development, and smaller CDCs were interested in working with them. NPI set the bar for a "significant level of building" at a minimum of 28 units per year per CDC, implying that only CDCs with the capacity to produce at that level could tap into NPI's funding.[25] For the past 21 years the Cleveland and Gund foundations have consistently supported NPI, despite changes in NPI's criteria for allocating CDC support.[26]

With 2006 expenditures of $6.15 million, NPI currently provides operating support for 14 CDCs. Additionally, its Strategic Investment Initiative (SII) supports six geographically targeted CDCs, which NPI and its funders chose for their development expertise and neighborhood characteristics. The SII's goals include producing measurable change "in property values, homeownership and occupancy rates, and additional private investment" in these Cleveland neighborhoods,[27] and NPI's Opportunity Homes program funds foreclosure prevention efforts there.[28]

Resource Providers

Foundations

Currently, the four most prominent foundations for Cleveland's CDCs include the following, in order of their 2007 contributions to Cleveland's CDCs and support organizations as percentages of total grants:

- Cleveland Foundation
- George Gund Foundation
- Mandel Foundation
- St. Luke's Foundation of Cleveland

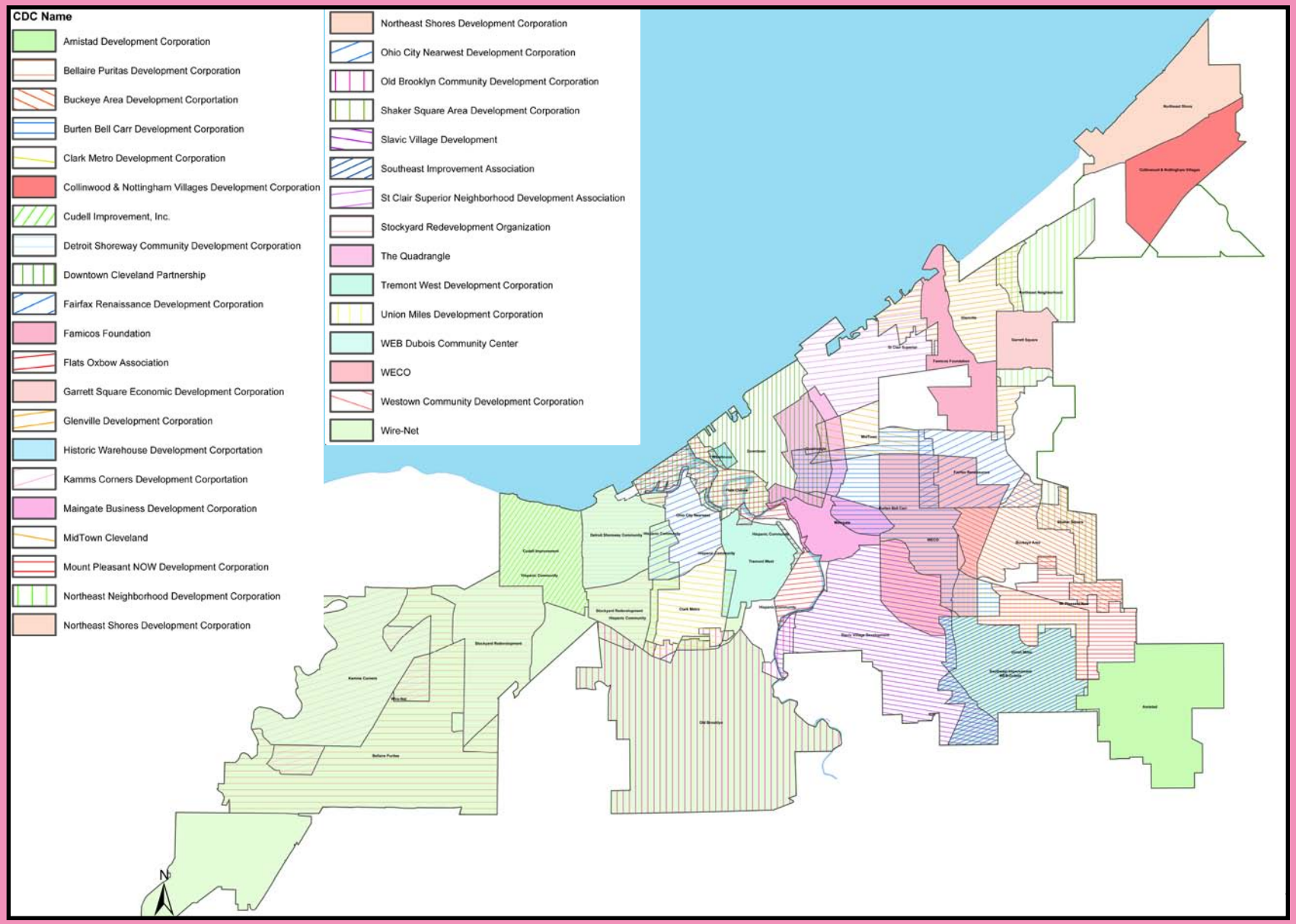

Figure 3.1 Cleveland CDC Boundaries[10]

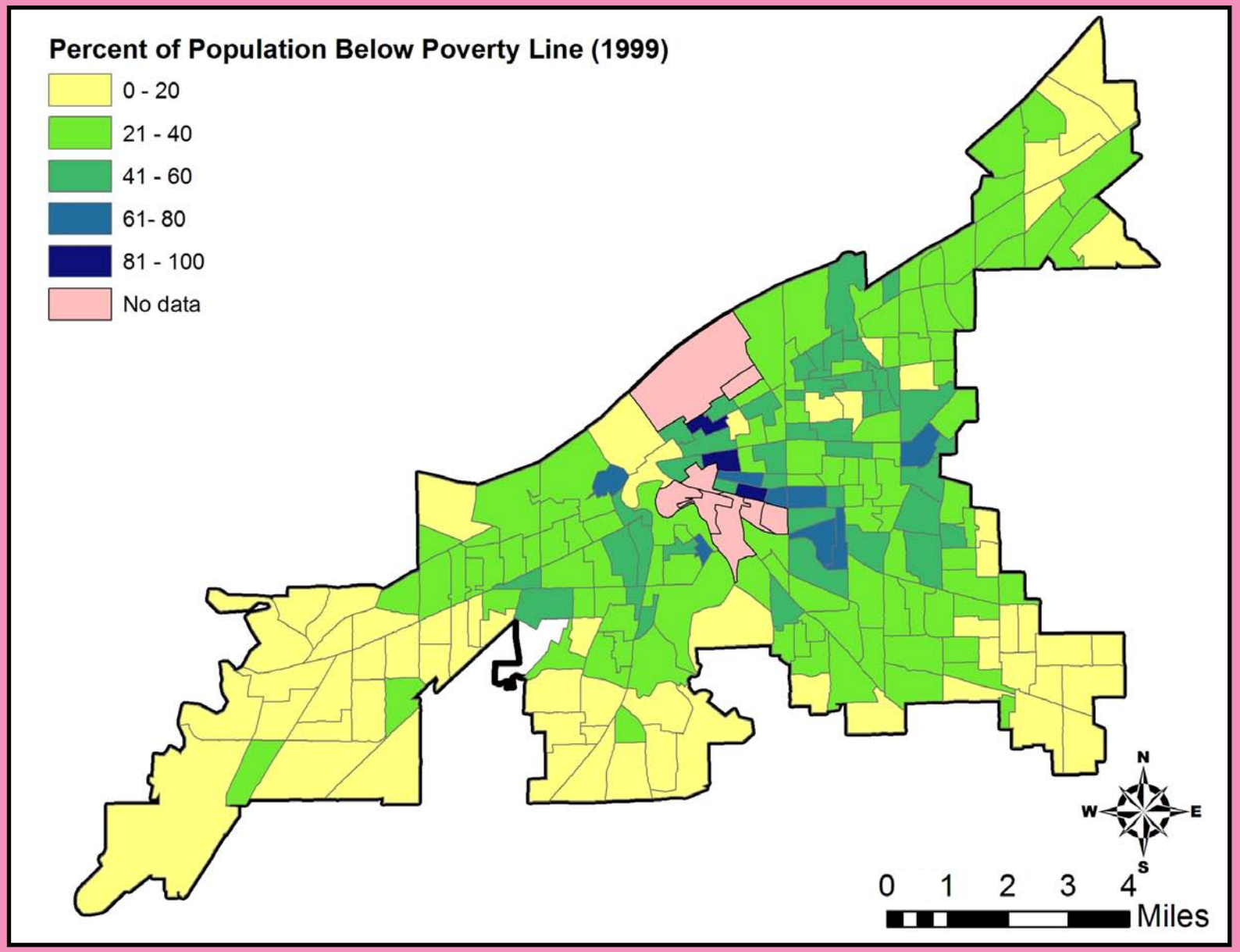

Figure 3.2 Poverty in Cleveland[11]

The Foundation and Intermediary grant-making table (Table 3.2) shows the 2007 allocations of three of Cleveland's top four foundations that support CDCs. The Cleveland, Gund and St. Luke's foundations granted a total of almost $14 million to the Cleveland CDC industry in 2007, with nearly 13% of their annual grants funding operations, projects, technical assistance and training for NPI, Enterprise, CNDC and CNDC members in 2007. Mandel Foundation data were not available; the foundation's assets total $180 million.[29]

City & State

The City of Cleveland operates under a mayor-council form of government, with 21 (soon to be 19) wards represented by councilpersons elected to four-year terms. Frank G. Jackson, a Democrat, is the mayor as of April 2009; although council elections are nonpartisan, Democrats dominate all levels of government within the city. The city, with total expenses of $1.29 billion in 2007, allocated $54.4 million to its Community Development Department the same year; this is the department that supports Cleveland's CDCs by overseeing the use of funds from the US Department of Housing and Urban Development (HUD). The Department of Community Development allocates these funds through its Neighborhood Development and Neighborhood Services divisions, and partnerships with other city departments.[31]

Neighborhood Development

This division administers a number of programs; most applicable to CDCs are its land bank, tax abatement, and storefront renovation programs. "Through planning, program, and project development in cooperation with organizations such as CDCs, [it] concentrates its efforts on improvement through neighborhood planning and revitalization."[32]

- The neighborhood development division's **land bank program** sells city parcels cheaply, with clear titles, to CDCs and other entities.[33]
- It also offers **tax abatements** for new construction, conversion, rehabilitation, and improvements of single-family or multifamily properties with the hope that developers' (CDCs and others) savings will manifest themselves in lower rents for tenants.[34]
- The Department of Community Development offers **storefront renovation** assistance, including design support and financing, to business owners in 27 targeted areas.[35]

Neighborhood Services

The Division of Neighborhood Services administers a set of programs "that strengthen City neighborhoods and provide services to homeowners, tenants, merchants, and institutions that preserve dwellings."[36] They include assistance for potential homeowners, repairs, home weatherization, senior homeowner assistance, and housing enhancement (alterations, repairs and other improvements) loans.[37]

Partnerships with other Departments

- Cleveland primarily supports the city's CDCs **with Community Development Block Grants (CDBG)** funds through two main avenues: (1) grant allocations that pass directly from the Department of Community Development to CDCs and (2) Neighborhood Development Account (NDA) grants that first pass through the city's 21 council districts. Each Cleveland alderman annually disburses $400,000 of NDA grants to neighborhood organizations within their district; total NDAs account for approximately $8.4 million of the City's total $32.5 million (2007)[38] CDBG allocations.
- The **Cityworks Grants Program** is a matching grant program that awards up to $3000 to block clubs and neighborhood groups for the purpose of improving the quality of life in their areas.[39]

In addition to disbursing federal funds, the Department of Community Development works closely with NPI, CHN, CNDC, CDCs, other non-profits, and various city, county, and state officials on a number of initiatives important to CDCs, i.e. the Department of Community Development's five-initiative strategy to deal with vacant structures and "improve existing houses."[40]

The Ohio Housing Finance Agency (OHFA) is the state's housing agency. A number of its projects support CDCs via loans and grants for housing development and training such as foreclosure prevention. For example, its Housing Development Assistance Program (HDAP), Community Housing Development Organization Program (CHDO), and Financial Adjustment Factor (FAF) funds are available to CDCs.[41] OHFA granted a total of approximately $80 million in tax credits, loans, multifamily bonds and grants during the fiscal year ending in June 2008.[42] Since 2009, OHFA has granted the Cleveland Housing Network almost $2.5 million via HDAP and the Housing Development Loan programs.[43]

Other Resource Providers

A number of other resources are available to Cleveland CDCs at the city, regional and state levels. Among them are a regional neighborhood database and Ohio's CDC association.

Sources of support for Cleveland CDCs include a regional database as well as a statewide capacity building tool. Northeast Ohio Community and Neighborhood Data for Organizing (NEO CANDO) is a data clearinghouse maintained by Case Western Reserve University's Center on Urban Poverty and Community Development. The data available at NEO CANDO's online interface include property, social and economic data for neighborhoods and municipalities within a 17-county region. Individuals can access NEO CANDO's online interface and download data free of charge. NEO CANDO offers a "one-stop shop" for the data needs of "academic researchers, community and economic development professionals, public officials, neighborhood activists, business leaders and concerned citizens of all types."[44]

The Ohio CDC Association (OCDCA), organized by the Gund Foundation in the early 1980s, "engages in capacity building [micro-enterprise and economic development training, for example], advocacy, and public policy development"[45] for CDCs in Cleveland and throughout the state (Cleveland and Columbus CDC representatives feature prominently on its board). Its sponsors include foundations (Gund, Columbus), intermediaries, and banks, among others.[46] Including non-voting members, OCDCA listed 156 total members in March 2009.[47]

Strengths and Weaknesses

Cleveland's CDCs continue to become more creative in the ways they support Cleveland's neighborhoods until low-income housing development again becomes a feasible way to support CDCs' operations. NPI, CNDC, the city's Department of Community Development, and 29 CDCs recently initiated strategic planning for the CDC industry in light of housing development difficulties. These interactions are part of a multi-tiered initiative called Capacity Building for CDC Collaboration and Alliances (CBCCA). CBCCA provides a forum for CDCs to discuss organizational mergers, strategic restructuring, and the future of Cleveland's CDC industry.[48] Anticipating a decrease in funding from foundations and corporations during the upcoming year and possibly beyond, NPI is prepared to downsize operations in order to continue to support Cleveland's CDCs.[49]

Strengths of the Cleveland CDC system include:

- Cleveland's ward-based structure guarantees each alderman funding ($400,000 in 2009) from the City Department of Community Development, which they then allocate directly to CDCs and other neighborhood non-profit organizations. This allocation strategy guarantees an even dispersal of some CDBG funding throughout the city.
- The city's sale of tax-reverted land to CDCs and individuals has been successful in encouraging reuse of abandoned land in Cleveland due to government policies that support non-profit developers' reuse of land.[50]
- National policies and protocols of a national intermediary like LISC or Enterprise do not fetter NPI, yet its relationship with Enterprise allows it access to funding that is not usually available to local intermediaries: HUD Section 4 and Living Cities grants (see Chapter 2). As a local intermediary, NPI holds an integral role in the CDC industry based on its local roots and ties to foundations.
- Collaboration, transparent decision-making, and strong leadership throughout the Cleveland CDC industry are all assets that establish a solid base for engaging in both traditional and creative community development activities involving participation from multiple stakeholders.
- As a citywide CDC, CHN works at the local level and has a close relationship with NPI, foundations, and OHFA. CHN's business model of building affordable housing on a large scale spreads risk and enables it to make a citywide impact in Cleveland, providing smaller CDCs with an established model for successful physical development.

Weaknesses of the Cleveland CDC system include:

- A combination of new foundation directors and a general move toward a regional approach toward development (i.e. Youngstown/ Pittsburgh/Cleveland collaborative) means that the CDC industry must collaboratively advocate for the importance of development in Cleveland's neighborhoods.
- Aldermen's discretionary $400,000 allocations (NDA grants, see above) can both help and hinder neighborhoods as political allegiance provides

the basis for some CDCs while other council members devote their efforts and funding to neighborhood improvements unassociated with CDCs. Creating a balanced relationship between CDC leaders and aldermen is often necessary for acquiring governmental support.

- CDCs with limited capacity cannot always strengthen neighborhoods individually, leaving their efforts sometimes partial and ineffective.[51]
- With the downturn in the housing market, CHN has less capacity for housing development.

Community Development Industry History

Community associations flourished in Memphis during the mid-1970s, and national organizations such as Habitat for Humanity and United Way arrived in the early 1980s. Memphis's CDC industry is young in comparison to the other cities included in this study, but similar to the timeline of Detroit's CDC industry. Community development corporations became more prevalent in the late-1980s and early-1990s with the industry expanding rapidly towards the end of the 1990s and into the 21st century. Although physical development activities have slowed in the last three years, the number of CDCs has increased.[52] According to a 2007 focus group of CDC representatives, the growing number of CDCs has not produced a complementary increase in high-capacity CDCs.[53]

Most CDCs concentrate on single-family residential construction, with a limited number focused on multi-family and/or commercial projects. Industry professionals in Memphis feel that greater attention to multi-family and commercial developments in the future would help the community development industry increase its visibility, reputability, and investment. The city lacks an adequate supply of affordable, high-quality multi-family rental housing; rather, a large inventory of dilapidated single-family housing floods the market.[54] In addition to housing, many Memphis CDCs offer social services such as homeownership guidance, foreclosure counseling, and job training.

Community Development Industry Profile

Community Development Corporations

Memphis has approximately 74 CDCs, but more than half of these are low-activity and low-capacity organizations and not members of the Community Development Council of Greater Memphis (CDCGM).[55] The CDCGM had 27 member organizations as of February 2009. The Memphis CDC map (Figure 3.3) shows dense CDC coverage within the beltline of interstates, predominantly in the central and western sections of the city. Most CDCs within the highway beltline have clearly defined boundaries based on neighborhoods. Many CDCs have overlapping boundaries, particularly in neighborhoods directly north of downtown Memphis where five CDCs are adjacent or overlapping. CDCs further away from downtown have considerably larger service areas. CDCs with large service areas inside the beltline tend to have overlapping boundaries with other CDCs while those close to or outside the beltline tend to be the only CDC in their area. CDC coverage correlates with the concentration of poverty. This correlation occurs on the west side of the city between the river and the expressway. In contrast to Detroit, most portions of the city with no CDC coverage are the areas with low concentrations of poverty. The exception to this occurs in the southeastern section of the city where moderately high poverty census tracts do not have CDCs that belong to CDCGM.

Photo Credit: Cooper Young CDC
[online]: www.cooperyoungmemphis.org, [accessed]: 05.09.09.

Foundation	Year	Total Granted	Granted to Intermediaries	Percent of Total Granted to Intermediaries	Granted to CDCs	Percent of Total Granted to CDCs	Granted to CDCs & Intermediaries	Percent Granted to CDCs & Intermediaries of Total Granted
Community Foundation of Greater Memphis	2007	$36,715,619	$0	0.0%	$195,916	0.5%	$195,916	0.5%
Hope Christian Community Foundation	2007	$19,308,520	$0	0.0%	$70,600	0.4%	$70,600	0.4%
Hyde III Foundation	2007	$8,796,750	$0	0.0%	$100,025	1.1%	$100,025	1.1%
Assisi Foundation	2007	$11,820,097	$0	0.0%	$68,850	0.6%	$68,850	0.6%
Hyde Sr. Foundation	2007	$3,492,921	$0	0.0%	$110,000	3.1%	$110,000	3.1%
Total		***$80,133,907***	***$0***	***0.0%***	***$545,391***	***0.7%***	***$545,391***	***0.7%***

Table 3.3 Memphis - Foundation Dollars Granted to CDCs[69]

CDC Trade Association

Originally conceived from a loose coalition of CDC directors, the Community Development Council of Greater Memphis has officially served as a local trade association for Memphis' burgeoning CDC industry since 2000. CDCs classify CDCGM as an invaluable resource for its comprehensive support of the industry.[58] Its primary aims include:[59]

- Reducing development barriers via advocacy at local and state levels
- Assisting with lending and credit processes
- Serving as a support system and conduit of information
- Providing minor technical assistance and data services

CDCGM provides its members with a CDC certification tool. The tool evaluates capacity, recognizes areas of opportunity within an organization, and assesses five areas of capacity[60]:

- Organizational development,
- Business financial structure,
- Community outreach,
- Housing development and management, and
- Economic development.

