

Community Development 101

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SECTION 1: WHAT IS COMMUNITY DEVELOPMENT?



Community Development

Web chart exercise on flip chart paper to develop a definition of community development.

DEVELOPMENT

- Change for the better
- From an undesirable situation to a desired condition
- Requires intervention(s) for change to happen

ECONOMIC

- **Types of intervention (4As):**
 - **Awareness raising:** enhancement or improvement of existing knowledge and skills
 - **Advocacy:** the need to engage individuals, groups and institutions (the market, state, civil society) outside of the community
 - **Allocation of resources:** greater access to, ownership of, and control over resources
 - **Association:** the need to organize community members and create local institutions

ECONOMIC

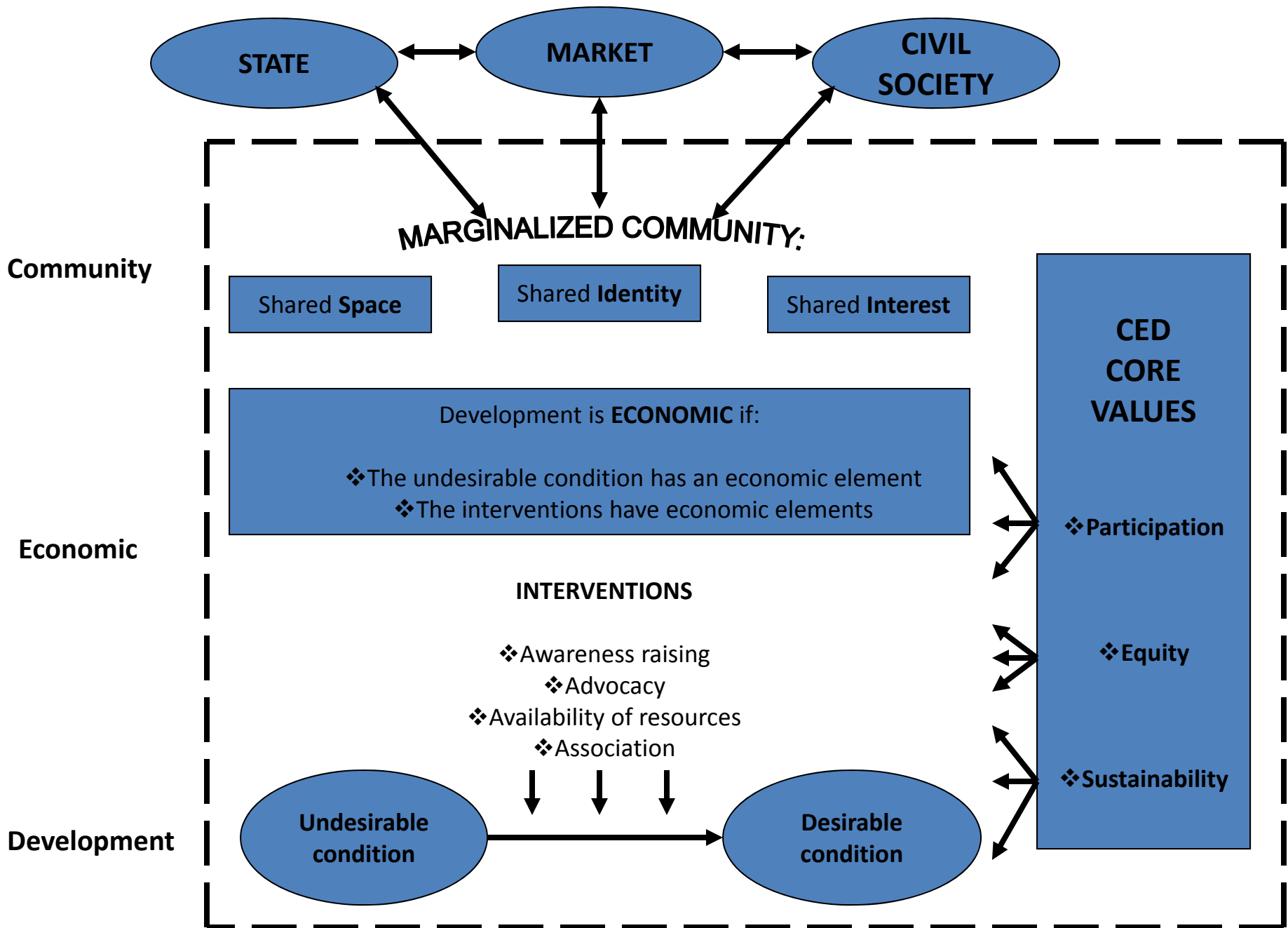
- Development is **economic** if either:
 - The undesirable situation has an economic element (fully or in part), AND/OR
 - The interventions have economic elements (fully or in part).
- A condition could be fundamentally economic, but requires non-economic interventions.
- A condition may not be fundamentally economic, but requires economic interventions.

