

CDCs: The rest of the story

By William J. Linder

The Post's recent series on Washington's community development corporations (CDCs) ["D.C. Revitalization Promised, Not Delivered," Feb. 24-25, 2002] highlighted problems that clearly need to be addressed. But it would be a shame if readers were to get the impression that the CDC concept itself is flawed.

Some 3,600 CDCs — urban and rural, large and small — are at work nationwide. They tackle the tough task of attracting both public and private-sector investment dollars to the inner-city neighborhoods and small towns left behind by conventional economic development.

CDCs create about 20,000 units of affordable housing every year. They've developed more than 71 million square feet of industrial and commercial space, helped capitalize nearly 60,000 small businesses, and provided approximately \$2 billion in loan assistance to entrepreneurs and residents in low-income communities. CDCs support the kind of infrastructure — affordable housing, retail stores, health care, entrepreneurship, skills training — without which no community can hope to be viable.

I live and work in the Central Ward of Newark, New Jersey. Some say it's a tough neighborhood. They should have seen it 35 years ago, right after the devastating riots of 1967 left us in rubble. Most observers thought our prospects for recovery were poor to non-existent.

In 1968 a handful of us met in a church basement and decided to launch a CDC. We gave it a name — New Community Corporation — that reflected our aspirations. And we chose a motto that reflected our values: "Faith, hope, and leverage."

Without faith and hope, nothing happens. As for leverage, we figured every dollar we could attract to the Central Ward would pay big dividends, not just in job creation and neighborhood stabilization but also in the priceless advantages that accrue to a community where people can see hard evidence that things are getting better.

It worked. Today we're the nation's largest CDC. We've built more than 3,100 apartments in 18 complexes; day care centers caring for over 1,000 children (and freeing their parents to work); a modern community center; a shopping mall; and a technology and manufacturing center in what had been a long-abandoned Borden Milk plant.

On a daily basis we provide services to more than 50,000 of our neighbors — helping them get health care or high-school diplomas, make the transition from welfare to work, obtain transportation assistance or find the funds to open a small business.

We've even been profiled in the Post (March 5, 1999).

I'm not boasting, just making the point that CDCs not only can but do work. Take a trip around the country and you'll find abundant evidence. For example:

- Coastal Enterprises, Inc. (CEI) has been providing venture capital and technical assistance to entrepreneurial Mainers for more than 20 years.
- In Chicago, Bethel New Life has earned a national reputation for pioneering initiatives that build on the people, physical assets, and faith base of its community.
- Chicanos Por La Causa (CPLC), based in Phoenix, has created more than 4,000 affordable housing units, and more than 15,000 graduates of its education and employment programs have joined the workforce.
- Forty-one percent of the households in the federal-designated Kentucky Empowerment Zone include a household member who is employed by a business that has received funding from Kentucky Highlands Investment Corp.
- And in Washington, D.C., Marshall Heights Community Development Organization has done such a good job of creating affordable housing and revitalizing the Greenway neighborhood that it has attracted international attention — as the Post noted in its recent series.

When you look closely at an exemplary CDC, you'll find a competent, focused staff; strong, active community representation on its board; and a track record of taking risks and delivering on its promises.

CDCs are answerable to their public and private funding sources, of course, but most of all to the communities they serve. Strong CDCs have strong community support. In the rare case where local involvement appears weak, it may be a sign that a CDC needs to rethink its mission — or staffing.

That said, we shouldn't lose sight of the important work being done every day by CDCs around the country. They're filling a dual role, serving as both stimulant and safety net. Even in boom times, there's a critical need for investment in underserved neighborhoods. In recessionary times like the ones we've been living through, the need to keep local economies ticking becomes even more urgent.

The Post's articles point to the apparent need for reform in some of the District's CDCs. The CDC community as a whole stands ready to help. If there's one thing we know from long experience, it's how to turn a tough situation around.

Monsignor William J. Linder founded New Community Corporation.