Ten CDCs have participated in the assessment as of April 2009; more will complete the process before the end of the year.[61]

Intermediaries

The Memphis CDC industry receives different forms of support from intermediaries than Detroit and other case study cities receive. Neither of the two major national community development intermediaries (Enterprise or LISC) maintains a presence in Memphis. Key participants in the industry believe this subjects the city and its CDCs to a number of disadvantages since some national programs only flow through these national intermediaries.[62] The absence of LISC and Enterprise means that Memphis receives no funding from HUD Section 4 or the Living Cities Initiative. In other cities the HUD Section 4 and Living Cities initiatives promote programmatic community development and affordable housing projects for CDCs through the work of the intermediaries, LISC and Enterprise.[63]

Two smaller intermediaries support certain Memphis CDCs using issue-specific criteria for funding and social services. A local intermediary closed in 2008.

Seedco is a small, national intermediary active in Memphis that focuses on workforce training and housing counseling. Seedco does not provide the national funding infrastructure that the two major intermediaries provide. Seedco recently provided $500,000 toward the Memphis Small Businesses Opportunity Loan fund[64] and an undisclosed amount to support CDC affiliates that provide housing counseling, but Seedco does not channel funds from federal agencies in the same manner as LISC or Enterprise.

NeighborWorks is a national intermediary that typically targets a single organization to support as efforts that focus on multiple neighborhoods or entire cities. They do not maintain an office in Memphis, but rather certify and designate an affiliate who receives support from their headquarters. The company has over 230 affiliates nationwide.[65] In Memphis, NeighborWorks has a CDC affiliate focused on residential development that receives project and administration funds, technical assistance, admission to industry conferences, and peer-to-peer networking opportunities among affiliates.[66] NeighborWorks stresses performance evaluation of its affiliates by requiring the submission of strategic plans and follow-up reports detailing the adherence to the plans.

The **Memphis Community Development Partnership (MCDP),** a local intermediary founded in 1998, ceased operations in 2008. While MCDP directed more than $3 million to CDCs over the course of a decade, it dissolved "due to a lack of strategic investments and a shortfall in efforts to sustain the level of revenue necessary to support its continued operations."[67]

Resource Providers

Foundations

Five major foundations provide funding to non-profit organizations including CDCs in Memphis. Given the lack of a strong intermediary, foundations are an important, highly sought-after source of funding for Memphis's CDCs.[68] Table 3.3 shows the funding activity within the Memphis community development system from these four foundations.

- The Community Foundation of Greater Memphis (CFGM)
- Assisi Foundation of Memphis
- Hyde Family Foundations – includes J.R. Hyde Sr. and J.R. Hyde III Foundations
- Hope Christian Community Foundation

Table 3.3 indicates that foundations in Memphis provide very little funding to CDCs. Additionally, the comparisons between the eight-year averages (1998-2006) and the 2007 totals indicate that funding can also be inconsistent from year-to-year. Specifically, CFGM contributed an average of $937,890 over an 8-year period ending in 2006, yet their 2007 CDC funding decreased to $195,916. This decline is significant both for its size as well as the fact that CFGM is the largest foundation in the area. Two of the three foundations who have increased their funding over the last decade are associated with religious organizations. Even the foundations who have increased their support over the last decade continue to provide very small percentages of their total grants to CDCs.

City of Memphis

Memphis city government operates in a mayor-council format. City Council consists of one representative from each of seven districts and three at-large members from each of two super districts.

The City of Memphis Division of Housing and Community Development (HCD) manages all major public funding and support initiatives that provide resources to CDCs. HCD oversees disbursement of the following federal funds[70]:

- Community Development Block Grants (CDBG)
- Home Investment Partnership Grants (HOME)
- Emergency Shelter Grants (ESG)
- Housing Opportunities for Persons with AIDS (HOPWA)
- Shelter Plus Care
- Lead Paint Hazard Reduction Demonstration Program
- Supportive Housing Program
- Fair Housing Initiatives Program Grants

CDBG dollars account for the majority of federal funding that flows into the Memphis CDC industry. In the fall of 2008, the City of Memphis received the following funds from HUD totaling $17,702,261 (number and % the City of Memphis retained for Administration shown in parentheses):[71]

- CDBG - $8,330,778 ($1,825,337, 22%)
- HOME - $4,689,235 ($195,943, 4%)
- ESG - $360,350
- HOPWA - $1,879,000 ($40,545, 2%)

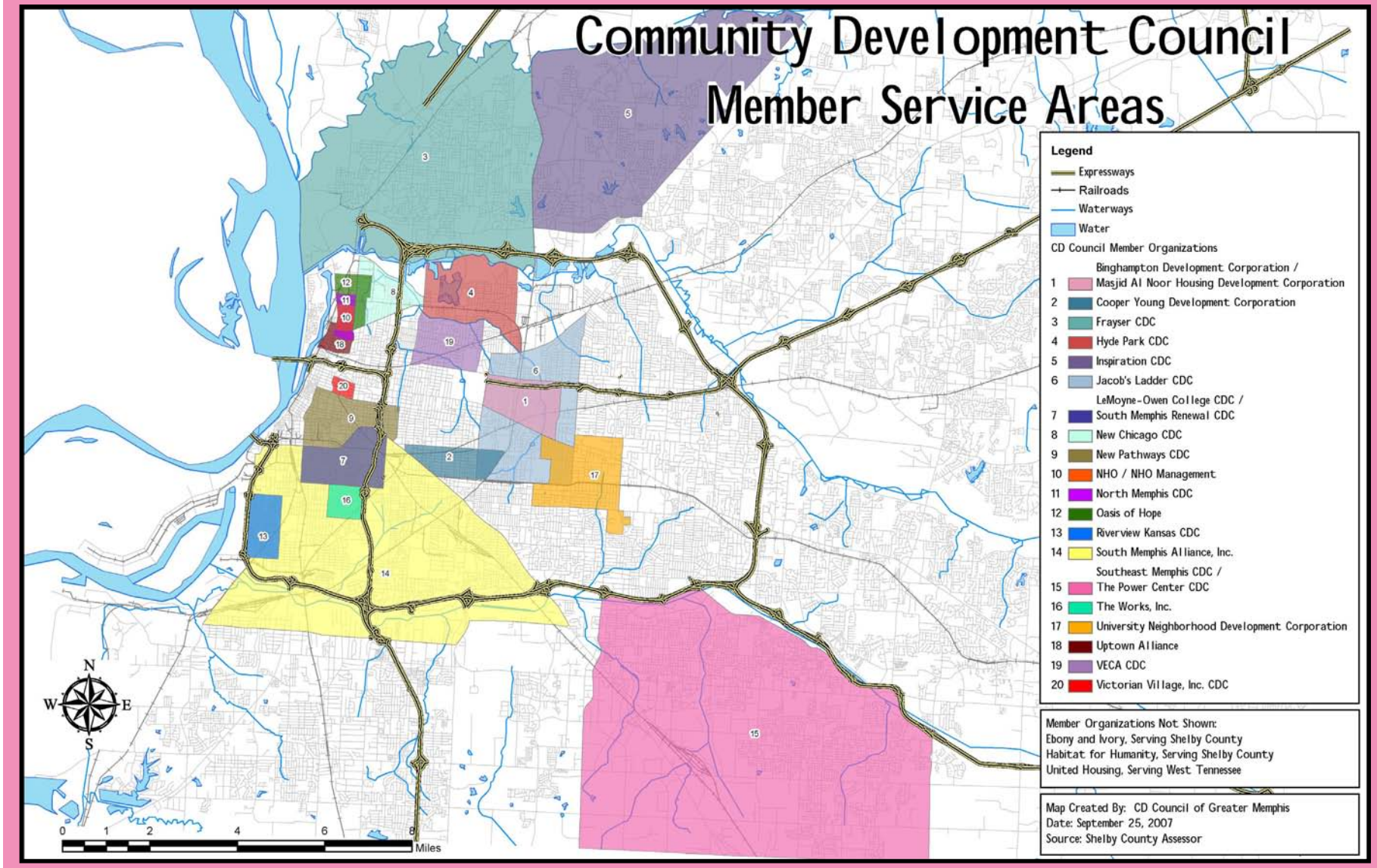

Figure 3.3 Memphis CDC Boundaries[56]

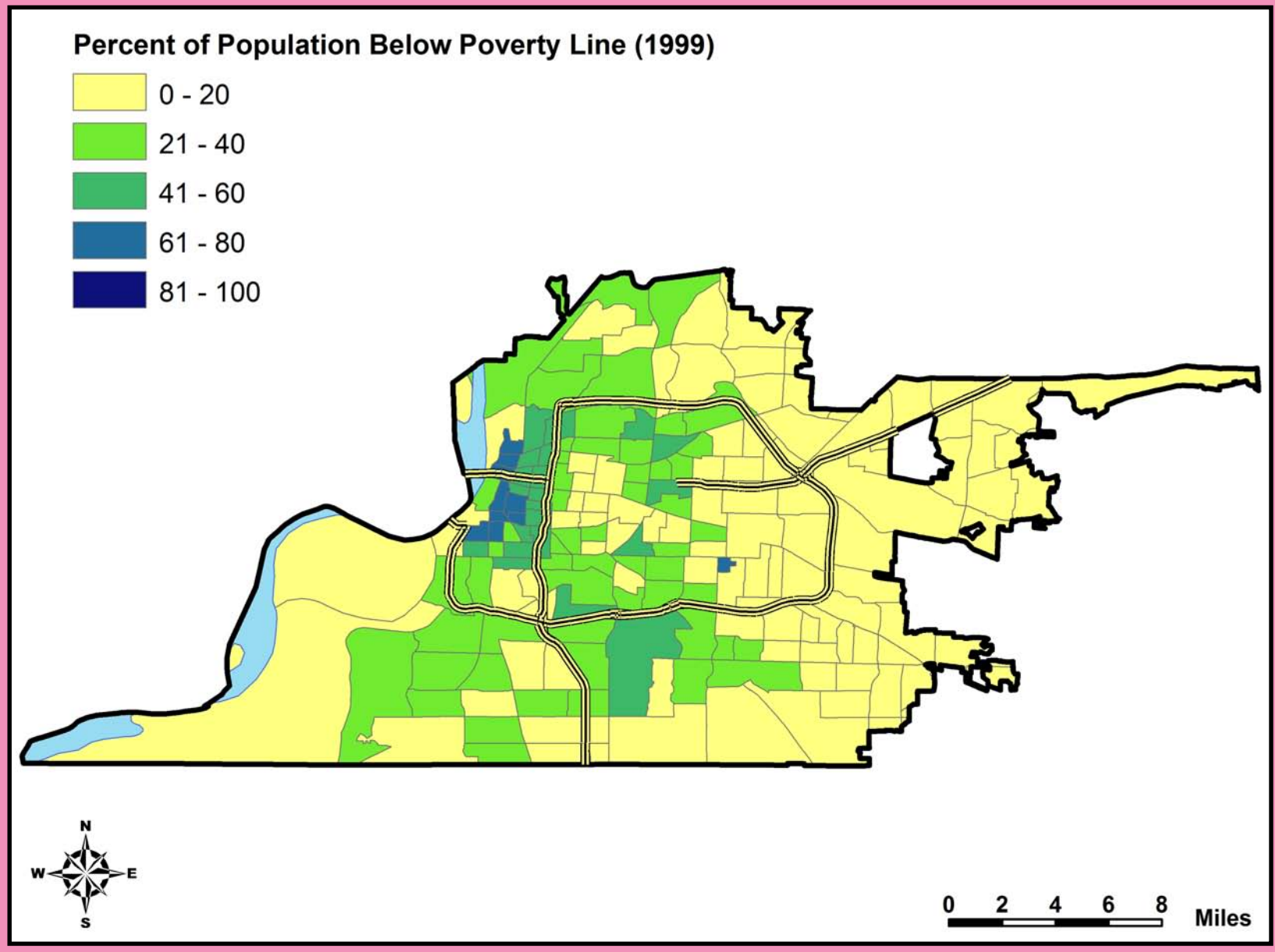

Figure 3.4 Poverty in Memphis[57]

Neighborhood Targeting

HCD provides funding to CDCs and other organizations based on neighborhood conditions and needs in relation to housing, homelessness, special needs populations, and neighborhood, community, and economic Development. The city's short-term plan for 2008-10 addresses many objectives for the projects it supports, but the plan does not detail a methodology for assessing the objectives, nor does it attach weights to individual objectives in the decision-making process. Objectives associated with projects to improve conditions for homeless and special needs populations are omitted as they do not directly relate to CDCs:

Housing[72]

- The need for assistance developing affordable rental housing and owner-occupied single family housing
- The need to assist homeowners with preserving and preventing loss to their property
- Presence of a viable CDC/CHDO
- Ability to attract private investment
- Ability to sustain and leverage city/federal investment

Homelessness

- Neighborhoods that need support developing homeless facilities and operations for women and children, victims of domestic violence, mentally ill persons, and chronic homeless persons.

Special needs populations

- Neighborhoods that need assistance providing housing, health, and human services for persons with special needs related to HIV/AIDS, mental illness, age, substance abuse, and developmental and physical disabilities

Neighborhood/community-public services/economic development

- Neighborhoods that seek assistance in revitalization through blight and slum elimination.
- Neighborhoods that demonstrate the need for infrastructure improvements or public facility rehabilitation
- Small business development, job creation and training to complement physical development projects

Other Resource Providers

Historically, banks have not contributed significant funding to Memphis CDCs.[73] From 1998-2006, banks contributed less than $400,000 to CDCs. CDCs received modest contributions from AmSouth ($171,500), SunTrust ($138,800), and Wachovia ($65,000) over this 8-year span.

The Federal Reserve Bank of St. Louis (Memphis Branch) provides partnership for events, promotions, and support. Although they provide minimal funding support, they are a frequent partner for obtaining information and networking on financial matters associated with community development. They offer opportunities for networking and technical assistance through their stature and position within the regional and national economic landscape.[74]

Support Organization

The Center for Community Building and Neighborhood Action (CBANA) at the University of Memphis "links university research with community action."[75] The group pairs students with community-based organizations to provide research and technical expertise. CBANA partners directly with CDCs and other non-profits throughout greater Memphis to contribute practical research to the community development industry. Recent studies concern foreclosure, lending, addressing problem properties, and early education.

Strengths & Weaknesses

Strengths of the Memphis CDC system include:

- The local trade association is visible, strong, and active. CDCGM maintains close relationships with members, develops assessment tools, participates in state and local advocacy, and maintains an ongoing dialogue with the national community development trade association.
- The active partnership between CDCs and the University of Memphis CBANA project provides data and research for proposals and advocacy. The partnership promotes collaboration between sectors of the CDC system and presents networking opportunities for developing better relationships with other stakeholders in the industry such as the city or other financial resource providers.

Weaknesses of the Memphis CDC system include:

- The industry suffers from a lack of consistent funding sources. The city

receives a low amount of CDBG dollars per capita; foundation and bank funding for community development is low and inconsistent from year-to-year; and no national intermediaries maintain a presence in the city. CDCs receive virtually no funding from the corporate community.

- Memphis has many low capacity CDCs with limited abilities to carry out proposals. Low-capacity CDCs may receive funding from resource providers due to historical funding patterns. Although a CDC's capacity may have decreased over time, the organization remains sufficiently active to maintain certain funding sources. This increases competition for funding and prevents high-capacity CDCs from expanding their efforts and services.
- The system lacks a local or major national intermediary, reducing financial, organizational and technical opportunities and services for active CDCs. This also limits networking and resource opportunities with national funding initiatives.

Community Development Industry History

Philadelphia's CDC industry began as a response to the urban renewal of the 1950s and '60s.[76] City residents were unhappy with the demolition and relocation that attended urban renewal, and their resistance to these threats led the city of Philadelphia to direct federal funds to CDCs as an alternative approach to improving neighborhoods.[77] Federal funds to the city diminished over the years, however, which made development more difficult for CDCs.[78] The city had fiscal problems in the 1980s and '90s, and did not undertake any "significant loan initiatives."[79] After the city overcame its fiscal issues, the mayor focused mainly on economic development downtown at the expense of directing more funding toward community development.[80] The CDC industry in Philadelphia is currently facing the same problems that CDCs around the country face in the depressed economy. Funders of the CDC system have less money, and not all CDCs will be able to stay in business.[81] Philadelphia's CDC system, however, has some characteristics that Detroit's does not. These characteristics help to make the Philadelphia system stronger.

Community Development Industry Profile

Community Development Corporations

Philadelphia's CDCs engage in a wide variety of community development activities. The city has approximately 15 mature CDCs (most of which have been in existence for over 20 years) with strong boards and capacity to carry out large-scale projects.[82] They often focus on housing projects. Within the past five years, however, some of these CDCs have shifted their focus away from housing and toward neighborhood commercial revitalization and foreclosure prevention.[83] Twenty-five medium-sized CDCs with lesser capacities also operate in Philadelphia. These CDCs provide a mix of smaller physical development projects and social services.[84] Another 10 to 15 smaller CDCs cannot, for the most part, handle large-scale physical development based on their limited technical and financial capacities.[85] Instead they provide community based social services by leveraging support from state government and local foundations.[86] These services include senior services, workforce development, and education and safety programs.[87] Figures 3.5 and 3.6 show the boundaries of 27 Philadelphia CDCs and poverty in the city as of the 2000 Census. The CDC boundaries in figure 3.5 are the CDCs for which boundary information was available, out of 45 that belong to the city's CDC trade association. More CDCs serve high poverty areas in the city center, and fewer serve the areas with a lower rate of poverty toward the edges of the city. In 2000 the average median household income in census tracts that were wholly or partially within CDC boundaries was $36,076, while in census tracts with no CDCs it was $45,319.[88] Some high poverty areas of the city, however, do not have any CDCs (or the boundary information for CDCs in these areas was not available).

Case Study
Philadelphia, Pennsylvania

Photo Credit: Margaret Dewar, 2008

Foundation	Year	Total Granted	Granted to Intermediaries	Percent of Total Granted to Intermediaries	Granted to CDCs	Percent of Total Granted to CDCs	Granted to CDCs & Intermediaries	Percent Granted to CDCs & Intermediaries of Total Granted
Knight Foundation	2007-2008	$85,486,174	$0	0.00%	$695,000	0.81%	$695,000	0.81%
Philadelphia Foundation	2007	$21,593,401	$0	0.00%	$326,890	1.51%	$326,890	1.51%
Samuel S. Fell Fund	2008	$1,147,000	$0	0.00%	$113,000	9.85%	$113,000	9.85%
Wachovia Regional Foundation (NJ, DE, PA)	2007	$5,190,000	$0	0.00%	$823,000	15.86%	$823,000	15.86%
William Penn Foundation	2008	$18,800,000	$0	0.00%	$2,351,000	12.51%	$2,351,000	12.51%
Total		***$132,216,575***	***$0***	***0%***	***$1,957,890***	***1.48%***	***$1,957,890***	***1.48%***
Average		***$22,683,315***	***$0***	***0%***	***$391,578***	***8.11%***	***$391,578***	***8.11%***

Table 3.4 Philadelphia - Foundation Dollars Granted to CDCs and Intermediaries[106]

CDC Trade Association

Founded in 1992, the Philadelphia Association of Community Development Corporations (PACDC) works on behalf of Philadelphia CDCs as the city's CDC trade association.[91] PACDC provides advocacy, policy development and technical assistance for CDCs.[92] PACDC also helps its 45 (as of April 2009)[93] member CDCs build greater capacity, and it aims to advance the local community development industry through various marketing and communication efforts.[94]

Intermediaries

Philadelphia has two intermediaries that provide resources to CDCs. Philadelphia LISC, a subsidiary of national LISC, provides CDCs with operational and project funding as well as some technical assistance. NeighborhoodsNow, a local intermediary, provides operating and capacity-building support to Philadelphia CDCs for specific projects or programs.

Philadelphia LISC

Philadelphia LISC has been in the city since 1981, and offers CDCs support through funding, technical assistance, and advocacy.[95] Philadelphia LISC's total expenditure in 2006 was $3.5 million.[96] LISC funded 15 organizations in 2006, most of which were CDCs.[97] This funding included $454,460 in grants, $365,000 of which went to eight CDCs as operating support to "strengthen their skills in linking vibrant commercial corridors to healthy residential neighborhoods."[98]

NeighborhoodsNow

NeighborhoodsNow, Philadelphia's local intermediary, "develops market-driven programs to improve the health and competitiveness of Philadelphia's low- and moderate-income neighborhoods."[99] This intermediary is different from any organization in Detroit's CDC system in that it works with CDCs on (and provides funding for) very specific types of projects. NeighborhoodsNow has two programs for working with CDCs.