COMMUNITY

- Economic development is community-based if it affects, and is affected by, people with **shared** ...
 - Space
 - Identity
 - Interest
- CED communities are **marginalized/at risk**
- CED communities do not exist in a vacuum

THE SUM IS GREATER THAN THE PARTS

- **CED is greater than (C + E + D)**
- **Core values/principles of CED:**
 - Participation
 - Equity
 - Sustainability





Brainstorm: Two Models of Development

Gillette Stadium



South Bronx Food Co-op



Two Models of Economic Development

Traditional Economic Development

- Growth “the bigger the better”/catch the “silver bullet”
- Attract outside large capital projects with tax credits and other subsidies for the benefit of outside investors
- Assumes that job creation and workforce development will resolve the problems of the poor
- Residents are passive stakeholders whose involvement is to give legitimacy to the project
- Control and allocation of resources in the hands of government and their development designees

Community Economic Development

- Sustainable development “people centered development”
- Fosters social transformation to local ownership with philanthropic and public subsidies to grow local community and resident assets
- Assumes that job quality and workforce development are needed but only part of the solution
- Residents are active stakeholders who should have meaningful control of their community and participation in the project definition and development process
- Control and allocation of resources should be a partnership with community residents

Community Economic Development Objectives

(Shragge, 1997)

- Conventional CED Perspective:
 - Business development to increase private investment and employment
 - Participation of residents to provide legitimacy
- Progressive CED
 - Social transformation of the economy to benefit the grassroots
 - Include the poor as participants in the project definition and development process

Three Characteristics of CD

- CD approaches economic development from a perspective of the community as a whole.
- CD has a mandate to achieve social and economic goals through the development of housing and commercial and industrial development.
- CD is designed to give control of the strategy and the sponsoring organizations to residents of the community.

Other Community Development Partners & Institutions

- Colleges and Universities
- Community Action Programs
- Grassroots Community Based Organizations
- Churches and Para-churches
- Workforce Development Agencies
- Micro Enterprise Programs
- Community Development Finance Institutions
- Cooperatives - housing, credit unions, etc.

Types of CD Project Activity

- *Housing*: home ownership counseling, resident management services, affordable housing rehab & construction.
- *Community Finance*: CRA advocacy; Community Loan Funds; Community Development Credit Unions; Mortgage Counseling & Precertification
- *Business Development*: Microenterprise Development, Small business services; Enterprise creation and conversions to employee ownership
- *Community Organizing & Community Building*: cultural revitalization; community education;