- "Healthy Neighborhoods" aims to strengthen moderate to middle-income neighborhoods.[100] Six CDCs received funding under this program.[101]
- "Transit-Oriented Development" focuses on helping CDCs "revitalize low-wealth neighborhoods by improving and exploiting existing transit assets and attracting new private market investments near them."[102] NeighborhoodsNow currently supports four CDC "demonstration projects" under this program.[103]

Total Funds Channeled Through OHCD	CDBG	HOME	HOPWA	State	HTF	Total
Exclusively for CDCs	$129,000	$1,558,000	$0	$0	$500,000	$2,187,000
Including CDCs, but also others	$22,445,000	$9,865,000	$300,000	$3,550,000	$10,837,000	$46,997,000
CDC support services and planning	$222,000	$0	$0	$0	$0	$222,000
Total	***$22,796,000***	***$11,423,000***	***$300,000***	***$3,550,000***	***$11,337,000***	***$49,406,000***

Table 3.5 Funds the City of Philadelphia Channels to Community Development[120]

In addition to these programs, NeighborhoodsNow also works with the Pennsylvania Department of Community and Economic Development to promote that agency's Neighborhood Partnership Program.[104] The Neighborhood Partnership Program is a state tax incentive program that gives tax credits to corporations that support community-based organizations.[105]

Resource Providers

Foundations

Several foundations provide financial support to Philadelphia CDCs. The most prominent of these are the William Penn Foundation, the Wachovia Regional Foundation, and the Samuel S. Fell Fund. The table below shows these organizations' allocations to Philadelphia CDCs as a percentage of total grants.

Some foundations provide support for CDC operational expenses and capacity building in Philadelphia.[107] Philadelphia Foundation, for example, helps CDCs build their organizational effectiveness with General Operating Support Grants.[108] The Philadelphia Foundation bases its grants on "high performance standards," which it uses to evaluate CDCs' capacities.[109]

Foundations fund community-based organizations, including CDCs, for a wide range of activities. The Wachovia Regional Foundation, for example, has provided about $47 million since 1998 toward funding local CDC activities including neighborhood plans, affordable housing, counseling, job creation and skill training, greening projects, façade improvement, community group development, neighborhood leader training, school-age programming, and childcare activities.[110]

Community Investment Group

The Reinvestment Fund (TRF) is a community investment group that began in Philadelphia but now operates in the entire mid-Atlantic region.[111] TRF funds a variety of community development activities, including CDC projects.[112] The CDC projects that TRF funds are mainly housing development projects.[113] TRF provides its investors with a financial return on their investment.[114] The closest comparable organization to TRF involved in community development in Detroit is the Great Lakes Capital Fund.

City & State

The city channels federal CDBG and HOME funds to CDCs through its Office of Housing and Community Development (OHCD). Starting in 2006, OHCD granted a number of neighborhood-based organizations (of which CDCs are a subset) the designation of "Neighborhood Advisory Committees," which receive CDBG funding for specific activities.[115] Neighborhood Advisory Committees "serve residents of low- and moderate-income areas by coordinating city services, conducting block surveys, promoting CDBG-funded programs, preparing neighborhood plans, and commenting on proposed housing and community development projects."[116] Neighborhood-based organizations qualify for Neighborhood Advisory Committee funding when more than half the residents in their area have low-to moderate-incomes.[117] Nine CDCs currently qualify as Neighborhood Advisory Committees.[118]

Data on the percentage of the city's total CDBG funds that CDCs receive are not available, but the OHCD is allocating $4,279,000 (8.3% of the city's

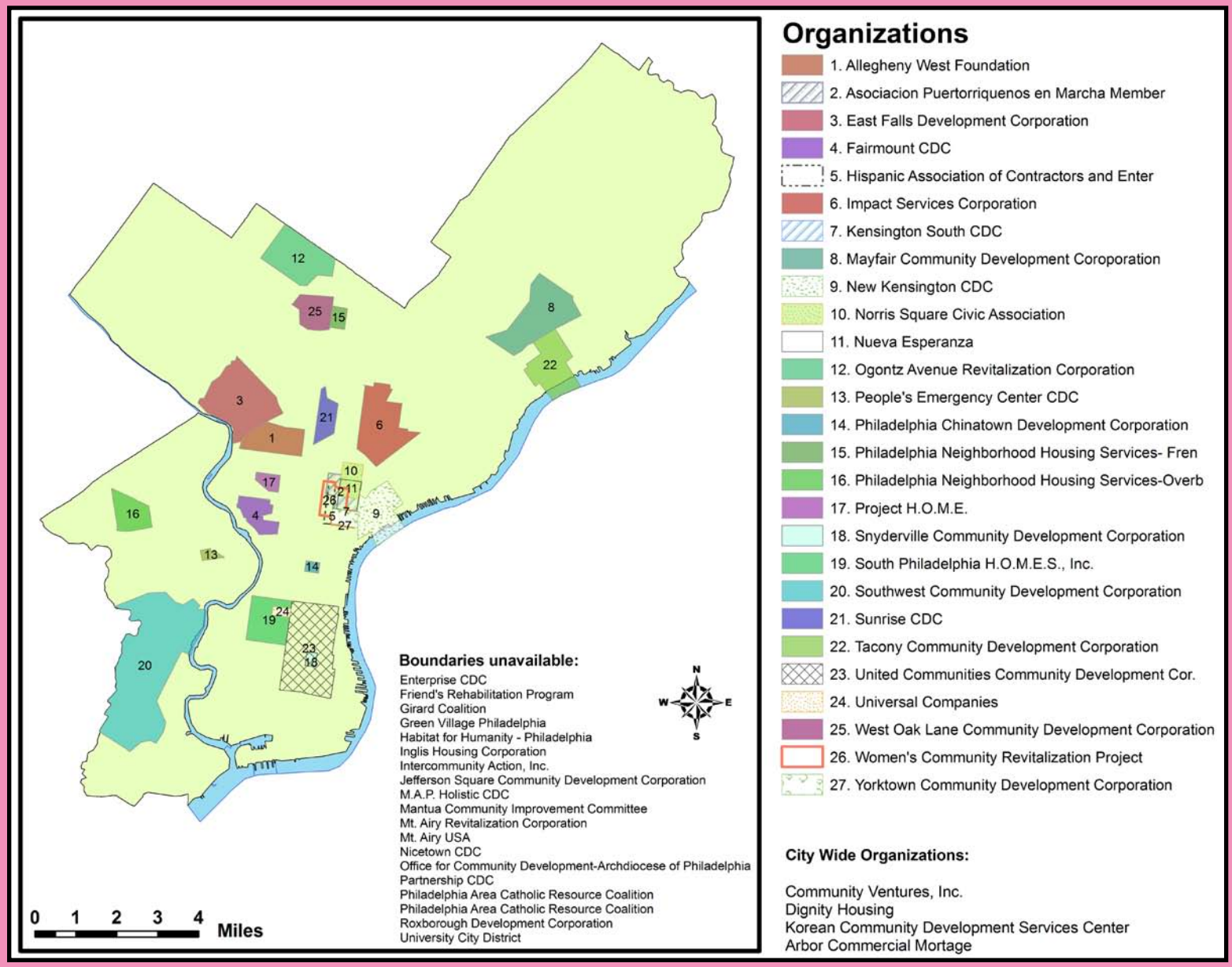

Figure 3.5 Philadelphia CDC Boundaries[89]

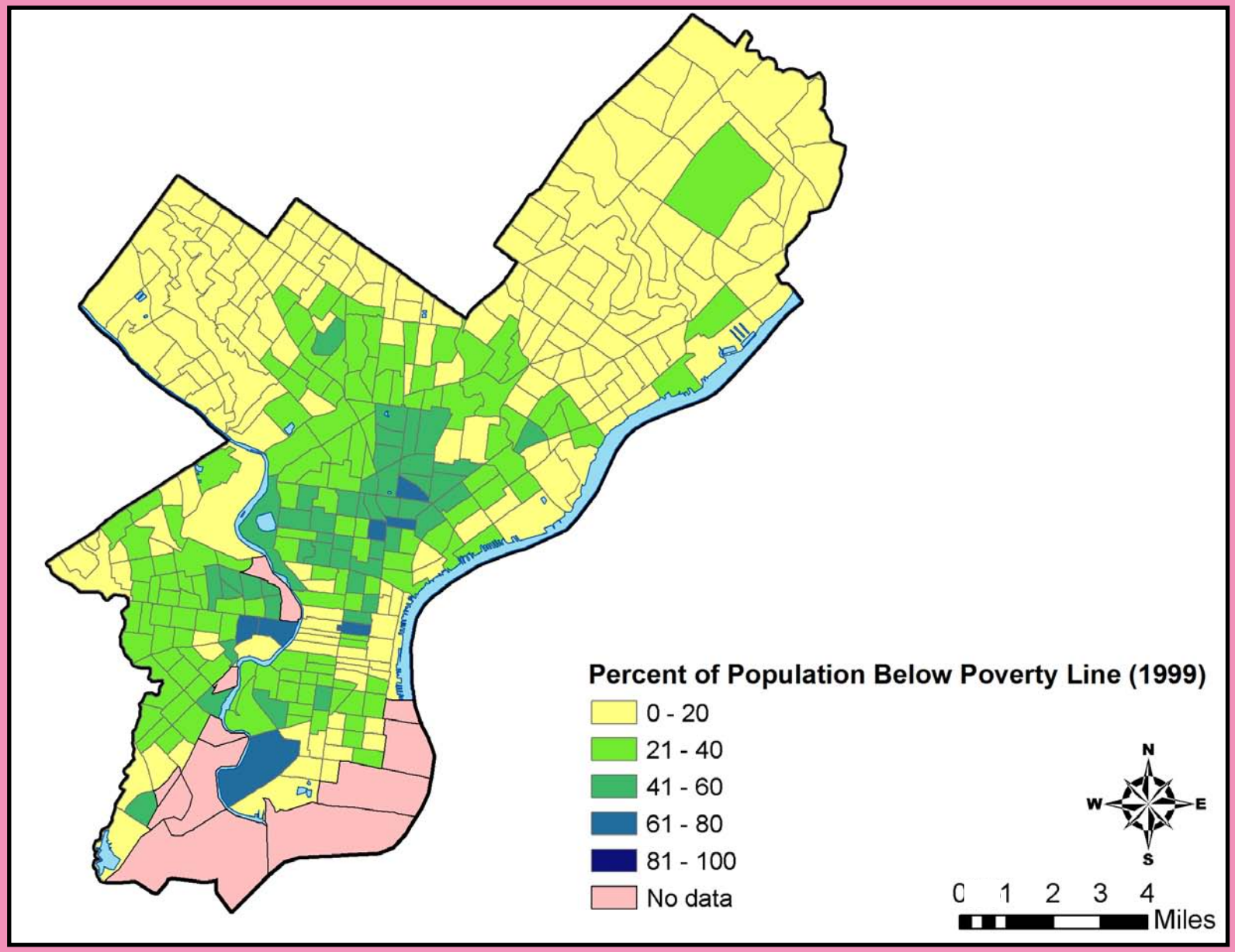

Figure 3.6 Poverty in Philadelphia[90]

$51.7 million in CDBG funds for the year) to CDCs for community economic development alone in fiscal year 2009.[119] Table 3.5 shows the various types of funding that the OHCD makes available to CDCs as well as other non-profit and for-profit organizations for community development.

Housing Trust Fund

Philadelphia's Housing Trust Fund began in 2005.[121] The Fund supports affordable housing development, some of which CDCs produce.[122] The money for the fund comes from "a surcharge on document recording fees."[123]

Pennsylvania Housing Finance Agency

The Pennsylvania Housing Finance Agency, a state agency promoting affordable housing, makes loans and tax credits available to CDCs and other non-profit developers for affordable housing projects.[124] The agency also has a partnership with the National Housing Trust Community Development Fund to make loans for "Affordable Housing Preservation" for low and moderate-income housing.[125] Non-profit organizations can purchase and preserve existing affordable housing developments through this program.[126]

Neighborhood Partnership Program

The Pennsylvania Department of Community and Economic Development's Neighborhood Partnership Program uses tax credits to encourage private businesses to provide at least $50,000 of capital support per year for five years to non-profit organizations in distressed neighborhoods.[127] In return for this support, businesses get a tax credit equal to 75% of their five year contribution, or 80% of their contribution for six or more years.[128]

Other Resource Providers

Neighborhood Information System, run by the University of Pennsylvania, functions as a data and information central clearing house for CDCs.[129] The System makes maps of census and crime data in Philadelphia available to the public for free and provides property parcel data to city employees and non-profit organizations that the Philadelphia Office of Housing and Community Development approves.[130]

Strengths & Weaknesses

Strengths of the Philadelphia CDC system include:

- The city's CDCs have a range of capacities and specialties.[131] This variety allows CDCs to serve their neighborhoods and other CDCs with the assistance that they are most suited to providing.
- The CDC system of the city has two intermediaries. Philadelphia LISC is a more traditional intermediary, and NeighborhoodsNow works with CDCs on projects that contribute to its strategies for improving life for residents of the city. Having two intermediaries gives CDCs in Philadelphia access to resources that might not be available in cities with only one intermediary or none at all.
- Foundations support a diverse range of CDC projects, which means that CDCs do not necessarily have to limit their activities to a few that resource providers will fund.
- The city allocates a higher proportion of its CDBG funds to CDCs than Detroit does.

Weakness of the Philadelphia CDC system include:

- One weakness of the Philadelphia CDC system, and CDC systems in many other cities, is that CDC staff rarely come from the community within which they work.[132] This creates a disconnection between CDCs and their neighborhoods.[133]
- Philadelphia also has some high-poverty areas that CDCs (at least the ones that boundary information was available for) do not serve. This suggests that the CDC system is neglecting to serve a portion of the city's residents who could gain the most from CDC activities in their neighborhoods.

Community Development Industry History

Following the closing of the steel mills in the late 1970s and early 1980s, Pittsburgh used economic development partnerships to try to restructure its economy.[134] These partnerships emphasized support for "community-initiated planning and development activities [consisting of] three well-defined components: operating funds for advocacy groups and community development corporations, financial assistance for economic development and real estate projects, and technical assistance for community-based organizations and non-profits."[135] With assistance from foundations, local government, and neighborhood groups, the Pittsburgh CDC industry established "an effective system for allocating scarce neighborhood development funds."[136] Funding granted to neighborhoods represented 80% of the city's capital investments from around 1965 through 1985.[137]

Integral elements of the Pittsburgh community development system included significant investments from the public and private sectors, strong leadership, and visible impact. This still holds true today.[138] Community partners formed three organizations to support the CDC industry:

- "The city and several non-profit agencies founded the Community Technical Assistance Center" with the U.S. Department of Housing and Urban Development (HUD) Community Development Block Grant (CDBG) funds to assist non-profits with technical support, i.e. legal issues and business management.[139]
- Foundation representatives founded Pittsburgh's intermediary, the Pittsburgh Partnership for Neighborhood Development (PPND).[140]
- The city established the Neighborhood Fund, which uses CDBG funds to encourage CDCs to engage in neighborhood economic development programs by providing operational support. The Neighborhood Fund Board also performs extensive evaluations for success monitoring.[141]

This threefold support system provides Pittsburgh's CDCs with operating funds, project financing, technical assistance, and evaluation tools. Bringing all of these components together is integral to the effectiveness of Pittsburgh's current system. Operating funds encourage capable staff to remain in the industry, while technical, project, and evaluation support increase CDCs' capacity to carry out community development efforts.[142]

Community Development Industry Profile

Community Development Corporations

Pittsburgh includes 88 neighborhoods, approximately 200 community-based organizations, and an additional 30 to 40 CDCs. Unlike many cities, Pittsburgh does

Photo Credit: Partners, Pittsburgh Community Reinvestment Group [online]: http://www.pcrg.org/about-2/partners/, [accessed]: 05.06.09.

Foundation	Year	Total Granted	Granted to Intermediary	Percent of Total Granted to Intermediary	Granted to CDCs	Percent of Total Granted to CDCs	Granted to CDCs & Intermediary	Percent Granted to CDCs & Intermediary of Total Granted
The Heinz Endowments	2008	$84,100,000	$0	0.0%	$2,594,650	3.1%	$2,594,650	3.1%
McCune Foundation	2008	$27,090,412	$0	0.0%	$505,000	1.9%	$505,000	1.9%
Roy A Hunt Foundation	2007-2008	$3,809,051	$0	0.0%	$165,000	4.3%	$165,000	4.3%
Richard King Mellon Foundation	2008	$66,214,100	$0	0.0%	$1,237,000	1.9%	$1,237,000	1.9%
Surdna Foundation	2008	$430,000	$75,000	17.4%	$0	0.0%	$75,000	17.4%
Total		***$181,643,563***	***$75,000***	***0.0%***	***$4,501,650***	***2.5%***	***$4,576,650***	***2.5%***
Average		***$25,949,080***	***$10,714***	***2.5%***	***$643,093***	***1.6%***	***$653,807***	***4.1%***

Table 3.6 Pittsburgh - Foundation Dollars Granted to CDCs and Intermediary[161]

not have a CDC trade association. As a non-profit consortium, Pittsburgh Community Reinvestment Group (PCRG) acts like a trade association and brings together various actors in Pittsburgh's CDC industry—community organizations and non-profits, government agencies, and resource providers—to facilitate neighborhood revitalization.[143] PCRG provides the following services for its members:

- Homeownership protection
- Vacant property working groups
- Safe neighborhood initiatives
- Community development training
- Policy and advocacy
- Research and analysis[144]

PCRG's 21 voting members, both CDCs and community-based organizations (CBOs), elect PCRG's board and vote on its policy decisions. Other elements of PCRG membership include advertising, partnering with local corporations, hosting social and networking events, collaborating with CDC industry stakeholders including "executive roundtables", and providing discounted tuition for certain types of training, i.e. the National Development Council Training Series.[145]

South Side Local Development Company (SSLDC), a PCRG member, was one of Pittsburgh's first CDCs. Established in 1982, SSLDC focuses on historic preservation and community organizing.[146] Although SSLDC has participated in real estate development projects, today SSLDC concentrates on business development, neighborhood marketing and promotions, and community planning. Speaking on behalf of many Pittsburgh CDCs, SSLDC's Manager of Community Planning believes that community development is not equal to real estate development.[147] Rather, community organizing should be the focus of most Pittsburgh CDCs. Most funders, however, seek bricks and mortar projects where results are easily visible.

Figure 3.7 shows neighborhoods which contain community development organizations that PPND funded in 2007, and Figure 3.8 shows poverty in the city. These maps show that PPND generally funded CDCs in areas with a higher rate of poverty, although it did not fund CDCs in all poorer areas.

Intermediary

The Pittsburgh Partnership for Neighborhood Development (PPND), a LISC affiliate, is the community development industry's local intermediary. As a

LISC affiliate, PPND benefits from access to national LISC's loan pool and low-income housing tax credits, while maintaining its independence as a local intermediary.[150] A combination of local and national foundations created PPND in 1982 to create a "single funding stream, the control of which would result in a more coordinated and strategic approach to community development"[151] PPND implemented an economic development strategy rooted in increasing Pittsburgh CDCs' technical and organizational capacities via:

- Increased funding
- Technical assistance
- A problem-solving forum
- Operating capital
- Protection from political interference[152]

PPND also provides multi-year core operating support, training, development support, and avenues for political advocacy and research by uniting with government agencies.[153] Additionally, PPND created peer-to-peer networking associations among CDCs with similar focuses.[154]

To ensure that CDCs work effectively and efficiently, PPND created the Neighborhood Indicators Project (NIP), a set of standards that measure CDCs' success. The NIP uses milestones and outcomes to hold CDCs accountable for their success as community developers.[155] In a weak-market city like Pittsburgh where change can be incremental and not always readily apparent, a system of evaluation like the NIP has proven to be important to PPND's funders.[156]

Resource Providers

Funding and other resources for Pittsburgh CDCs come from four main sources:

1. The Neighborhood Partnership Program
2. PPND (as noted above)
3. Foundations
4. Various departments of the city government

Additionally, the Urban Redevelopment Authority (URA) and the Community Technical Assistance Center (CTAC) provide technical assistance and other support.