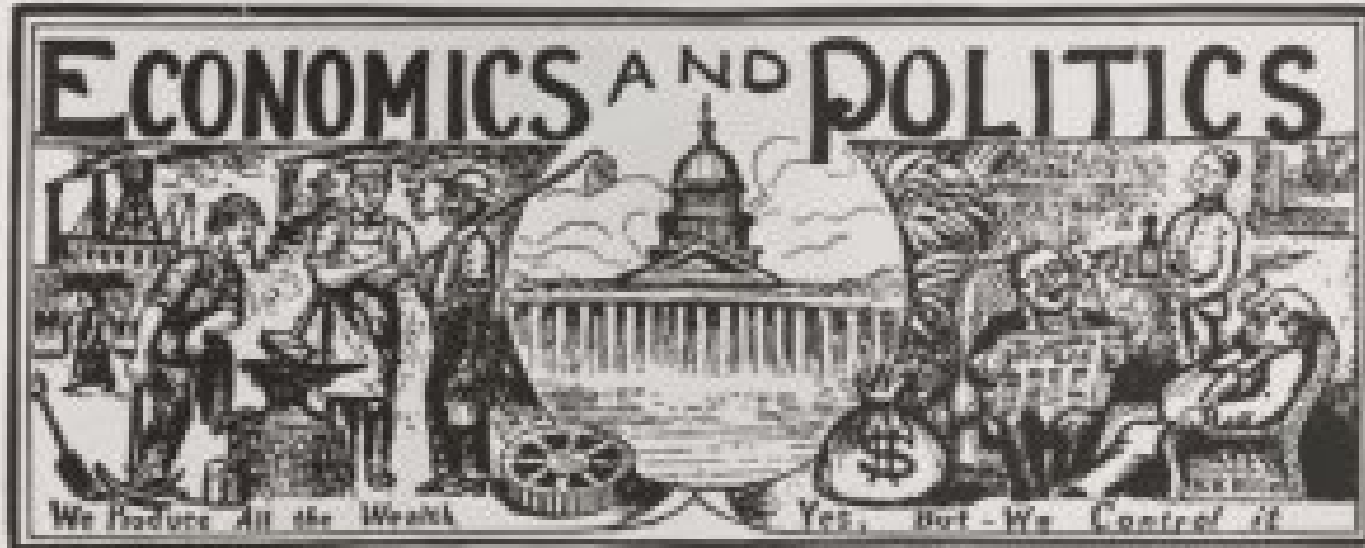
Comparison of Organizational Forms of Community Based Economic & Employment Development

(Blakely & Leigh:332)

Organizational	Objectives	Methods
CDC	Build community level institutions	Community organization & business formation
Community Co-op	Community/worker/producer control	Collective business
Local Enterprise Agency	Unemployed/community business formation	Local resource mobilization
Employee/Worker Ownership	Worker control	Worker finance
Community Employment/Training board	Human resource development	training



SECTION 2: THE HISTORY OF COMMUNITY DEVELOPMENT



Why Negroes Should Be Socialists

<http://digitalgallery.nypl.org/nypldigital/dgkeysearchdetail.cfm?trg=1&strucID=1864493&imageID=1694964&total=1&num=0&word=%20socialists&s=1&otword=&d=&c=&f=&k=0&lWord=&lField=&sScope=&sLevel=&sLabel=&imgs=20&pos=1&e=r>

Image ID: 1694964

Economics and Politics, Why Negroes Should Be Socialists. (Nov. 1919)

Mission Hill & the Miracle of Boston (Excerpt chapter 5 – 10)

Overview of the History of CDC's

- ***"The program for the development of Bedford Stuyvesant will combine the best of community action with the best of the private enterprise system. Neither by itself is enough, but in their combination lies our hope for the future."***



Senator Robert F. Kennedy



Role of CDC's in 60's & 70's

Positive findings:

- Fewer, larger projects were more efficient
- Mixed performance picture
- Unprecedented opportunities for minorities to control & manage investment capital
- Piloted innovative approaches to land use and housing reinvestment



Role of CDC's in 60's & 70's

Negative findings:

- CDC's capacity was dwarfed by enormity of neighborhood deterioration.
- CDC's-had limited success with job creation.
- New housing development had to be accompanied by resources for maintenance.



Role of CDC's in 70's

- Many 1st generation CDC's collapsed
- Remaining and newer CDC's were smaller
- Tended to grow out of neighborhood organizing efforts and have role in advocacy and organizing.
- 1978 Neighborhood Reinvestment Corp. (NeighborWorks) established to promote community reinvestment.
- By late 70's, CDC's less likely to start & manage own businesses.

CDC's in 80's & 90's

- Major decline in Federal operating support
- Realization by Ford that CDC's would continue to require core funding support
- Produced more affordable housing than U.S. Govt. in 1986-87
- Made use of passive tools like zoning exceptions, business & building code waivers, and tax breaks to stimulate investment
- Block grant funding pushed grassroots organizations into a position where they need the skills of planners to access funding.

CDC's in 80's & 90's

- Sponsored or spawned new financial organizations such as loan funds, leveraging outside funds with local pooled savings such as the Nehemiah Plan and Microenterprise Development programs
- Housing continued to be important to sustainability of CDC's
- Renewed efforts to engage in economic development -- IDA programs, computer programs, workforce development
- Much more competitive funding environment



CDC's in 2000's

- Funding environment continues to be difficult.
- Housing development funding relies on complex piecing together of funding sources.
- Support of IDA funding from foundations has waned.
- CDFI funding shrunk under Bush but has increased \$136.6 million under Obama
- New Market Tax Credits have not been feasible for many smaller community loan funds & CDC's.
- Pressure to merge or consolidate CDC operations

Community Development Corporations: Basic Statistics *(Based on 2005 industry census)*

Number of CD's	4,600
Median CDC age	18 years
Median CDC staff size	10
CDCs that have completed non-residential projects	45%
Average annual housing production (1998-2005)	86,000 units
Avg. annual commercial space production (1998-2005)	8.75 mill. sq. ft.
Total CDC sector employment	199,000
Jobs created by CDC activity per year (1998-2005)	75,000
CDCs that have equity investments in business operations	17%
CDCs that operate one or more businesses	21%
CDCs that offer individual development accounts	22%

Institutional Advantages of CDC's

- Use private development techniques for public purposes,
- Target benefits to communities and individuals in need,
- Mobilize local initiative to address local priorities,
- Take a long-term approach to development
- Link planning to implementation
- Link complementary projects within a comprehensive strategy,

Institutional Advantages of CDC's

- Understand and work with the processes of both the public and private sectors,
- Legally can attract both public and private resources in a variety of ways.,
- Work directly with small businesses,
- Reinvest resources in the community,
- Have incentives to operate programs efficiently, and
- Can transfer capacity among program activities



The CDC Advantage

- They are true public-private hybrids.
- They can combine multiple programs and sources of revenue as recognized anchors of their neighborhoods.
- They diversify & adapt over time because they have to live with the consequences of their work.
- They embrace American values that transcend political ideology: self help; entrepreneurship; community building; local control; and, public/private partnership.

Section 3: Core Values of Community Development Movement

- Economic opportunity and Justice
 - Economic Theory- recycling money through community
 - Currently most profits leave neighborhoods
 - Break cycle with local business and bring in new money
 - Economic stability/security
 - Affordable housing
- Racial Equality
 - Access to resources and education
 - Independent/thriving communities
- Community Voice
 - Political voice and representation
 - Organized effort
 - Local/familiar leadership
- How Community Development (CDC) activities affect these values (positive and negative)

Three Outcomes of CED (Giloth, 1998)

- *Jobs* for particular classes of people usually unemployed or underemployed.
- *Wealth* creation enhances business or asset accumulating behavior of people or firms.
- *Place* to enhance the locus of economic activity to be more accessible or to take advantage of community attributes



Metaphor #1: Plugging The Leaks

A community's economy is like a leaky bucket. It is easier to plug leaks than to keep pouring water in.



Plugging The Leaky Bucket

A local economy is like a bucket that the community would like to keep full. However...

Economic buckets invariably have leaks in them.



Every time someone buys something from outside the community, dollars leak out.

To balance the dollar drain, money must flow in from outside the local economy.





What are the ways in which your community's economy is leaky?

Sources of Leakage	What would plug the leak?