Foundations

PPND, typically providing funding for operating support in targeted areas,[157] recognizes 12 foundations and banks as prominent partners and financial supporters.[158] Foundations and financial institutions provide between $2 million and $2.5 million annually to PPND; approximately 80% of which is from foundations.[159] The five most important, in order of amount contributed to CDCs in recent years, are the Heinz Endowments, the Richard King Mellon Foundation, the McCune Foundation, the Roy A. Hunt Foundation, and the Surdna Foundation. These foundations also provide funds for specific projects directly to CDCs.[160]

City & State

The city government provides funding to CDCs with CDBG dollars. CDBG fund allocations from the city to CDCs account for approximately 10% of all CDBG awards and reach CDCs via three routes:

1. Advisory Committee for Community Based Organizations (ACCBO) provides annual operating funds to around 20 groups each year, some of which are CBOs and public housing organizations.[162] CDCs receive approximately $25,000-40,000 per year from CDBG dollars;
2. City Council distributes CDBG dollars at its discretion; annual awards range from $500-5,000; and
3. The Mayor's office allocates CDBG dollars in the same manner as the City Council and in similar dollar amounts. The current administration is pro-business and carefully ensures that CDBG dollars are funded to organizations that will provide the greatest overall community impact. Most often, this means that large, city-wide projects will be funded rather than small, CDC-based projects.[163]

City-based non-financial resource providers include The Urban Redevelopment Authority (URA) and the Community Technical Assistance Center (CTAC).

URA is an economic development agency, whose goals include job creation, tax base increases, business and neighborhood vitality improvement, and enhanced livability.[164] Pittsburgh CDCs and other community development players consider URA a partner as URA's philosophy is to assist with neighborhood development.[165]

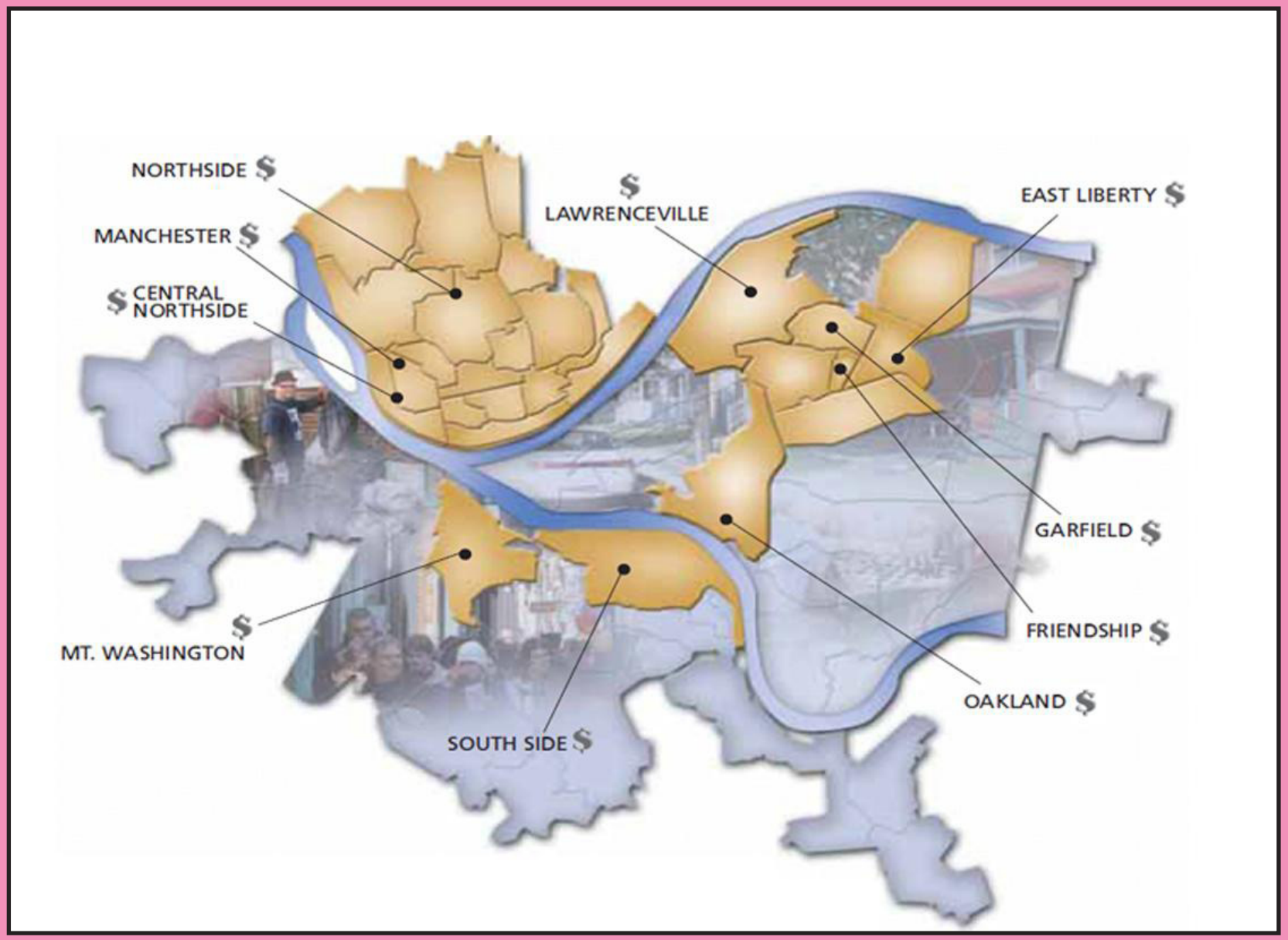

Figure 3.7 Neighborhoods with Organizations funded by PPND in 2007[148]

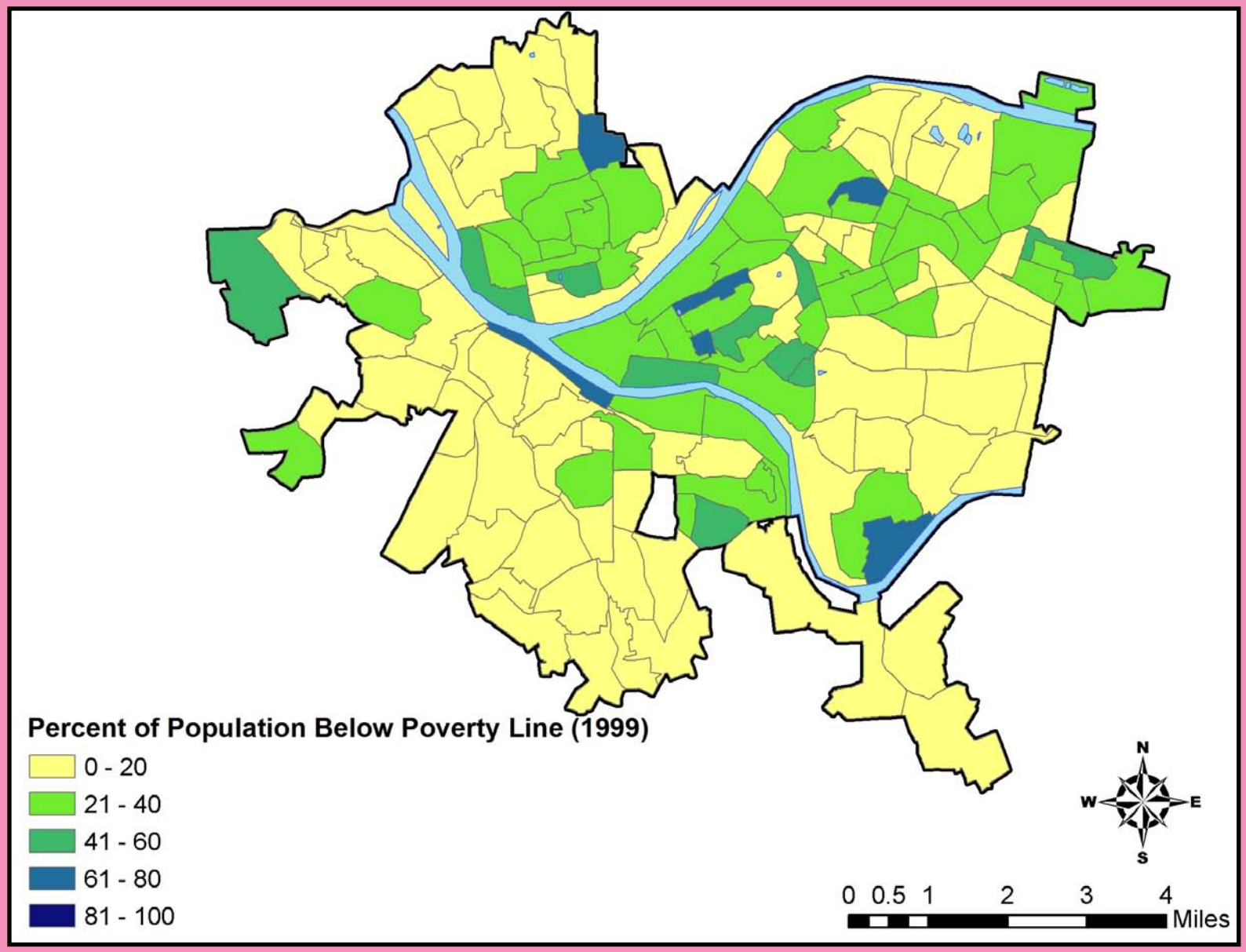

Figure 3.8 Poverty in Pittsburgh[149]

CTAC strengthens Pittsburgh's CDCs and other non-profits through training, consulting, referrals, and publications.[166] Its goal "is to develop strong communities by providing technical assistance to neighborhood groups, tenant councils, community-based organizations and community development corporations in Southwestern Pennsylvania."[167] Services that CTAC provides to local CDCs and CBOs include organizational development, community organizing, community data, and communications and advocacy.[168]

The Neighborhood Partnership Program

The majority of funding for CDCs comes from the Neighborhood Partnership Program (NPP), a state created tax credit program that links non-profits to companies seeking tax credits.[169] NPP's main goal "is to foster the development of collaborations among private for-profit businesses, non-profit community development organizations, local government, neighborhood residents and informal civic groups to improve the quality of life in distressed communities."[170] To accomplish this goal, the NPP connects non-profit and for-profit businesses. The for-profit business makes "substantial long-term contributions" to community development projects and in turn receives a tax credit equal to 75% of their five year contribution, or 80% of their contribution for six or more years.[171]

Other Resource Providers

Several resource providers support CDCs in Pittsburgh. Two of the city's most prominent organizations are the Pittsburgh Community Development Network (PCDN) and the Community Design Center of Pittsburgh (CDCP).

PCDN is an easily accessible resource for Pittsburgh's CDCs, offering an online newsletter that provides grants and loans listings.[172] Its website also showcases information and community development resources from other organizations such as LISC and PPND.[173]

CDCP improves the quality of life in Pittsburgh by encouraging good design in the built environment.[174] It does this by offering grants, technical assistance, education, and architectural guidance to organizations, including CDCs.[175]

In 2007, these organizations and three others formed the Pittsburgh Community Development Collaborative (PCDC) focusing on service and resource improvement, effective and efficient support systems, and quicker advancement of community goals.[176] The PCDC operates without any additional funding or staff. Its organizations make time and dollars available out of their own budgets and with their own staffs.

Strengths & Weaknesses

Strengths of the Pittsburgh CDC system include:

- Public-private partnerships have resulted in both sectors' "making larger commitments than they probably would have made if each had acted independently."[177] Partnerships formed in the 1980's still exist today, along with new ones. The most relevant examples include the Pittsburgh Partnership for Neighborhood Development, the Pittsburgh Community Reinvestment Group, the Pittsburgh Community Development Network, the Community Design Center of Pittsburgh, and, most recently, the Pittsburgh Community Development Collaborative.
- The best CDCs exist in neighborhoods with established plans. These plans include not just community plans, but also business plans, strategic plans, and master plans - "plans that give them a reason for what they are doing."[178] Although, conversely, plans likely exist in neighborhoods with established CDCs. Both elements reinforce each other and provide for more successful neighborhoods.
- CDCs and city agency staff communicate well.

Weakness of the Pittsburgh CDC system include:

- Some organizations in the system lack transparency, which leads to deficiencies in understanding among the system-wide organizations.
- Programs like the PCDC represent attempts to work toward common goals, yet they face challenges common to all collaborations, i.e. difficulties in uniting forces and avoiding duplicating each other's work.

Conclusion

The case studies of CDC systems in Cleveland, Memphis, Philadelphia and Pittsburgh illustrate the successes and challenges of different CDC system models. Leaders in many of these cities are currently working collaboratively, as in Detroit, to move their industries forward by redefining the role of community development corporations in a stagnant housing market. The connection between neighborhood improvement and CDC activities in any city is often incremental and difficult to quantify (i.e. neighborhood improvement through a successful multi-family development or a commercial corridor beginning to thrive, an instance of successful cross-organizational advocacy, or an increase in safety in a particular area).

No one, clear model provides a "silver bullet" option for strengthening Detroit's system. Yet strong partnerships, local intermediaries, binding performance standards, city leadership attentive to community development, and successful advocacy are common to the industries in most if not all of these cities. The experiences of Cleveland, Memphis, Philadelphia, and Pittsburgh yield some recommendations that offer CDAD and Detroit's CDCs options to help propel Detroit's CDC industry forward. The next chapter provides a detailed discussion of these and other recommendations and potential implementation steps.

Chapter 3 Notes

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Chapter 4
Recommendations for Growing Stronger

This chapter makes recommendations for building a stronger Detroit CDC system. These recommendations and suggested implementation steps stem from observations about the city's existing system (see strengths and challenges, Chapter 2), evidence from stronger CDC systems in cities facing economic conditions similar to Detroit's, and the ideas of community development experts. Each recommendation relates to at least two of three goals (see Figure 4.1 below), and at least one of five forms of CDC capacity. The aim of this chapter is to provide CDAD and the Futures Task Force with approaches to expand the five types of CDC capacity that speak to CDCs' abilities to form productive relationships, advocate for their communities, garner resources, organize themselves, and provide a comprehensive set of services.[1]

The overall goal of this plan is to expand CDC capacity. Two specific goals fall under this overarching goal:

- Goal 1: Clarify roles and relationships at the neighborhood level.
- Goal 2: Develop and improve interactions with the larger community development system—intermediaries, resource providers and support organizations.

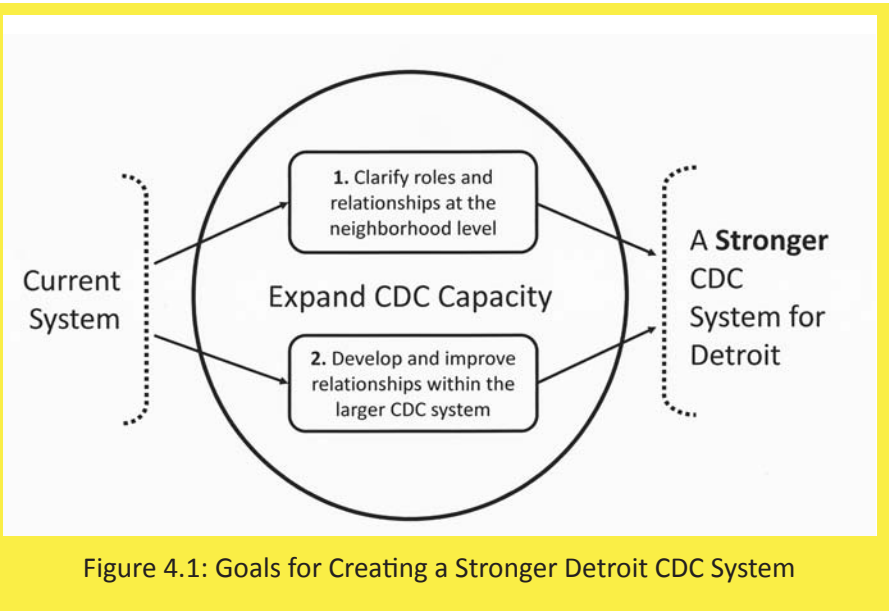

Figure 4.1: Goals for Creating a Stronger Detroit CDC System

This chapter details each goal and then grounds it with a set of specific recommendations, corresponding case studies, and implementation possibilities.

Overarching: Build CDC Capacity (Five Types). People understand the term "CDC capacity" in a number of different ways. Some see it as a quantifiable (i.e. number of housing units built per year) measure of a CDC's ability to build and rehabilitate housing; others see it as a more holistic descriptor of a CDC's engagement in social, economic and physical community development. Because this plan addresses a CDC industry that is seeking to move away from an overreliance on financial support from physical development, the plan employs a definition more like the latter. Community development experts Norman Glickman and Lisa Servon define CDC capacity as including five measures:[2]

- **Network:** a CDC's ability to work with institutions, both within its direct community and the larger CDC system.
- **Political:** a CDC's ability to accurately and effectively understand its community's needs and advocate for it in larger political arenas.
- **Resource:** a CDC's ability to generate support via fees, grants, loans, etc.
- **Organizational:** a CDC's ability to manage its internal operations.
- **Programmatic:** a measure of the types of services a CDC offers.

These five measures offer a comprehensive way to think about the following goals.

Goal 1: Clarify roles and relationships at the neighborhood level. This goal directly addresses the CDAD Futures Task Force's aim to define the role of key entities engaged in community development in Detroit. The recommendations that fall into this category address roles and relationships among neighborhoods, CDCs, and CDAD and focus mostly on building three types of CDC capacity at the neighborhood level: network, political, and organizational. The logic supporting this goal is that CDAD, its member CDCs and their neighborhoods must first focus on defining internal roles and relationships in order to engage support and resources at the city, regional and state levels.

Goal 2: Develop and improve interactions with the larger community development system--intermediaries, the city, foundations, banks, and

support organizations. This goal addresses the Futures Task Force's aim to increase support for CDCs through interactions with entities beyond the neighborhood level.

While garnering funding is an urgent concern, Goal 1 is particularly important to Detroit's CDCs in the sense that CDCs and CDAD can begin to define and strengthen their most immediate roles and relationships in order to become more effective in seeking support from the rest of the CDC industry. Yet the two goals rely on each other for success, as the future strength of the Detroit's CDC industry will develop on multiple levels. The following recommendations provide CDAD and the Futures Task Force with options for building a stronger Detroit CDC industry at both the neighborhood and system-wide levels, while addressing the five types of CDC capacity at each of these levels. In the summary of recommendations below, each recommendation is grouped with the goal it most advances, either Goal 1 or Goal 2. The words Network, Political, Resource, Organizational, and Programmatic indicate the types of CDC capacity that each recommendation builds.

Goal 1. Clarify roles and relationships at the neighborhood level (type of capacity building in parentheses).

- Elevate the importance of community organizing. (Network, Political, Programmatic)
- Implement evaluation criteria to measure CDCs' success.. (Network, Political, Programmatic)
- Develop a Neighborhood Indicator System (NIS) for identifying neighborhood development priorities. (Network, Organizational)
- Structure a CDC-led response to geographic targeting.(Network, Political, Resource)
- Consider strategies for mergers and consolidation. (Organizational)
- Enhance peer awareness of activities. (Network)
- Explore supplemental development resources in response to the current economic situation and diversify services that CDCs provide based upon neighborhood needs. (Network, Resource, Programmatic)

Goal 2. Develop and improve relationships with the larger community development system: intermediaries, resource providers, and support organizations.

- Create a consortium that includes CDCs, intermediaries, city departments, foundations, banks and corporations in industry-wide planning processes and decision-making (Political)
- Advocate for the formation of a local intermediary. (Resource, Network)
- Continue discussions with the new director of the Planning and Development Department to influence reform of the CDBG allocation process. (Political, Resource)
- Lobby for an improved corporate tax credit policy to support CDCs. (Political, Resource)
- Cultivate a system of advocacy spanning all levels of government. (Political)

The following sections describe each recommendation in regard to the goal that the recommendation supports. Individual recommendations includes a description of the concept, implementation suggestions that may be helpful within the context of Detroit, and observations from case study cities.

Goal 1: Clarify roles and relationships at the neighborhood level

The seven recommendations associated with this goal address developing relationships between actors in the system that work at the neighborhood level. These groups include neighborhoods, CDCs, and CDAD. Strenghtening these relationships and defining roles within these groups strengthens the relationships that neighborhood level groups can susequently develop with stakeholders in the larger CDC system.