Metaphor #2

Brokering Connections

- This approach emphasizes the social isolation of poor communities from the mainstream.
- People cannot take advantage of economic resources & opportunities.
- Brokering overcomes systemic barriers to key decision-makers, banks, funding streams, human service supports, the Internet, and potential allies.

Metaphor #3

Asset Management

- Asset based analysis such as that of Kretzmann & McKnight (1994) emphasizes the untapped neighborhood resources for CED.
- It suggests strategies and projects that build on existing local skills and resources such as microenterprise development or time dollars or retiring owner succession to preserve local businesses.
- The key is identifying and building on community assets

Conventional Approach to Community Analysis

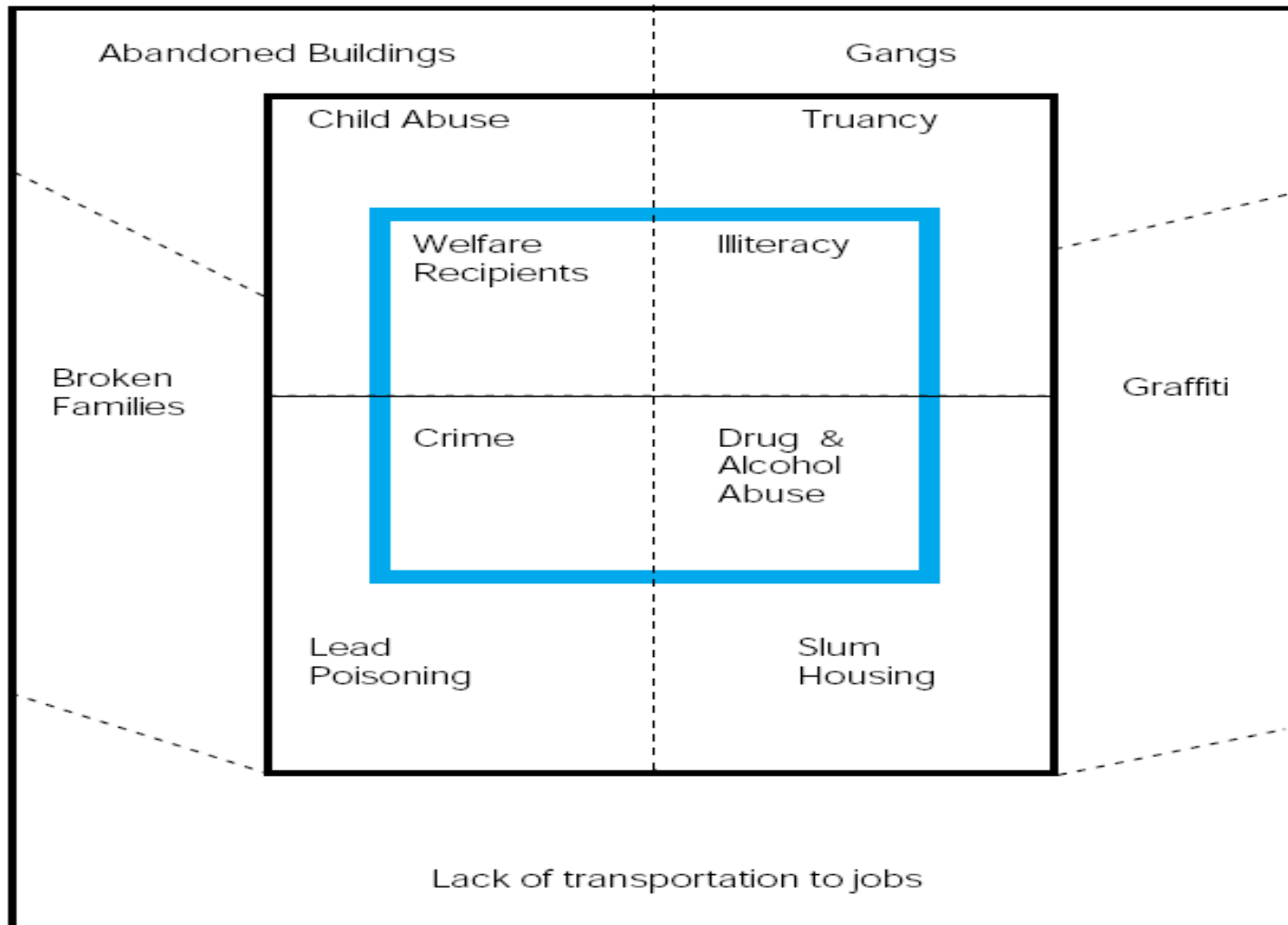
- The service providers are the ones in control of financial resources.
- Community leaders have to denigrate their neighbors and community to successfully attract resources to the community.
- A deficiency strategy insures that the focus will be on individual successes to overcoming deficiencies rather than transforming and developing the community.
- This orientations fosters a sense of hopelessness about the future in community discussions.