1.1 Elevate the importance of community organizing

Across the nation many of today's CDCs trace their roots to the late-1960s and 1970s when community-organizing movements focused on mobilizing citizens for tenants' rights and protesting against racially imposed living conditions, urban renewal, and private disinvestment.[3] Since then, two categories of community development organizations have predominantly replaced their politically motivated predecessors: those that provide physical development and those that provide social services. Programmatic shifts parallel shifts of funding sources. Government agencies and philanthropic foundations began funding various community development activities in the 1970s and 1980s. "Many of today's CDCs gain their legitimacy not from the

local community but from the external institutions on which they depend for funding."[4] Consequently, many CDCs have diverged from their origins as community-based political organizers.

Yet literature and interviews suggest that some of the most successful CDC efforts are successful because they are grounded in community organizing and deeply tied to their neighborhoods' needs.[5] According to one definition, community organizing is "a direct effort to bring residents together around one or more specific issues;"[6] in doing so, neighborhood residents can communicate development needs to their CDCs.[7] Seventy-two percent of respondents to a 2008 survey of Detroit CDCs listed community organizing as one of their activities.[8] Yet definitions of community organizing vary across the industry, and some entities within the CDC system do not recognize CDCs' organizing efforts. Some actors in the system believe that block clubs, religious institutions, and other community-based organizations represent neighborhood concerns more effectively than CDCs. Making community organizing a priority would strengthen Detroit CDCs' network and political capacities at the neighborhood level, reinforcing their role as grassroots organizations attuned to their neighborhoods' development needs.[9]

CASE STUDY

Many of **Cleveland**'s CDCs grew from community organizing roots. The **Cleveland Neighborhood Development Coalition** (CNDC) and a number of community partners strive to support CDCs committed to community organizing. In 2005, CNDC initiated a five-step strategic planning process to address city-wide organizing, eventually settling upon 26 guiding principles and a set of supplementary criteria for a citywide organizing model. Currently, CNDC holds monthly community organizer meetings to "organize residents to become involved in directing the development agendas of . . . their communities."[13] They also produce a monthly newsletter that informs members of relevant issues, upcoming events, meeting minutes, opportunities for citizen engagement, and an updated membership roster. An archive of the publications is available online: http://www.cndc2.org/publications.htm.

CASE STUDY

Developing an infrastructure for community organizing around a particular issue has also been a successful strategy in Cleveland. **Cleveland-based ESOP (Empowering & Strengthening Ohio's People)** participates in direct action community organizing and foreclosure prevention advocacy.[14] ESOP is a nationally recognized community organizing collaborative that facilitates residents' interactions with lenders, government offices, and support agencies to enhance awareness and initiate action in response to mortgage foreclosure. Past ESOP actions include public campaigns against specific lenders resulting in fair lending agreements between ESOP and those lenders.[15] ESOP representatives meet regularly with politicians and have recently testified before legislative committees at federal, state, and local levels in response to the housing crisis and predatory lending practices.[16]

Implementation

CDAD and the Futures Task Force could address the issue of community organizing on a number of different levels. CDAD could seek funding to identify citywide organizing issues, hold regular meetings, provide training, and develop resources for new and continuing organizers.[10] Training and resources might focus on comprehensive, inclusive planning and organizing processes that (1) develop local organizations, (2) give residents a sense of ownership of the neighborhood development process, and (3) "motivate [residents] to pressure capital and government to fund implementation [of neighborhood development plans]"[11] Alternately, CDAD could encourage CDCs to increase interaction with the residents of their neighborhoods through neighborhood meetings, collaborations with block clubs and faith-based organizations, or by publishing regular newsletters describing member activities and events.[12]

Many neighborhoods face the threat of widespread mortgage foreclosure. Counseling to prevent mortgage foreclosure and mortgage support services could help residents resolve issues associated with mortgage foreclosure and predatory lending. CDCs could leverage the mortgage foreclosure issue as a focal point for community organizing.

1.2 Implement evaluation criteria to measure CDCs' success

A recent national industry-wide report found that "funders and other stakeholders may [increasingly] be asking [CDCs] to report on evaluation . . . without funds or additional grants to collect this information."[17] Many trade associations, intermediaries, and funders engage in evaluation to strengthen their mission, their member organizations, and the neighborhoods they serve. A set of CDC evaluation criteria in conjunction with a tool (survey, database) to compile and compute results could provide Detroit's CDC industry with a useful assessment mechanism.

Resource providers across the industry primarily evaluate CDCs on an as-needed basis. CDAD, its members, LISC, foundations, and the city's Planning and Development Department have not agreed upon a standard set of measures. Developing uniform industry standards could produce a clearer picture of which CDCs are strong in which arenas. A Detroit CDC assessment tool could encourage CDCs to maintain professional practices, develop strategic planning goals, and calibrate their capacity within the industry. For CDAD, the assessment results could help the organization understand its members' capacity and potential and provide insights into the distribution of important issues, concerns, and challenges throughout the CDC system.

Implementation

CDAD could gather best practices from across the country with respect to community development evaluation criteria. A recent NeighborWorks publication lists 20 different capacity assessments, 15 performance measurements, and 37 outcome evaluation tools.[18] This listing may be earlier stages of the Success Measures Project.

The **Georgia Department of Community Affairs,** an advocate for local governments in state-level politics, created a set of "Capacity and Performance Standards for Community Development Corporations." These standards define acceptable levels of organizational, business, financial, programmatic, and community outreach structure for CDCs. They fit into a capacity assessment tool that measures CDCs by whether specific activities are in "formative, emerging, or producing stages." For the full text of this tool, see Appendix B.[25]

Case Studies

In **Memphis**, assessment tools have allowed organizations to evaluate their efforts and develop an overview of their strengths, challenges, and expectations. The **Community Development Council of Greater Memphis** (CDCGM, Chapter 3) uses a database of evaluation criteria patterned after that of a financial intermediary in Atlanta, GA—the Atlanta Neighborhood Development Partnership, Inc. These criteria are not publicly available, but CDCGM maintains that consistently evaluating its member CDCs provides them with a clear measure of their strengths and weaknesses. CDCs can then address their challenges by leveraging their strengths.[19] Additionally, results from CDCGM's assessment tool have formed the basis for advocacy efforts at state and local levels; CDCGM's certification process denotes high-capacity CDCs and their activities. Certifying CDCs establishes CDCGM's reputation as the authority on community development throughout the region, and allows CDCs to leverage their status when applying for resources or lobbying public officials.[20]

LISC's CapMap is an internal assessment tool, developed at the national level, that local LISC staff can use to assess the CDCs they fund based on nine "progressive stages of competency." These stages measure "board governance, community connections, executive director, financial management, fund development, human resources and staff development, management information systems (MIS), real estate asset management, and real estate development."[21]

NeighborWorks, a national intermediary with operations in Detroit (Southwest Housing Solutions CDC is a NeighborWorks affiliate[22]) and Memphis (Memphis, Chapter 3) has a number of evaluation resources available to CDCs. Its Success Measures program uses "forty-four indicators and a range of data-collection tools [to] quantify the effects of housing, economic development, and community building programs at the individual, organization, and community levels."[23] Organizations can access the Success Measures evaluations tools for stratified fees starting at $2,500 per year.[24] Several Detroit CDCs served as pilot sites during

a starting point for CDAD when exploring options for establishing a set of evaluation criteria for Detroit CDCs. A set of evaluation criteria to assess CDAD members' performance and outcomes would allow CDAD to advocate for its members in a more informed manner.

Organizations throughout the country use different types of evaluation criteria to measure the performance of individual CDCs and non-profits in their areas. Standards such as the Community Development Council of Greater Memphis' capacity assessment tool, LISC's *Cap*Map and NeighborWorks's Success Measures provide examples of evaluation mechanisms.

1.3 Develop a Neighborhood Indicator System for identifying neighborhood development priorities

A neighborhood indicator system (NIS) is a database that tracks property, market, population and other changes at the neighborhood level "to use data to support policy development and action agendas that will facilitate positive change."[26] Ideally, Detroit's CDCs, non-profits, municipal departments, and other stakeholders could use an NIS as a "one-stop-shop" for data that is instrumental to neighborhood-level decision-making. The National Neighborhood Indicators Partnership (NNIP), a collaboration supported by the Casey and Rockefeller foundations, aims to "further the development and use of neighborhood information systems in local policymaking and community building"[27] nationwide. NNIP partners exist in Cleveland, Memphis, Philadelphia, Pittsburgh and 27 other U.S. cities. No partner currently exists in Detroit,[28] though D-ACIS is working with NNIP leadership and regional universities and plans to attain full-fledged membership in mid-to-late 2009.[29]

Organizations in Detroit have taken small steps toward consolidating neighborhood level data for public use. City Connect Detroit Inc., launched in 2001 as a partnership between the city of Detroit, non-profits, and foundations, represents a local attempt to develop and sustain cross-sector collaboration. It provides information about grant opportunities to CDCs; CDCs pay for this information with fees proportional to their annual budgets. In 2008, the Skillman and Kresge Foundations funded Detroit-Area Community Indicators Systems (D-ACIS), a three-year City Connect Detroit project to "assist [with] evidence-based planning and [the promotion of] better policy and program decisions."[30] Currently, neither City Connect Detroit nor any other data clearinghouse offers public access to property, crime, or market data,[31] though D-ACIS aims to remedy this deficiency over the next two-to-three years.

Case Study

The **Pittsburgh Neighborhood and Community Information System** (PNCIS) is a collaborative effort to quantify, track, and highlight neighborhood market activity in the city. Established in 2004, PNCIS' partners include departments at the University of Pittsburgh and Carnegie Mellon University, the City of Pittsburgh, Allegheny County, and several non-profits. Pittsburgh's local intermediary (PPND, Chapter 3), established the PNCIS to track activity according to approximately 50 neighborhood indicators[32] within five categories:

- An engaged and active community
- Improved residential and commercial real estate markets
- Reduced and eradicated blight
- Safe streets and communities
- A thriving business district—low vacancies and increased commercial activity[33]

PNCIS's 200 members can access data online or select and track the indicators at their own discretion with guidance and assistance from PPND. For example, local and regional members have used PNCIS data to target vacant homes for demolition, identify unsafe conditions near Pittsburgh's public schools, and "connect investment and redevelopment strategies to neighborhood conditions, guide planning efforts, and structure development incentives."[34] For more information and sample documents from PNCIS's indicator program, see Appendix D.

Implementation

CDAD could improve its member CDCs' understanding of citywide patterns by taking steps to help establish an NIS. The implementation and use of an NIS

could facilitate more informed decisions at the neighborhood and system-wide levels. CDAD might consider partnering with a number of entities to devise a list of neighborhood indicators useful to CDCs' and CDAD's policymaking priorities for future inclusion in an NIS. Partners could include D-ACIS (whose leadership stresses the role of CDCs in choosing neighborhood indicators), a local university, NNIP, and/or a consultant. D-ACIS' emerging role as a data clearinghouse makes it an ideal partner with CDAD for creating an NIS.

1.4 Structure a CDC-led response to geographic targeting

Community development resource providers often employ geographic targeting strategies in an attempt to increase the effectiveness of funding and other support. "Geographic targeting, also known as spatial or place-based targeting, channels resources to specifically defined geographic areas."[35] Cities, foundations and intermediaries often geographically target funding to certain neighborhoods, sometimes working with each other to do so. The goal of collective targeting is to reach "a threshold level beyond which the private market can operate without subsidies."[36] Behind this goal is the idea that a critical mass of investment in an area can spur reinvestment in a way that scattered funding cannot. This idea has made targeting a popular strategy among resource providers. Many of Detroit's resource providers geographically target their community development resources to overlapping areas (see Figure 2.10, Chapter 2).

Agreeing on ways that CDCs can influence targeting strategy could better define roles and relationships at the neighborhood level and help Detroit CDCs recognize the inevitability of targeting. Dissatisfaction and lack of clarity persist among CDC leaders in response to the methods funders use to choose their community development targets. Some funders have been more transparent than others about their selection criteria. This lack of transparency may imply a misalignment of funders' missions and their actual targeting allocations.

Implementation

Although resource providers and intermediaries usually implement targeting, CDAD can influence targeting to benefit CDCs and their neighborhoods. If CDCs and CDAD were armed with more knowledge about successful approaches to targeting, they could advocate for a different approach in Detroit--one

Case Study

Cleveland's Strategic Investment Initiative (SII, Chapter 3), supported by both NPI (the city's local intermediary) and Enterprise, represents a more active, focused targeting approach than that of Detroit LISC's SIAs. Using ten key SII characteristics (see Appendix D), "the Strategic Investment Initiative intends to produce measurable change in a select number of Cleveland neighborhoods over the next ten years in property values, homeownership and occupancy rates, and additional private investment."[38] NPI selected six SII's through an open RFP process with a recognized criteria for selection.[39] The open process and published criteria produced a level of transparency surrounding the selection process that is missing from many targeting approaches in Detroit. NPI developed and maintains a comprehensive mission for the SII program. When community development funders target resources in a way that addresses the stated mission, the result can be a strategy that produces "noticeable progress in community preservation or revitalization."[40]

Case Study

The **Community Development Council of Greater Memphis** (CDCGM, Chapter 3) is working with Center for Community Building and Neighborhood Action at the University of Memphis (CBANA) at the University of Memphis to draft a "Strategic Framework" tool that will help determine which areas are the most appropriate for investment. The tool will score areas for investment and development feasibility based on factors such as existing infrastructure, land use, and proximity to services among many others. The tool scores potential areas for revitalization based on indicators. This serves as a transparent, data-driven method to channel funding for development projects. CDCGM expects to deploy the Strategic Framework in 2010.

where CDCs can participate in the planning processes and analysis that lead to targeting decisions. A participatory targeting strategy like that in Richmond, VA, could work in Detroit. Development of a Neighborhood Indicator System (NIS, this chapter) could be a useful tool for facilitating a participatory targeting process.[37] Additionally, CDAD could take a more active role in suggesting well-planned funding and service strategies that include CDCs in both targeted and non-targeted areas.

1.5. Consider strategies for CDC mergers and consolidations

Considering organizational change in the form of mergers and consolidations (i.e. staff sharing) is one way for CDC systems to deal with changes that reduce resources. The number of CDCs across the United States doubled from 1988 to 1999 and continues to grow in some places, leading to an increase in competition for limited resources from foundations, corporations, cities, states, and the federal government.[41] Policy changes at the system-wide and national levels often encourage mergers and consolidations, either purposefully or accidentally. Trade associations and intermediaries in some CDC systems can also facilitate organizational change, as can CDCs and collaboratives.

Evidence from Cleveland suggests that CDC-driven mergers are often the most successful, while those forced by outside actors can be less so. Yet a 2003 report suggests that strategic planning by intermediaries or trade associations can help CDCs anticipate and respond to the imbalance caused by scarce resources and a growing number of CDCs.[42] Trade associations can encourage well-performing CDCs to continue to grow by merging with other organizations. Mergers can help retain CDC leaders in significantly improved neighborhoods by attracting investors to growing organizations with proven track records.[43]

Staff sharing is another method CDCs can employ to weather periods of scarce funding. Like mergers, "staff sharing requires [participating] organizations to have a good understanding of what they expect and then corresponding time it takes to deliver that service."[44] Some CDCs in Detroit are exploring this option, recognizing that Detroit's CDC system is facing a number of the factors that have spurred mergers and consolidations elsewhere. Leaders have yet to advance a clear strategy for helping CDCs deal with these types of organizational changes.

Case Study

The scarcity of resources and growth in competition for funding instigated organizational change among Cleveland's CDCs throughout the late-1980s and 1990s. **Cleveland's Slavic Village Development** (SVD) is the product of a 1998 merger between Slavic Village Broadway Development Corporation (SVBDC), a CDC focused on commercial development, and Broadway Area Housing Coalition (BAHC), a CDC focused on housing. Overlapping boundaries, conflicting and imbalanced services (BAHC was the larger of the two, and had recently begun a neighborhood-planned commercial development program that somewhat undermined SVBDC's similar programming.), and intermediary and municipal encouragement all contributed to the merger.[47]

Sources dispute the role of Neighborhood Progress, Inc. (NPI, Chapter 3) and municipal entities in forcing the SVD merger, but most agree that it was generally an amicable alliance. A number of factors contributed to its success: the fact that both CDCs were primarily physical developers made combining programs somewhat easy, neighborhood residents did not oppose it, and the merging CDCs had compatible leadership. Many agree that SVD is now stronger than the sum of its former parts, with a budget and staff larger than SVBDC's and BAHC's budgets and staff combined. "One interviewee summed up the merger by saying: 'The best organizations are able to blend community building and housing . . . [as] part of a larger agenda that includes home repair, attending to the needs of the elderly, weatherization, homeownership, and so on. [The] merger was part of why [SVD is] able to do more of these things."[48] The SVD merger, widely viewed as successful, exemplifies how a supportive system with a high level or trust and transparency can help foster CDC consolidation. Members of Cleveland's current strategic restructuring process (see Cleveland, Chapter 3) are exploring more systematic methods of assisting CDCs through organizational change.[49]

The **Cleveland Industrial Retention Initiative** offers an example of successful staff sharing. In the 1990s, the Cleveland Neighborhood Development Coalition (CNDC, Chapter 3) partnered with the city's Office of Economic Development to hire a set of staff to work specifically with CDCs on business development strategies. These staff members "worked out of the offices of a designated CDC and provided services on behalf of a geographic cluster of CDCs."[50]

CASE STUDY

Implementation

In considering an organizational change strategy, CDAD could survey contextual and organizational issues CDCs throughout Detroit are facing, and determine a set of responses based on common issues. Contextual factors include market forces, competition for resources, changes in city policies, the role of intermediaries and support organizations, and levels of system-wide trust.[45] Organizational factors include the scope of a CDC's mission, its internal management, its staff and board capacity, and the support of its community.[46] Many of these factors arise in some of this plan's other recommendations; CDAD's role in addressing them will be integral to the way it offers assistance to CDCs in need of organizational change. As noted above, the most successful mergers and consolidations are CDC-led. CDAD can help its members make these decisions by providing tools—consulting services, a series of training sessions, recommended funding channels, based on common issues—to help CDCs recognize the need for organizational change.

1.6. Enhance peer awareness of activities

Information about other CDCs is an asset to CDCs and their support organizations. Around the country, CDC trade associations offer programs and practices encouraging CDCs to reach out to their peers for expertise and consultation. A neighborhood matrix tool communicates the prominent activities of each member CDC or neighborhood. The tool can promote peer awareness in Detroit by facilitating helpful communication among CDAD members. It offers a systematic method to share resources, technical assistance, and advice.

Detroit's CDCs approach community development from a number of physical, social and economic angles. While most specialize in housing development, others' expertise lies in different arenas: community organizing, commercial revitalization, and others. Smaller Detroit CDCs often develop informal relationships with larger or more experienced CDCs to garner information about programs, processes, or resources. These relationships are often beneficial but not necessarily systematic; CDCs consult other CDCs because of personal relationships, not necessarily because of expertise. Stakeholders within Detroit's CDC system could benefit from an improved awareness of other CDCs' activities and expertise for the purposes of referral and collaboration.

Implementation

CDAD could implement a neighborhood matrix tool, consisting of a database or a spreadsheet document to describe its member CDCs' activities (See example on next page, Table 4.1). CDAD staff could start by collecting and releasing quarterly or semi-annual updates and later distribute information more frequently. CDAD could also reserve a space on its website for the tool. Housing the tool on the CDAD homepage could ensure that CDCs have the most recently updated information when they want it. CDAD may also publish a monthly neighborhood activities matrix along with a full-fledged newsletter including other updates such as funding opportunities and board elections.

Memphis CDCs use a Neighborhood Matrix tool to maintain peer awareness. This tool (see Table 4.1) is a document that graphically illustrates the realities, challenges, and priorities of each member of the **Community Development Council of Greater Memphis** (CDCGM). The matrix indicates which CDCs deal with certain issues and helps CDCs from different parts of the city identify other organizations that engage in similar or relevant activities.