Asset Mapping (Kretzman & McKnight)

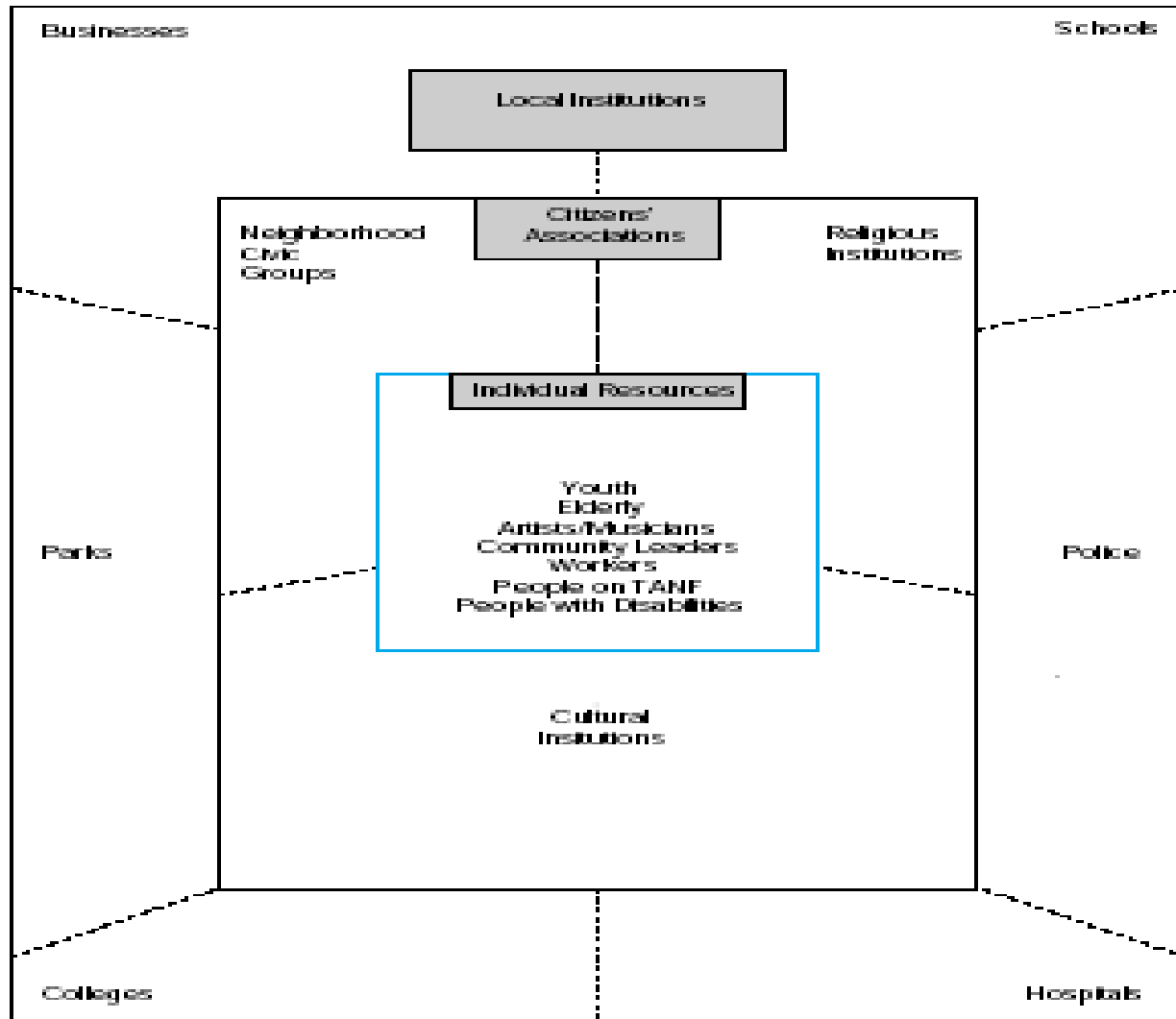
- 1. Assets and capacities located inside the neighborhood and largely under neighborhood control.** For example, the skills, talents, and experiences of the residents; individual businesses and home-based enterprises; resident income; community business, civic, and cultural associations; and religious organizations.
- 2. Assets located within the community but largely controlled by outsiders.** Assets that can be brought under community influence with the right strategy, such as public schools, police, private hospitals, vacant land, and energy and waste resources.
- 3. Resources originating outside the neighborhood, controlled by outsiders.** For example, welfare expenditures, public capital improvement expenditures, and public information.