CASE STUDY

CDCs	Services that CDCs Provide in their Neighborhood								
	Physical Development			Social Services			Community Organizing		
	New Residential Construction	Home Repair	Rental Property Management	Warming Center	Drug/Alcohol Rehabilitation Resources	After School Programs	Community Meetings / Forum	Housing Counseling	Formal Advocacy Campaigns
Aspen CDC	●	●				●		●	
Cedar CDC	●	●	●	●			●		
Dogwood CDC					●	●	●	●	●
Maple CDC	●	●							
Poplar CDC	●					●			●

Table 4.1: Example of a Neighborhood Matrix

1.7 Explore supplemental development resources in response to the current economic situation and diversify services that CDCs provide based upon neighborhood needs

Additional federal funding from the American Recovery and Reinvestment Act of 2009 allows CDCs who continue to focus on housing development to apply for additional CDBG funding from the city. HUD will allocate $1 billion of supplemental CDBG funding among units of government that received funding in 2008. Additionally, the stimulus extends $2 billion for emergency assistance to redevelop abandoned and foreclosed homes.[51] These grants originated from the Housing and Economic Recovery Act of 2008 (Public Law 110-289) (42 U.S.C. 5301). The legislation allows both non-profits and for-profit entities to apply for funding either separately, or in conjunction with each other. The Act orders the Secretary of Housing and Urban Development to award grants to "areas with the greatest number and percentage of foreclosures,"[52] presumably making applicants from Detroit highly qualified candidates.

The stimulus package also includes the Low-income housing tax credit (LIHTC) exchange provision. The exchange provision allows MSHDA to trade in a maximum of 40 percent of its 9% LIHTC for cash grants in 2009.[53] States receive 85 cents for each dollar of LIHTC submitted to the U.S. Treasury for trade.[54] MSHDA can then distribute these grants back to developers for use under the same provisions as the application of LIHTC.[55]
Supplemental funds provide opportunities to continue with planned or partially constructed projects. Using stimulus funds to continue projects and keep CDCs in business ensures that organizations devoted to low-income housing development still exist when the housing market rebounds. , CDCs can also examine possibilities for expanding their presence, activity, and purpose in their neighborhoods. The stimulus package also provides funding for some of these initiatives.

The preceding stimulus funding opportunities all originate from HUD, yet they are not the only federal agency that is offering new funding programs. The Office of Community Services within the U.S. Department of Health and Human Services is currently accepting applications for Community Economic Development grants. These grants **provide funding specifically for CDCs** to "enhance job creation and business development in low-income communities."[56]

CDCs can diversify their activities to remain engaged with neighborhoods despite the loss of demand for housing. This recommendation suggests that CDCs can explore different sources of funding and shift their focus to other community needs, particularly in areas with overlapping CDC coverage.

As CDCs differentiate their services their funding requests will approach different sources with different objectives, potentially reducing competition for certain kinds of funding and providing additional means to sustain operations.[57] New services may also produce new revenue streams such as

Mortgage foreclosures have increased throughout **Memphis** over the last two years. As a result, Seedco has assisted the **Community Development Council of Greater Memphis** to form the Memphis Housing Counseling Network (MHCN).[60] MHCN provides technical training to CDCs that allows them to conduct housing and foreclosure assistance in their neighborhoods. Seedco has allocated funding and contributed expertise as a HUD Housing Counseling Intermediary. Approximately 12 Memphis CDCs function as intake centers for housing counseling within the larger network of the Memphis Housing Counseling Network. A number of CDCs have introduced housing and foreclosure counseling to their list of services thanks to MHCN.[61]

In 2008, **Southwest Housing Solutions'** Housing Opportunity Center (HOC) in **Detroit** was awarded $315,000 in federal grants, and $250,000 from the Skillman Foundation for providing foreclosure counseling services to Skillman target neighborhoods in Detroit.[62] Southwest is subcontracting with CDCs in different parts of the city to implement this. Southwest has emerged as an authority on foreclosure counseling within the industry. Other CDCs may use this model to develop programs in their neighborhood that respond to important issues facing residents.

Philadelphia's Southwest CDC has expanded its roles beyond traditional physical development since its incorporation in 1986. Southwest has developed a four-pronged approach to improving the quality of life in its service area that focuses on citizen self-sufficiency, community development, family support, and economic/commercial development. Southwest CDC has programs and funding sources for each of these service areas.[63] Self-Sufficiency involves utility and rental assistance as well as housing and employment counseling. The CDC targets specific funders for these initiatives such as the Utility Services Emergency Fund, the Philadelphia Office of Housing Services, and the U.S. Department of Justice. Community Development includes physical development and receives funding from the Philadelphia Office of Housing & Community Development, the Pennsylvania Housing Finance Agency, and the Wachovia Mortgage Corporation.

Economic/Commercial Development: Economic Development activities receive funding from city and state government agencies, corporate financial institutions, churches, and local businesses. Programs include business corridor revitalization and networking alliances among area businesses, in addition to other activities.[64]

Southwest CDC operates the New Start Family Resource Center that provides after-school programs, summer camps, and drug and alcohol education, assessment and referral services. It receives city, state, federal, and private funding for these activities.

CASE STUDIES

Southwest CDC in Philadelphia also maintains a number of different leadership and advisory channels that allow stakeholders to offer perspectives and insight into their operations and objectives. In addition to a Board of Directors, the CDC has an advisory board that includes a state senator, a state representative, a member of the city planning commission, and members from the local and corporate business communities. A ten-member Neighborhood Advisory Committee provides a complementary perspective from residents. This multi-layered leadership and advisory system appears to have provided Southwest CDC with many resources for funding, expertise, and information.

In **Cleveland**, the **Cleveland Housing Network (CHN)** exemplifies a specialized CDC. Established in 1987, CHN spearheaded the "Lease-to-Purchase" model of homeownership.[65] Upon continued success in the lease-to-purchase model, CHN expanded its services to provide a complementary homeownership training service. Over the years as CHN standardized its management, other CDCs benefited from the model. Despite current low housing demand, CHN demonstrates the success of a CDC with expertise that benefits neighborhoods and CDCs on a citywide level. CHN chooses CDCs to manage its properties, in turn providing them with a stream of funding that lessens their dependency on foundation and city support.

Pittsburgh's Southside Local Development Company enhances its surrounding neighborhood and makes money by participating in historic preservation.[66] On a national level, the National Trust for Historic Preservation offers many funding sources including grants, loans, equity investments, and tax credits.[67] On a local level, counties and cities also offer countless financial incentives for preserving historic structures and sites.

user or consultant fees. "When trends change… funders tend to follow, and CDCs need to have a diverse portfolio in order to take advantage of those changes."[58] Diversification helps limit risk as CDCs take advantage of market changes and different funding sources. Moreover, CDC services move closer to the neighborhood level and the immediate needs of residents. Examples of specializations for CDCs in Detroit based on community needs might include:

- Foreclosure prevention service
- Workforce development
- Historic preservation
- Vacant land planning
- Deconstruction
- Brownfield redevelopment
- Charter school championing[59]

Introducing new services into neighborhoods enhances a CDC's capacity and reputation in the short and long term. First, the ability to transform what CDCs do illustrates that the CDC industry can adapt to tenuous conditions and continue to produce desirable neighborhood outcomes. Furthermore, new services make CDCs assets to their neighborhoods regardless of the duration of weak housing markets. Successfully incorporating new services can strengthen a CDC's reputation with funders and future collaborators.

Implementation

In order to shift its organizational focus, a CDC must assess its residents' needs and determine what realistic levels of service the CDC can expect to provide. CDCs can accomplish this through neighborhood meetings or surveys. CDAD can link CDCs with grant opportunities, training providers, and others within the system that may provide assistance associated with their plans to adapt.

Goal 2: Develop and Improve Relationships with the Larger Community Development System: Intermediaries, Resource Providers, and Support Organizations

The following five recommendations address CDCs' and CDAD's interaction with the CDC system as a whole. These strategies build on CDCs' and CDAD's current strengths as well as any of the clarified roles and relationships developed through recommendations associated with the first goal.. Strategies supporting this second goal involve a range of activities including the pursuit of networking and advocacy opportunities with members of the entire community development industry.

2.1 Create a consortium that includes CDCs, intermediaries, city departments, foundations, banks and corporations in industry-wide planning processes and decision-making

Engaging stakeholders across the city in community development activities encourages CDCs to think and act beyond the developments in their immediate neighborhoods while encouraging intermediaries and resource providers to consider neighborhood needs. A 2002 Urban Institute report on CDCs' changing support systems suggests that a striking difference exists between effectively and ineffectively engaging in this type of collaboration:

In ineffective leadership systems, city agencies do not coordinate their investment with one another, community leaders have little influence over agency decisions . . . foundations have no way to use program funding to leverage public agency actions. At worst, these relationships are not only weak, but antagonistic. [In] strong systems . . . most of the important actors are linked somehow with one another in relationships that allow easy exchange of information, mutually beneficial trading of favors, and frequent discussion, debate and negotiation on important issues of community development policy.[68]

One possible approach to successful collaboration would be to extract lessons from Pittsburgh and Cleveland with an approach that recognizes three ways of promoting and sustaining engagement within the industry[69]:

- Transparent public strategies with industry-wide support
- An approach that provides neighborhood stakeholders (CDCs and other

non-profits) a central decision-making role
- A system to guide cooperation both within and across sectors

This recommendation addresses a broad approach to strengthening Detroit's CDC system, with the long-term aim of addressing the three goals set forth at the beginning of this chapter. Initially, its implementation could foster expanded networking capacity while laying the foundation for future collaboration.

The Detroit community development industry includes a number of collaborations and task forces. Two examples include:

- **The Detroit Neighborhood Forum** is a collaboration of philanthropic foundations in the metropolitan region that has been active in addressing the city's changing community development needs. One project has helped generate solutions in response to the mortgage foreclosure crisis.[70]
- **The CDAD Futures Task Force** recently began bringing together CDCs and other community development stakeholders to formulate a cohesive CDC response to Detroit's changing community development needs.

Both of these groups are still in the early stages of development, so their long-term effectiveness is unclear. Although each group strives toward a collaborative decision-making process in the community development industry, a lack of transparency—both perceived and real— still exists within these collaborations. This lack hinders the Detroit CDC industry's attempts to move forward in a changing economic climate without leaving any stakeholders behind.

Implementation

Intermediaries and trade associations in Pittsburgh and Cleveland have leveraged their roles at the center of their respective CDC industries. They have facilitated the open interaction of many stakeholders at one table. One possible approach for CDAD could be to partner with Detroit LISC to facilitate a similar collaboration. LISC's influence suggests that its co-leadership at an industry-wide consortium might guarantee the Futures Task Force a more diverse and committed set of partners to help shape a collective vision for the CDC industry.

Case Studies

The **Pittsburgh Community Development Collaborative (PCDC)** is an example of an industry-wide collaborative. Six local agencies launched the PCDC in 2007 with a shared interest in more efficiently and effectively supporting community revitalization in the city.[71] These agencies united to change markets in certain neighborhoods by "bringing community development professionals and volunteers together for learning, networking, and problem solving for comprehensive collaboration among all partners [to] produce improvements in Pittsburgh's communities."[72] (See Appendix D for a description of the agencies and their collaborative goals.) PCDC geographically targets neighborhood clusters (not individual neighborhoods), focusing on four corridors. PCDC is in a formative stage, and its member organizations admit that initial collaboration was difficult without designated funding.[73] However, PCDC recently secured funding for research, hosted a conference, and now meets regularly with foundation partners to discuss accomplishments and goals.[74]

In early 2009, community development stakeholders in **Cleveland** began to follow PCDC's example. Representatives from **29 CDCs, the Cleveland Department of Community Development, NPI, and CNDC** convene at monthly meetings. These stakeholders engage in conversations about maintaining operations in the face of shrinking resources so that all city residents have access to basic services. They currently focus on strategic restructuring, which includes facilitating mergers and encouraging CDCs to "blend service areas" and offer their expertise to each other. A consultant, LaPiana, facilitates the process.[75]

2.2 Advocate for the formation of a local intermediary

The Local Initiative Support Corporation (LISC) and Enterprise Community Partners (Enterprise) are the most prominent national intermediaries.[76] NeighborWorks America (NeighborWorks) is also a strong national intermediary with regional offices that partner with individual CDCs.[77] Since the late-1970s and 1980s, LISC, Enterprise and NeighborWorks have advocated for CDCs at

the national level, influencing federal housing and community development policies relevant to CDCs. They also play crucial roles in channeling resources to CDCs and other non-profits. Yet dissatisfaction with the tension over a national entity's influencing local funding directions has caused CDC leaders in Detroit and elsewhere to question national intermediaries' "ability to manage a nationwide network of diverse community groups."[78]

Detroit LISC has invested approximately $125 million in Detroit neighborhoods since 1990[79] and brings valuable HUD Section 4 and Living Cities funding into the system.[80] Yet some Detroit CDCs have perceptions of Detroit LISC, the city's only intermediary, that reflect the tension referred to above. Despite LISC's contributions to the Detroit system, their investment strategies often frustrate some CDCs, who question whether Detroit's single-intermediary model is the best strategy for the system.

The formation of a local intermediary in Detroit could benefit the CDC system by diversifying CDCs' funding sources and fostering a system with more local control over funding. Many believe that a local intermediary could better serve Detroit's neighborhoods based on a deep understanding of local needs. A system of two intermediaries—a local intermediary and LISC--could combine local and national funding sources to provide a stronger system of support for CDCs and community development.

Case Studies

CDC systems in **Cleveland, Memphis, Pittsburgh and Philadelphia** all experienced the presence of a local intermediary at some point. While Memphis's closed its doors in 2008, the other systems continue to function with prominent local intermediary support. Specifically, **Cleveland's Neighborhood Progress Incorporated (NPI)** and the **Pittsburgh Partnership for Neighborhood Development (PPND)** are successful local intermediary models (see Chapter 3). These organizations operate according to missions that are unique to the attributes of each city's community development system with robust institutional structures that reinforce the respective missions.

In the late-1980s, a series of representatives from foundations and corporations in Cleveland (Cleveland, Gund, Standard Oil—now BP, and Ford) founded **NPI**. At the time both LISC and Enterprise were investing prominently within the city, yet resource providers recognized the need for a locally formed entity to create "greater coordination among financial and technical assistance providers."[82] They felt that investment throughout the city was diluted to the point of no impact, and foundations needed to take a larger role in determining the methods by which funding was allocated. NPI initially focused on allocating funding to CDCs capable of producing housing at a significant rate (28 units per year).[83] NPI's allocation strategies have changed over time, though it has received consistent funding for the past 21 years from the Cleveland and Gund foundations, among others.[84] For 15 years—until LISC left in 2007--LISC, Enterprise and NPI worked together in Cleveland to leverage national and local resources into community development strategies. NPI and Enterprise continue to collaborate; NPI allocates Enterprise's Section 4 and Living Cities funds to CDCs, and uses its own funds to support some of Enterprise's operations.

In 1983, local foundations recognized the need for a local intermediary in Pittsburgh and founded **PPND**. While PPND maintains independence as a local organization, it garners national resources including access to the LISC loan pool and low-income tax credits.[85] PPND is a LISC affiliate, not a traditional LISC local office (Detroit LISC is a local office). This difference means that PPND is not subject to general LISC policies, but it has access to national LISC's resources including "redevelopment capital; a network of national experts for technical and management assistance in strategies such as housing, commercial development and public safety; and [advocacy] for policies affecting community development."[86] Additionally, PPND follows LISC's sustainable communities program, which includes five goals to make communities complete and whole (the sustainable communities program is also active in Detroit; see Chapter 2).

Implementation

Local intermediaries' successes and failures in this plan's case study cities suggest that community development leaders in Detroit should approach the prospect of forming one with caution. As community leaders in Cleveland recognized in the late-1980s, a local intermediary "should only be established if there is a true need for it," and leaders must "consider whether capable staff can be recruited for another entity operating in the neighborhood development area."[81] CDAD and the Futures Task Force are currently poised to address the same issues that Cleveland community development leaders faced in the late-1980s when forming NPI. If CDAD, the Futures Task Force and other Detroit CDC leaders determine that the climate is right to form a local intermediary, Cleveland's and Pittsburgh's experiences could function as advisory models.

2.3 Continue discussions with the new director of the Planning and Development Department to influence reform of the CDBG allocation process

Working with the city on a CDBG funding strategy for the CDC system can increase the resource and political capacity of CDCs.[87] CDC resource capacity can improve through a consistent and transparent CDBG allocation process. Working with the city provides an opportunity for CDAD to improve its political capacity at the local level.

Implementation

CDAD can work with the new director of the Planning and Development Department to develop strategies for the city to allocate more CDBG funding to CDCs. A number of this plan's other recommendations can aid this process; for example, CDAD might prepare for this collaboration by helping CDCs increase their organizational capacity.[88] CDAD's Advance training sessions are a positive step toward increasing the organizational capacity of Detroit CDCs. Additionally, establishing the consortium of stakeholders recommended earlier in this chapter could provide a collective approach for maintaining lines of communication with city departments.

2.4. Lobby for an improved corporate tax credit policy to support CDCs

An improved state corporate tax credit policy directed toward CDCs' and other non-profits' operational and programming costs could help Detroit's CDCs diversify their funding sources. The Michigan Business Tax (MBT) allows for-profit corporations to claim a tax credit equal to 50 percent of the aggregate amount of the charitable contributions they make to Michigan's recently established Housing and Community Development Fund ("the Fund") during a tax year.[91] The Fund aims to meet the "affordable housing needs of low income, very low income, and extremely low income households [in Michigan]" (see Chapter 2).[92] Established in 2008, The Fund is still new and relatively small. MSHDA allocated just over $2 million through it in its first year of existence. Additionally, funding is only available for specific projects and not for ongoing activities like home repair or operating expenses.

Case Study

Community Development Block Grants (CDBGs) in some cities provide a more consistent stream of funding to CDCs than they do in Detroit. CDCs in these cities can depend less on funding from private sources than can Detroit CDCs. An interview with a key figure in Detroit's CDC industry suggested that funders would be able to support a wider range of projects, i.e. entrepreneurial community development initiatives, if the city could allocate a larger percentage of CDBG funds to CDCs on a consistent, annual basis.[89]

In 2008, CDAD members received approximately $3.3 million (7.7%) of the $42 million in CDBG funds that the city allocated over the course of the year (see Chapter 2). Percentages in other cities are notably higher. In Cleveland, more CDBG support for CDCs (approximately 25% of HUD's CDBG allocations to the city[90]) allows the city's intermediaries to be more discretionary in their allocations. For example, NPI provides operating support for only a limited number of CDCs; many others rely on CDBG funding. Some of **Cleveland**'s strongest CDCs turn to NPI for social and economic development program funding, to Enterprise for physical development funding, and to the Cleveland Department of Community Development for supplementary CDBG funding. The six CDCs supported by NPI's Strategic Investment Initiative still rely on CDBG funding for some of their base operations.

Case Studies

Under the Pennsylvania Neighborhood Assistance Program, a collaboration of business, community, and municipal leaders throughout the state formed the Comprehensive Service Program, now the **Neighborhood Partnership Program (NPP)**, in 1993. The NPP, a statewide initiative colloquially known as "the **Philadelphia** Plan" because of predominant support from leaders within the city,[93] set up a partnership between CDCs and private businesses "to help improve the lives of low-income people in distressed neighborhoods and communities."[94]

The NPP encourages corporations to make long-term, substantial (a minimum of $50,000) commitments to individual Philadelphia CDCs. In turn, the state offers these corporations a 70% tax credit of up to $350,000. Business sponsors and their partner CDCs then collaborate on a neighborhood partnership plan under the oversight of an advisory committee.[95] NPP funding is flexible and guaranteed for a five-year period.[96] This consistent support stream allows CDCs to cover core operating expenses and participate in a variety of community development projects and programs based on their neighborhoods' needs.

In 2001, the **Philadelphia Association of Community Development Corporations** (PACDC, Chapter 3) worked closely with city council to establish a similar initiative—the Philadelphia CDC Tax Credit Program—that allows businesses to receive a credit against the Philadelphia Business Privilege Tax. Currently, 25 Philadelphia CDCs benefit from reliable partnership funding that permits them to "strengthen neighborhood commercial corridors, to develop commercial real estate, to help new businesses get started, to support existing businesses and business associations, to undertake workforce development activities, and to market their neighborhoods."[97]

Implementation

The Fund's recent implementation suggests that Michigan's state legislature may be amenable to supporting legislation that enables corporations to support CDCs with tax credit incentives. CDAD could work with CEDAM, Community Legal Resources and others to develop an advocacy plan for encouraging legislation supporting corporations' investment in community development. While the current recession may temper corporations' interest in such a program, CDAD might consider lobbying for a corporate tax credit policy with the aim of diversifying CDCs' revenue streams in the future.

2.5. Cultivate a system of advocacy spanning all levels of government

Cultivating a system of advocacy at all levels of government is a natural extension of this plan's earlier recommendation to continue lobbying the City of Detroit for the reform of CDBG funding practices. Lobbying the city is one example of how CDAD can develop a system of advocacy that addresses the central issues of the Detroit CDC system. Developing a system of advocacy is a larger process that aims at communicating CDAD's and its member CDCs' understanding of neighborhood needs to policymakers. A successful system of advocacy maintains an ongoing dialogue among CDCs, trade associations, policy makers, and other supporters regarding legislative opportunities for community development.

Good advocacy keeps the dialogue about community development visible at all levels of government. It involves understanding neighborhood needs and developing strategies to address them through government relationships and programs. Strategies include establishing relationships with policy makers and establishing CDAD's expertise on the community development industry through public testimonies and campaigns. Research projects such as white paper publications on specific issues can also help distribute information about advocacy efforts and campaigns.

Broader avenues for advocacy can connect CDAD with a national network of CDCs, trade associations, and resource providers. National initiatives and partnerships can also enhance the resources available for organizational and programming capacities within the Detroit CDC system.

Implementation

CDAD's first step toward strengthening local advocacy could include supplementing its regular policy meetings with focus groups and surveys among its members to generate positions on specific issues such as the use of funds in the federal stimulus package or the Neighborhood Stabilization

Local advocacy in **Memphis** occurs regularly between the Community Development Council of Greater Memphis (CDCGM) and its members through focus groups, surveys, and general communication. CDCGM monitors the pulse of the industry and communicates with appropriate partners at local, state, and national levels to construct strategies that support its members and their development projects.

CASE STUDIES

CDCGM also maintains a local membership with NACEDA, connecting it with national community development issues, campaigns, and individuals. CDCGM views its local NACEDA membership as an economic way to access networking and programmatic opportunities, and learn about a variety of resource opportunities.[101] Membership affords an outlet to talk to community development professionals in other cities about programming and funding strategies and to stay informed and involved with national community development campaigns.

The **Philadelphia Association of Community Development Corporations** (PACDC) uses research and publications to advance their advocacy efforts. PACDC constructs advocacy campaigns in conjunction with its research. In 2008, PACDC published "Expanding Economic Opportunities and Revitalizing Neighborhoods: A Report on the Philadelphia CDC Tax Credit Program," a white paper reporting the accomplishments associated with PACDC's advocacy for the tax credit program. PACDC worked with a Philadelphia Councilman to pass the initial bill in 2001.[102] The act provides tax credits to businesses that donate operating funding associated with economic development initiatives to CDCs. Each partnership between a business and a CDC enters into a ten-year funding agreement. As a result, the tax credit program has secured $2.5 million in annual operating funds for CDCs during that period. PACDC's advocacy efforts on this issue continue as they seek ways to refine the program and initiate more partnerships.[103]

In **Cleveland**, **Empowering and Strengthening Ohio's People** (ESOP) focuses state and local campaigns on influencing legislation that aims to prevent predatory lending practices. In 2007, ESOP representatives testified before the U.S. House of Representatives Domestic Policy Sub-Committee in response to the effects of predatory lending and sub-prime mortgages in Cleveland neighborhoods.[104] More recently, ESOP met with the policy advisors to Barack Obama and Hilary Clinton during the 2008 presidential campaign.[105]

Program. Gathering this information would provide CDAD with knowledge with which to approach local officials. CDAD representatives could testify at city council sub-committees or work with CEDAM to interact with state-level elected officials in Lansing.

At the state level, CDAD can continue to strengthen its ties with CEDAM and inform its members about the services and benefits CEDAM provides. CDAD and CEDAM staff currently share an office in Detroit ; continuing this practice would keep both trade associations abreast of each other's priorities, facilitating communication between Detroit and Lansing.

One issue CDAD and CEDAM could jointly address is that of Michigan's Low Income Housing Tax Credit (LIHTC) allocation practices. Non-profits in Michigan sponsor a smaller percentage of LIHTCs (7%)[98] than do non-profits nationwide (28.7%).[99] Further research on this subject could strengthen CDAD's relationship with CEDAM on state-level issues, and eventually benefit Detroit CDCs.

National advocacy involves networking with non-profits and national organizations in Washington, D.C., to advance community development. CDAD can establish a membership with the National Alliance of Community Economic Development Associations (NACEDA)[100] to enhance its national profile, monitor the national state of community development, connect with other local associations across the country, and adapt successful strategies from other communities into a Detroit context.

Conclusion

The recommendations in this chapter present options for CDAD and the Futures Task Force to consider when formulating a plan to guide the Detroit CDC system through 2009 and beyond. They are not comprehensive but represent a grounded set of alternatives that have been successful or promising

elsewhere. Case studies, primarily from weak-market cities with stronger CDC systems than Detroit, provide examples for each recommendation.

Going forward, CDAD and the Futures Task Force could use this plan's framework to develop a set of recommendations for strengthening the CDC system. The overarching goal of building individual CDCs' capacity addresses forming productive relationships, advocating for neighborhoods, garnering resources, organizing internal operations, and providing a more comprehensive set of services. Goals 1 and 2 provide a framework for building this capacity, by (1) clarifying roles and relationships at the neighborhood level, and (2) developing and improving interactions with the larger community development system—intermediaries, resource providers and support organizations. Striving to build CDC capacity at the neighborhood and system-wide levels is a way for CDAD and the Futures Task Force to plan for a stronger system.

As Chapter 2 details, the Detroit CDC system has many strengths but also faces a number of political, financial and organizational challenges. Among them are a lack of CDBG funding, poor access to data, a recent drop in developer's fees, lack of evaluation criteria and performance standards, frustration with resource providers' geographic targeting methods, and a pervasive culture of distrust. The recommendations in this chapter encourage CDAD and the Futures Task Force to leverage the system's strengths to address these challenges. Steps for improving the Detroit CDC system are linked; CDAD and the Futures Task Force can simultaneously address CDC capacity and changes at the neighborhood and system-wide levels to bring about change throughout Detroit.

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Glossary of Abbreviations

BAHC – Broadway Area Housing
CBANA – Center for Community Building and Neighborhood Action
CBDO – Community-based development organization
CBCCA – Capacity Building for CDC Collaboration and Alliances
CBO – Community-based organization
CCCA – Commission on Catholic Community Action
CDAD – Community Development Advocates of Detroit
CDBG – Community Development Block Grants
CDC – Community development corporation
CDCGM – Community Development Council of Greater Memphis
CDCP – Community Design Center of Pittsburgh
CEDAM – The Community Economic Development Association of Michigan
CFGM – Community Foundation of Greater Memphis
CFSM – Community Foundation for Southeast Michigan
CHDO – Community Housing Development Organization
CHN – Cleveland Housing Network
CLR – Community Legal Resources
CNDC – Cleveland Neighborhood Development Coalition
COTS – Coalition for Temporary Shelter
CPC – City Planning Commission
CRA – Community Reinvestment Act
CRC – Citizen Review Committee
CSCD – Comprehensive Sustainable Community Development
CTAC – Community Technical Assistance Center
D-ACIS – Detroit-Area Community Indicators Systems
DECC – Detroit Eastside Community Collaborative
DVPC – Detroit Vacant Property Campaign
ESG – Emergency Shelter Grants
ESOP – Empowering & Strengthening Ohio's People
HCD – Housing and Community Development
HDAP – Housing Development Assistance Program
HOC – Southwest Housing Solutions' Housing Opportunity Center
HOME – Home Investment Partnership Grants
HOPWA – Housing Opportunities for Persons with AIDS
HUD – U.S. Department of Housing and Urban Development
LAC – Detroit LISC Local Advisory Committee
LIHTC – Low Income Housing Tax Credits
LISC – Local Initiatives Support Corporation
MBT – Michigan Business Tax
MCDP – Memphis Community Development Partnership
MDRII – Metro Detroit Regional Investment Initiative
MHCN – Memphis Housing Counseling Network
MIS – LISC's management information system
MSHDA – Michigan State Housing Development Authority
NACEDA – National Alliance of Community Economic Development Associations
NAP – Neighborhood Assistance Program
NDA – Neighborhood Development Activity Funds
NDNI – Next Detroit Neighborhood Initiative
NEO CANDO – Northeast Ohio Community and Neighborhood Data for Organizing
NNIP – National Neighborhood Indicators Partnership
NIP – Neighborhoods Indicators Project
NIS – Neighborhood indicator system
NOF – Neighborhood Opportunity Fund
NPP – Neighborhood Partnership Program
NSP – Neighborhood Stabilization Program
OCDCA – Ohio CDC Association
OHCD – Office of Housing and Community Development
OHFA – Ohio Housing Finance Authority
ONCR – Mayor's Office of Neighborhood Commercial Revitalization
NPI – Neighborhood Progress, Inc.
PACDC – Philadelphia Association of Community Development Corporations
PCDC – Pittsburgh Community Development Collaborative
PCDN – Pittsburgh Community Development Network
PCRG – Pittsburgh Community Reinvestment Group
PDD – Planning and Development Department
PJ – Participating jurisdictions
PNCIS – Pittsburgh Neighborhood and Community Information System
PPND – Pittsburgh Partnership for Neighborhood Development
SDDC – Southwest Detroit Development Collaborative
SIA – Strategic Investment Areas
SII – Strategic Investment Initiative
SSLDC – South Side Local Development Company
SVBCD – Slavic Village Broadway Development Corporation
SVD – Slavic Village Development Corporation
TRF – The Reinvestment Fund
URA – Urban Redevelopment Authority

Appendix A
Pittsburgh Neighborhood Change Indicators Guide

PPND Neighborhood Change Indicators Guide

PPND invests in people and organizations to positively impact the social and economic vitality of Pittsburgh's neighborhoods. To quantify, track, and highlight those impacts, PPND has developed a comprehensive system to compile and analyze specific indicators that demonstrate neighborhood change. By tracking these indicators, PPND will improve the planning and targeting of programs and activities to CDCs and the communities they serve.

The indicators list was created in consultation with national experts on community revitalization and after benchmarking similar neighborhood indicators projects nationwide. Each indicator was ultimately chosen according to the availability of data to track it and for its ability to substantively demonstrate neighborhood change in relation to five key categories of community development. These areas are:

1. An engaged and active community;
2. Improved residential and commercial real estate markets;
3. Reduced and eradicated blight;
4. Safe streets and communities; and
5. A thriving business district—low vacancies and increase commercial activity.

As part of your proposal for 2009 funding, please select approximately 5 to 7 indicators from the following menu that strike the best balance between telling the entire story of your organization's impact on the community and your organizational capacity for acquiring and reporting data. For example, if your organization is focused on housing and public safety, a possible combination of six indicators from the categories above could be: median sale price, and number of vacant residential properties from category two; new housing starts, and physical appearance of neighborhood from category three; and rate of incidents of property crime, and resident's and business' perception of safety and security from category four.

Each of these indicators has a different reporting frequency and collection method; some are survey based and collected yearly, while others are online data driven and collected every six months. To arrive at the best fit, again, consider the indicators that are easiest to report and most clearly connected to your organization's activities. **Please note that for your application to PPND, the only thing you need to do is select the indicators that you will track in 2009. You do not need to provide data or anything else for that section of your proposal.**

Finally, and most importantly, given the number of possible combinations, and different reporting variations, our goal is to fully support you throughout the entire application process, and as you collect data. We want to be your active partner in demonstrating your community impact in Pittsburgh. We look forward to speaking with you. Please reach out to us frequently to discuss the project, seek guidance, and ask us any questions. To reach the PPND Neighborhood Change Indicators team, please call us directly.

Wanda Wilson: PPND Program Officer, 412-471-3727, ext. 19

Sarah Dieleman Perry: PPND Program Office, 412-471-3727, ext. 12

Joseph Dickerson: Heinz School/PPND Fellow, 412-471-3727, ext. 15

Category/Goal	Indicator	Data Source	Update Frequency	Notes
An Engaged and Active Community	Voting rates (voting and registration)	CED/PNCIS	Update annually or after each election	
	Resident/business participation in CDC activities and governance, such as comprehensive plan meetings, task forces, special projects, etc.	Count	Updated every six months	Count based on sign-in lists and head counts at meetings and events.
	Resident/business participation in regular and special neighborhood events, such as community clean-ups, community meetings, etc.	Count	Updated annually	Count based on sign-in lists and head counts at meetings and events.
	Residents' sense of belonging and trust in their community	Survey	Update annually	Businesses may be included in this survey.
	Business participation in Mainstreets program	Survey, count	Update annually	Count of businesses participating in the Main Streets Program, if applicable.
Improved Residential and Commercial Real Estate Markets	Number of personal residential properties that undergo rehab investment above $5,000	Building permits/PNCIS	Update every six months or as data becomes available	Shows positive change as numbers increase.
	Number of residential properties that are vacant and abandoned at year's end	PNCIS	Update annually or as data becomes available	
	Median sale price	RealStats	Update every six months	
	Median number of days a house stays on the market	MLS/Real Stats	Update every six months	
	Commercial vacancy	PNCIS/Visual Survey	Updated annually	Spot check data for accuracy. Include a short narrative to explain trends.
	Rental cost per square foot	Anecdotal Median range, supported by examples	Update annually	Provide general range of prices based on experience. Include specific examples.
	Tax delinquent property	PNCIS	Update annually or as data becomes available	

Category/Goal	Indicator	Data Source	Update Frequency	Notes
Reduced or Eradicated Blight	Condemnations	PNCIS	Update every six months	
	Dead end properties (properties for which no owner can be contacted)	PNCIS	Update every six months or as data become available	Dead end properties are properties for whom the owner cannot be located.
	Physical appearance of a neighborhood, including housing, community facilities, streetscape, commercial areas, etc..	OPDC Methodology	Update annually	Oakland Planning and Development Corporation (OPDC) has developed a cost-effective and easy to maintain methodology. PPND will assist in training staff in method.
	Demolitions	PNCIS	Updated every six months or as data becomes available	
	New housing starts	CDC count with list of properties	Update every six months	Count of the properties based on knowledge and experience. Supplemented with list of all new housing unit(s) completed in the neighborhood.
Safe Streets and Communities	Crime rate (violent and non-violent)	PNCIS from Police Department	Update every six months or as data becomes available.	It is important to differentiate violent crime from nonviolent crime. PPND will assist in sifting the data.
	Rate of incidents of property crimes	PNCIS	Update every six months or as data becomes available	Property crimes are labeled in PNCIS. PPND will assist in analyzing the data.
	Proportion/Number of streets with active block watch or clubs	Community Officers (Police)	Update annually	
	Resident and business perception of safety and security	Survey	Update annually	PPND will bring in an expert from a local university to help develop and advise on administering the survey.

Category/Goal	Indicator	Data Source	Update Frequency	Notes
A Thriving Business Districts with Low Vacancy Rates and Increased Commercial Activity	Jobs in neighborhood by industry	Data from Bureau of Labor Statistics	Update every six months, or as data becomes available	May not be available for each industry. PPND will assist in finding alternatives.
	Business opening and closings	QCEW and CDC Business survey/Main Streets	Update annually	Main Streets methodology is preferred collection method. Please include a short narrative to help PPND assess the numbers.
	Appearance, appeal, and convenience of a business district streetscape	Survey	Update annually	Oakland Planning and Development Corporation (OPDC) has developed a cost-effective and easy to maintain methodology. PPND will assist in training staff in method.

Appendix B

Sample Capacity Assessment Tool

Capacity and Performance Standards for Community Development Corporations[1] is an evaluation tool designed to document the capacity of the CDC, to assess the CDC's performance, and determine the CDC's development stage. For a full explanation the methodology used to create the tool, the pdf is available online (*www.dca.state.ga.us/housing/HousingDevelopment/programs/downloads/**SFY2004_COAP_CAT.pdf**).*

Source material used in the creation of the **Capacity and Performance Standards for Community Development Corporations** includes:

1. "Sustainable Strength: An Interim Report of the Capacity Building Program Evaluation", Corporation for Supportive Housing;
2. "More than Bricks & Sticks; Five Components of CDC Capacity Housing Policy Debate", Norman Glickman & Lisa Servon;
3. "Performance Objectives for Neighborhood Development Corporations", Neighborhood Development Support
4. Collaborative, Boston;
5. "Nonprofit Organization Control Activities Form", Sullivan & Powers, CPA;
6. "Benchmarks of CDC Effectiveness by Stage of Development", LISC, CDC Collaborative;
7. "Nonprofit Evaluation Form", Housing Assistance Council;
8. "Guideline for Community Economic Organizations", Minnesota Center for Community Economic Development;
9. "Performance Standards and Measures for CDCs", Indianapolis Neighborhood Housing Partnership;
10. "Best Practices for St. Paul Community Development Corporations", Unknown Author;
11. "Community Development Corporation Self -Assessment", Neighborhood Progress, Inc. of Cleveland, Ohio.

Instructions for Use

To implement the capacity assessment process, a number of "rules of thumb" should be followed in administering the Capacity Assessment Tool (CAT).

1. This tool is not meant to label an organization in a particular stage of development, but rather to provide a framework for understanding the development of a CDC's capacity across four areas of organizational capacity.
2. CAT should be used to assist CDCs in organizational development and to identify technical assistance and funding needs that can be met by Investment Alliance members. It should not be administered in a punitive, "gotcha" spirit.
3. The process of assessing the CDC using CAT should be a trust -building experience between the involved parties in which the mutual benefits to each should be emphasized.
4. CAT should be used to establish clear communication about common goals between funder or TA provider and the CDC.
5. The evaluation of a CDC can be done by an Executive Director and Board as a self -evaluation of the organization's ability to tackle the projects at hand or proposed new ones. The "capacity columns" can stand alone and combined with a review of the supporting material and documents will form a thorough and complete snapshot of a CDC's capacity. A self -assessment can alert organizations of potential problems and will suggest courses of action. Outside evaluation organizations can us e this capacity checklist and supporting material in the same way.
6. The assessment tool should be used to establish benchmarks for CDC to meet, not as an exclusionary device to keep a CDC out of the financing and technical assistance arena. An internal review of a CDC's performance after determining capacity will inform planning and development efforts. An external use, say by a CDC financial provider, can fairly establish standard benchmarks that should be met. Again, only after assessing capacity and providing the tools necessary to achieve an expected level of performance, can and should a CDC be held accountable.
7. Not all CDCs follow the same organizational growth path. The CAT has been developed with the objective of capturing the diversity of organizational experience, not enforcing uniform growth paths. The CAT should be implemented with the understanding that organizations will have different strengths and weaknesses, and this diversity is good.

8. Performance standards are cumulative across stages of development. For example, a CDC whose performance in the capacity category of "competent and stable staff" is at the "producing" stage should be expected to meet the performance standards for the "formative" and "emerging" stages of that capacity category as well.
9. The Programmatic Structure section, although currently tailored to housing activities, is expected to function in a "plug and play" way. Programmatic Structure sections will be devised in the future for each of the other areas of CDC involvement, e.g., economic development. The Programmatic Structure sections pertaining to each area of a CDC's involvement would then be "plugged" into the Assessment Tool and used to assess the CDC's stage of development in each area of endeavor.

Capacity Indicator	Activity	Formative CDC	Emerging CDC	Producing CDC	Mature CDC
Staff • Effective Executive Director	• Person with wide range of skills necessary to lead internally and advocate on behalf of the organization externally. • Executive Director maintains effective relations with board, community, and political leaders.	• Volunteer Executive Director or working towards one. • Job description and salary structure for Executive director being developed by Board.	• Paid executive leadership leading towards 2-4 years experience.	• Executive leadership leading towards 5-10 years executive experience. • Increasing attention to management skills.	• Experienced executive leadership with entrepreneurial and management skills able to project influence in the community.
Staff • Competent and stable staff	• Executive Director hires competent staff to support all aspects of the organization. • Train key employees. • Compensate (salaries/benefits) employees equal with skills, experience, and commitment.	• Identifying opportunities to increase expertise through training. • Staffing needs being formulated by Board. • Job descriptions and salary structure being developed by Board.	• Up-to-date job descriptions with annual performance evaluations. • Development experience represents 2-5 years experience. • Recruitment efforts are designed to select staff who understand the CDC's mission and embrace its values. • Training and professional development linked to mission required. • One additional staff in addition to executive director. • Salaries and benefits are competitive and reflect the values of the organization.	• Development staff represents 5-10 years experience. • Structured performance evaluation system is place. • Training and professional development institutionalized and budgeted. • 2-4 staff members in addition to executive director. • Succession planning concept in place	• Development staff with combined 10+ years experience. • Management structure reviewed/restructured to clarify roles and responsibilities and assure coverage of key functions at appropriate depth. • Cross-coverage/training in place to enhance depth. • Staff skills set expanded for broad community development activities.