CONVENTIONAL COMMUNITY NEEDS MAP



Adapted from Kretzman and McKnight (1993:3)

COMMUNITY ASSETS MAP



Adapted from Kretzman and McKnight (1993:3)

Mobilizing the Community

- Asset-based community development is characterized as starting with what is present in the community (see “Community Assets Map) -- community residents’ and workers’ capacities, and the associational and institutional base.
- It is an “internally focused” process that concentrates first on the agenda building and problem solving capacities of local residents, local associations and local institutions.
- It recognizes the impact of external forces on the community but stresses the importance of building the internal capacity for addressing the local development challenges.

Mobilizing the Community

- Finally, Kretzman and McKnight emphasize that this approach is “relationship driven.” As the Boston Foundation observed in *To Make a Community Whole* (1994: 39), there is a need to develop new collaborative philosophies of community building strategies and to facilitate the involvement and employment of community residents in program planning, decision-making and evaluation.
- CDCs are well suited for developing a community assessment. They can either in partnership with other community groups or alone, undertake a project to map the assets of the community.

Mobilizing the Community

- Residents can work on developing the questions to include in the study. The Kretzman and McKnight manual has suggested questionnaires for conducting an asset based assessment.
- Once completed, the community assessment can inform the setting of priorities and development of community projects and collaborations.

How to create an asset map?

<http://www.youtube.com/watch?v=g4b56ky61l8&feature=related>

Step 1:

- Gather information on community households and residents' skills – start with the positives
- Identify priority abilities and best skills of each person

Step 2:

- Community capabilities (Community activities in which residents have participated)

Step 3:

- Experiences and Skills of Entrepreneurs

Step 4

- Personal information for future contacts

Metaphor #4

Building Ladders & Webs

- Solutions require multiple components, & multiple actors.
- Ladders is the metaphor of incremental steps to successfully implement interventions.
- Webs refers to clusters such as the new forms of corporate organization; networking as in circle/peer lending in microenterprise development.
- Practitioners need to move to power sharing rather than proprietary approaches.

Metaphor #5

Creating Level Playing Fields

- Communities require equitable access to resources.
- Historical practices that resulted from racist and classist approaches to the delivery of public goods and services should be addressed.
- Community Reinvestment Act is an example of this.

Metaphor #6

Enhancing Markets

- Community practitioners need to understand how their local markets work.
- Markets can be self help and mutual assistance activities – the informal economy of a community.



Defining CED: Small Group Exercise

- On a sheet of flip chart paper:
 - How are the core values evident in the work of your CDC?