Capacity Indicator	Activity	Formative CDC	Emerging CDC	Producing CDC	Mature CDC
Board • Board development and leadership	• Select board with diverse talents and connections • Recruit board with expertise and external contacts • Create vision with clearly articulated objectives. • Well-attended and run board & committee meetings, by-laws reviewed periodically.	• Core group of residents who can communicate clearly and forcefully the community wishes and concerns. • Board accepts and fulfills its roles and responsibilities as a governing body (committee work, attendance, and fundraising). • Board roles clearly defined with Board manual of all key planning and organizational documents. • Board training and development linked to mission required (training in housing, economic development, financial systems, and organizational structure).	• Process in place to define the skills, abilities, and representation needed and to recruit members who can fulfill these needs. • Board membership reflects the community served by the organization. • Annual review of Director. • Develop procedures for new leadership capacity anticipating board turnover. • Annual board review of board/staff mission. • Board has opportunity to increase expertise through training.	• Board membership reflects the community and the full range of skills needed on the board. • Executive Committee of the board constituted and works closely with director and staff. • 1-2 additional board committees with active agendas. • Board manual expanded to include formalized processes and procedures. • Annual planning retreat. • Use of ad hoc members to expand knowledge and skill set. • Board training and development institutionalized and budgeted.	• Active board and committee structure. • Performance standards for board members. • Skill set needed on the board is periodically refined and used as the basis for recruitment.

Capacity Indicator	Activity	Formative CDC	Emerging CDC	Producing CDC	Mature CDC
Internal Controls and Operations • Office procedural standards	• Written office procedures regarding personnel, operations and fiscal management. • Appropriate level of basic office support and technical equipment-computers, copier, software, furniture. • Estimate project work requirements and divide among staff and outside consultants—manage consultants.	• Looking for office space	• Key CDC systems and procedures in place, e.g. personnel, operations, fiscal management. • CDC complies with current applicable employment, equal • opportunity, labor, compensation and related laws. • Information technology in place to support basic office functions and basic accounting (computers, copiers). • Secures office space.	• Personnel manual developed and made available to all employees consistent with applicable labor standards. • Personnel processes documented, files maintained for each employee. • Board recognizes its duty to review and approve personnel policies and acts on its commitment to implement these policies. • Information and technology infrastructure in place that supports CDC operations and planning.	• Personnel manual updated regularly. • Information systems technology applied to streamline operations and achieve productivity.
Internal Controls and Operations • Internal legal processes and project costs	• Written and properly certified and filed CDC legal structure. • Monitor time and cost • Make cost-benefit decision between hiring new staff versus working with consultants.	• CDC pursuing 501(c)3 designation, developing by-laws and articles of incorporation.	• In good standing with governmental authorities. • Articles of Incorporation, by-laws, and IRS determination letter in place. • Established relationship with legal counsel who is responsive and familiar with organization's mission. • Ability to define and evaluate work.	• Legal structures reviewed for appropriateness; board reviews by-laws on an annual basis. • Annual legal review to ensure compliance with corporate, tax, and other laws. • Review of joint ventures, partnerships, MOUs for appropriate legal protection.	• Legal structure reviewed for appropriateness on a periodic basis. • Process and procedures in place to evaluate joint ventures, partnerships, and other relationships that further organization's mission.

Capacity Indicator	Activity	Formative CDC	Emerging CDC	Producing CDC	Mature CDC
Fiscal Management • Development of a strategic/business plan	• Well-defined mission statement that identifies housing and non-housing community needs. A clear development strategy. • Multi-year strategic plan consistent with CDC's mission evaluated at least every year. Adjusting priorities as needed. • Community wide housing needs assessment. • Specific yearly housing development goals	• Well articulated vision working towards a 1year strategic/business plan, identifying one or more targets of opportunity.	• Annual years strategic plan, with several targets of opportunity identified with Board, staff and community input. • Establish board committee responsible for financial oversight. • Demonstrate ability to do adequate financial analysis in its planning and decision making process with respect to mission, and strategic plan. • Ongoing strategic planning process in place, including yearly evaluation of progress by board and staff.	• 2 + years strategic plan; pipeline projects reflect connection to strategic plan. • Development of a business plan addressing organizational growth and sustainability. • Institutionalized planning process is accepted as the best method to be used to determine direction. • Planning on a regular basis with growth management as key component. • Board and staff evaluate plan against performance. • Development of a business plan addressing organizational growth • and sustainability	• 3-5 year strategic plan with comprehensive revitalization approach that is articulated in annual work plan and resources. • Business plan that includes risk assessment and risk management. • Executive Director, Board and staff appropriately involved in their respective fiscal responsibilities; they receive and are able to use financial reports as decision making and planning tools. • Financial analysis is used in planning and decision making process with respect to its mission, long term development strategy and program portfolio.

Capacity Indicator	Activity	Formative CDC	Emerging CDC	Producing CDC	Mature CDC
Fiscal Management • Development of an annual budget	• Projects income and expenses and strategies for developing new sources of income. • Early involvement of board in reviewing and approving budget. • Reflects balanced and diversified funding base with increasing fund balance. • Project future funding, staffing, and operational needs. • Monitor time & cost. Make cost-benefit decision between hiring new staff versus working with consultants. Use management information systems to ensure quality and affordability of projects. • Contract out professional property/construction managers.	• Develop annual budget and learn budgeting skills.	• Budgetary process includes a written budget, a process for modification, board approval and quarterly monitoring. • Skills to accurately produce financial reports to funders are being developed. • Ability to define and evaluate work.	• Draft budget prepared and circulated well enough in advance of the new fiscal year to enable full discussion and analysis before board adoption. • Financial reports to multiple funders on varied schedules are prepared accurately and on time. • Cash flow projections and analysis are part of annual budget process	• Ability to manage changes in revenue and expenses without affecting core CDC mission.

Capacity Indicator	Activity	Formative CDC	Emerging CDC	Producing CDC	Mature CDC
Fiscal Management • Effective fiscal management	• A basic accounting and cash management system in place with all required checks and balances. • Dedicated staff position and time for accounting functions. • Bank statements reconciled monthly and financial statement prepared and reviewed. • CDC in fiscal compliance with governmental regulations. Annual audit without findings. • Allocate staff hours to accounting, budget management and fiscal planning. • Train relevant staff with up-to-date fiscal management skills. • Employ management information systems and train staff to use them.	• Working towards a computer based accounting system. • Basic accounting and cash management systems in place as initial funds received. • In fiscal compliance with legal and governmental regulations. • Working towards complying with Generally Accepted Accounting Principals.	• Resolve all program monitoring findings. • Provide for accurate and timely preparation of financial reports. • Annual independent audit produced on a timely basis and reviewed by Board. • Can internally produce simple accurate quarterly reports. • Effective bookkeeper services or equivalent provided. • Manages cash and has strong internal controls and procedures manuals in place.	• Full time financial manager on staff. • Board treasurer capable and involved, strong Finance Committee. • Monthly financial reports, with comparative data. • Basic financial tools updated, chart of accounts, inventory of fixed assets, accounting software reviewed for appropriateness. • Procedures for tracking predevelopment costs by project and incorporation of cost recovery into project planning. • Reporting and compliance requirements for multiple governmental funding sources and uses. • Ability to manage multiple funding sources.	• Ability to access regularly its financial stability and ability to manage the controllable factors that affect the CDC's fiscal health.

Capacity Indicator	Activity	Formative CDC	Emerging CDC	Producing CDC	Mature CDC
Financial and Fund Development • Financial and fund development	• Attract and maintain multiple funders. • Allocate sufficient staff hours to researching and pursuing new funding sources. • Devote major effort to securing flexible, multi-year support. • Allocate fund raising between support of operating and program costs.	• Public/Private sector funding sources explored and pursued. • Public/private funding secured and close working relationship established with key funding sources (e.g. operational support)	• Demonstrate effort to start each new fiscal year without a deficit producing increasing fund balance. • Connections with banks, city government and other key • Institutions strengthened and expanded. • Aggressive pursuit of funding sources for operations, 2-3 public/ private sources in place. • Looking toward internal generation of funds. • Develop annual fund raising plan.	• Fund development plan in place that reflects the agency's mission and goals. • Increasing diverse funding base. • Close working relationship with public/ private funding sources continues. • 3-4 public/private sector funding sources. • Generating significant internal funds for operations and overhead.	• Public/private support maintained; new funding avenues pursued as agency develops new enterprises. • 5 or more public/private sector funding sources. • Diverse forms of funding that meet the specific needs of the CDC strategic plan are identified and pursued. • Expanding internally generated funds for operations and overhead. • Active board involvement in fundraising with clear, assigned responsibilities.
Financial and Fund Development • Development capital	• Obtain funds from public sector. • Establish line of credit • Raise funds through LIHTC • Charge development fees/other • Develop mixed income/mixed use projects to generate fees. • Obtain grants from national and state foundations. • Diversify project types to reduce dependence on single categories/funding. • Annual fund development plan including evaluation of previous year. • Joint projects	• Exploring sources of development capital.	• Line of credit established. • Acquire funding for first project from predevelopment through permanent financing. • Create plan for access to development capital.	• Board members working directly with staff on specific fund development opportunities. • Established pipeline of projects that leverage future development capital. • Established set of development relationships. • Ability to attract debt, equity, and sources of development subsidy.	• Annual fund development plan including evaluation of past year's experience. • Asset and risk management plan reviewed for potential source of development funds. • Increasing diverse and complex projects as sources of development capital.

Capacity Indicator	Activity	Formative CDC	Emerging CDC	Producing CDC	Mature CDC
Housing Programming • Outcome measurement	• Data collection on target population changes or benefits from CDC activities. • Track changes in community attitudes that are attributable to CDC activities. • Outcome measures are communicated to community stakeholders. • Continually reassess community needs and incorporate into CDC mission.	• Can define several measurable outcomes achievable by CDC.	• Input by community stakeholders in developing measurable outcomes. • Utilizes a "logic model" or "theory of change" that can illustrate how CDC activities affect measurable outcomes.	• Data collection plan for CDC's measurable outcomes. • Baseline data collection on measurable outcomes.	• Routinely collects data on measurable outcomes. • Analysis of measurable outcomes (e.g. neighborhood characteristics) for areas of success and opportunities for improvement. • Reports measurable outcomes to community stakeholders. • Uses past performance to set new goals.
Housing Programming • Skills related to housing development	• Training & technical competence in all skill areas. Conduct predevelopment planning. • Do site selection, market, and feasibility analysis. • Training in housing finance, marketing & program regulations.	• Developing skills related to basic project planning and management. • Ability to match limited staff and consultant resources to complex and sometimes unexpected project tasks.	• Ability to identify project opportunities. • Ability to assess feasibility of projects (e.g. marketability and affordability). • Knowledge of how to form a development team. • Knowledge of how to package loans. • Knowledge of construction management principles. • Completion of at least one project. • Housing production system being developed. Ability to identify, recruit, and work with partners.	• Ability to meet specific annual and biannual production goals. • Housing production system in place and development pipeline established. • Able to produce financial documents to submit to lenders and regulators.	• Ability to partner or consult with emerging organizations on housing projects. • Establish dedicated financing streams tailored to production needs. • Produce a variety of housing types to meet a diversity of community housing needs.

Capacity Indicator	Activity	Formative CDC	Emerging CDC	Producing CDC	Mature CDC
Housing Programming • Management and disposition standards	• Manage projects in accordance with requirements of funding sources (e.g. compliance) • Sale of properties in accordance with requirements of funding sources (e.g. disposition). • Strengthen property management and disposition skills.	• Identify potential linkages and partnerships to ensure timely lease-up and sales. • Begin to acquire skills related to property and asset management and sales.	• Develop procedures and partnerships to ensure timely lease-up or sales of property.	• Formalize property and asset management and sales procedures. • Establish service contracts that provide opportunities for transfer of skills to in-house staff. • Develop and meet specific annual production goals appropriate to mission of organization and need of community. • Ability to ensure that appropriate property management standards are met.	• Direct involvement in efficient rent-up or sales of properties. • Establish pipeline of qualified homebuyers and renters to occupy projects. • Use regulatory agreements to ensure long-term affordability.
Community Outreach • Community participation	• Process that assures community participation in planning and development decisions. • Hold meeting at convenient times, places and includes community members in setting agenda. • Ensure that board and staff are representative of and responsive to community. • Encourage community input in CDC activities with clear lines of accountability between CDC staff, community, and board.	• Developing strategies to assure community participation in CDC activities (e.g. meetings, focus groups, etc.).	• Facilitate long term community residents participation in planning and development decisions with an inclusive process that involves organizations and residents. • Formalized process for assuring community participation in planning and development decisions.	• Community participation in planning and development decisions through the use of community forums or neighborhood strategic planning sessions. • Developing and implementing representative community participation plan including strategies to foster inclusion of traditionally underrepresented groups (e.g., renters, and seniors).	• Institutionalize community participation (e.g., quarterly community-based advisory committee meeting).

Capacity Indicator	Activity	Formative CDC	Emerging CDC	Producing CDC	Mature CDC
Community Outreach • Relationship with other organizations	• Relationships between organizations that complement each other for betterment of community. • Partnership with other organizations to make activities complement CDC's agenda. • Support work in coalitions. • Partnership with public and private groups to carry out housing real estate development. • Partnership with other CDC's to fulfill community needs. • Influence other organizations to make activities complement CDC's efforts. • Create links to other CDCs, job trainers, and other service providers in the area.	• Regular communication established with other groups in the service area involved with community improvement (e.g. civic groups, churches, NPU, PTA).	• Evidence of membership & participation in regional partnerships key to CDC mission. • 2-3 linkages established with other community organizations for specific joint activities. • Participation in municipal planning process (e.g. NPU). • CDC occasionally facilitates forums for community-wide discussion of local issues.	• Create and implement an outreach plan. • Multiple linkages with other community organizations for specific projects. • May provide technical assistance and information to other organizations. • Works with other community groups to develop agenda for advocacy.	• Diversity in the number and types of collaborations with other community organizations for specific projects. • CDC plays prominent role in grass roots organizing/ consensus building in its community. • CDC provides a forum for civic association on an ongoing basis to come together. • May provide consulting services or in-depth technical assistance to other CDCs.
Community Outreach • Marketing outreach and education	• Create and participate in networking opportunities, conferences, and social events. • Disseminate regular updates of CDC activity to existing and potential funders. • Disseminate regular updates of CDC activity to local residents and community stakeholders. • Disseminate info on government policy, activities, & economic forces that affect residents. • Make information about CDC available to community. • Educate banks, local governments, and employers about their customers & potential employees.	• Initiation of communication of CDC activities to local residents, community stakeholders, and potential funding sources. • Developing communication strategies about organization and community.	• Periodic communication of CDC activities to • Local residents, potential funding sources and the news media. • Formalized material on organization and activities (e.g. brochure). • Gathering and disseminating information about community and CDC (e.g. newsletter, fact sheet).	• Conduct educational programs on a regular basis that inform community stakeholders about CDC activities. Provide evidence of efforts to act as a facilitator or convener of community issues or opportunities. • Communication techniques formalized. • Development of a marketing/education plan that highlights CDC and community.	• Regular and varied communication of CDC activities to local residents, funding and potential funding sources, and news media. • Implementation of marketing/education plan that highlights CDC and community (e.g. Web Site, videos about CDC activities).

Capacity Indicator	Activity	Formative CDC	Emerging CDC	Producing CDC	Mature CDC
Community Outreach • Leveraging community resources	• Establish partnerships with other programs to extend CDC reach. • Choose new program area that draws upon existing local skill and fills gaps in those skills in the community. • When implementing new programs, identify existing related local organizations to avoid duplication and draw upon mutual strengths.	• Learning about existing resources in local area.	• Identifying needs and gaps in filling those needs.	• Working with other organizations to develop programs to fill identified gaps	• Institutionalized programs to meet existing local needs. • Draw from regional and national resources to meet existing local needs.
Community Outreach • Political leverage	• Educate and advocate to public and private officials about community needs. • Create opportunities for constituents to take on positions of responsibility. • Board as training ground for future community leaders. • Leadership development.	• Identify federal, state, and local representatives and make initial contact.	• Show evidence of support within the constituency for CDC projects. • Develop leadership abilities of community members through board membership, general • CDC membership and committees. • Begin to develop agenda for influencing local policy.	• Local political involvement and investment in organization's agenda. • Influencing policy regarding own community and community development in general.	• Seen by political sector as representative of constituency. • Institutionalizes policy input and activities at the local, state and national level.

Notes

1. Capacity Performance Standards for Community Development (November 2000), Georgia Department of Community Affairs [online]: www.dca.state.ga.us/housing/HousingDevelopment/programs/downloads/SFY2004_COAP_CAT.pdf, [accessed]: 05.02.09.

Appendix C

Neighborhood Progress, Inc. Strategic Investment Initiative Area Characteristics

Appendix C: Neighborhood Progress, Inc. Strategic Investment Initiative Area Characteristics[1]

Strategic Investment Initiative

Neighborhood Progress, Inc.'s Strategic Investment Initiative (SII) aims to restore private markets, including real estate, in a select number of Cleveland neighborhoods which have undergone previous decline but show potential to "recover". The Strategic Investment Initiative intends to produce measurable change over the next 10 years in property values, homeownership and occupancy rates, and additional private investment. NPI competitively selected the six community development corporations for this program based on their development expertise and on whether their service areas offered opportunities for new large-scale development and "market recovery".

There are 10 key characteristics of the SII:

1. A focus on broad market outcomes, rather than on producing housing units
2. Precise, narrow targeting
3. Comprehensive plans
4. High-impact anchor projects
5. "Model Blocks" to complement the anchor projects
6. Land acquisition and vacant/abandoned properties
7. Comprehensive amenities and services through strategic partnerships
8. A pervasive attention to marketing and market competitiveness
9. Dedicated staffing for the initiative at the CDC
10. A new partnership relationship between NPI and the CDC's

Neighborhood Progress, Inc. (NPI) is supporting this broader, holistic approach by providing new concentrated resources from foundations in smaller target areas and staff support from NPI and Enterprise Community Partners. To assist CDCs in this work, NPI has provided training to the CDC staffs and boards on developing healthy neighborhoods, Model Blocks, and neighborhood marketing.

Notes

1. Strategic Investment Initiative, Neighborhood Progress, Incorporated, Online: http://www.neighborhoodprogress.org/cnppsii.php, [accessed]: 05.02.09.

Appendix D

Pittsburgh Community Development Collaborative

About the Pittsburgh Community Development Collaborative (CD Collaborative)

The CD Collaborative is an emerging coalition of the following advocacy, funding and technical assistance organizations:

- Community Design Center of Pittsburgh (CDCP)
- Community Technical Assistance Center (CTAC)
- Pittsburgh Community Reinvestment Group (PCRG)
- Pittsburgh Department of City Planning (DCP)
- Pittsburgh Partnership for Neighborhood Development (PPND)
- Urban Redevelopment Authority (URA)

Our Work

We launched our group in 2007 with a shared interest in working together to improve the services and resources available to our clients, which include community development corporations and community-based organizations in the city of Pittsburgh and surrounding communities. By coordinating the ways we provide assistance, we aim to create an effective and efficient support system that helps our clients more quickly advance their community revitalization goals.

Our Process

We are currently at work in initial research and planning. This phase will include discussions with our many client, partner, and investor organizations so that our proposed solutions capture the insights of Pittsburgh's larger community development network. Throughout our work, we may also identify new partnerships that can advance our goals.

Our Projects

In 2007, the CD Collaborative is participating in an "Environmental Scan" that examines the role and capabilities of each organization and identifies opportunities to develop services and adopt practices not currently available in Pittsburgh. In addition, we are planning events and activities that will bring community development professionals and volunteers together for learning, networking, and problem-solving. We firmly believe that a clear vision for comprehensive collaboration among all partners can produce improvements in Pittsburgh's communities.

Notes

1. About the Pittsburgh Community Development Collaborative, City of Pittsburgh, Pennsylvania [online]: http://www.city.pittsburgh.pa.us/cp/assets/07_CDCollaborativeSummary.pdf, [accessed]: 05.02.09.