



NCCED Conference Report, September 2005

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www.community-wealth.org

Keeping the Faith in Challenging Times

Over 200 community development activists attended the recent 35th Annual Meeting of the National Congress for Community Economic Development (NCCED) held September 19-21, 2005, in Washington, D.C. Pamela McKee, Interim President of NCCED, opened the conference by underscoring its theme, “These are challenging times. We need creative resources.” McKee welcomed everyone to the conference and thanked the 15 students of Howard University who were serving as volunteers for the event.

Welcome from the Mayor

Stan Jackson, Deputy Mayor for Planning and Economic Development for the City of Washington, DC appeared on the city’s behalf to support and participate in the conference. “We endorse and embrace the value of what CDCs mean to urban communities.” Jackson said. Jackson also highlighted DC’s own work in partnership with CDCs, including how the City tapped into DC’s booming housing market to finance a citywide affordable housing trust fund. As Jackson explained, “We take a percentage of the income that is derived from recording and transferring property and dedicate 15% of that income into a trust fund that goes to service – 80% of the money goes between 0 and 50% of AMI. We found that to be one of our most productive tools.” In seven years, DC has developed 16,000 units of affordable housing.

Building Our Movement from the Margins to the Center

Professor Gar Alperovitz of the University of Maryland gave an overview of the present mix of challenge and opportunity that community-based organizations face. The movement has come a long way. “35 years ago there were very few people who knew how to do serious economic development. You have built a base of expertise. This is an extreme historic accomplishment.”

Yet poverty persists. Community economic development practitioners need to ask themselves: “What would it take so we don’t have another Katrina disaster in 30 years?” We need to develop new alliances and a new vision. Allies might include land trusts, cooperatives, and employee-owned companies, among others. He also urged a renewed emphasis on some important elements of the early CDC movement — including ownership and advocacy. We need to work at the level of local and state politics, without which there will never be a national build-up and beyond. Alperovitz mentioned that a website developed by the Democracy Collaborative at Maryland, www.Community-wealth.org, highlights some of these themes.

Holding Foundations’ Feet to the Fire

According to Rick Cohen, Executive Director of the National Committee for Responsive Philanthropy, while a few foundations fund community development, most do not. And when

they do fund community development, it is typically project-related money and rarely the unrestricted operating support that community developers most need.

Part of the problem is that many foundations are not comfortable funding groups that don't look like themselves. Only 2.2% of foundation board members are people of color.

Southern Mutual Housing Association and the NHS of New Orleans, for instance, haven't gotten a lot of money since Katrina, yet their ability to represent the affected is really crucial. It is important to call out foundations for what they aren't doing and especially for what might be counter-productive. Foundations have \$500 billion in assets and should be treated by community groups as an organizing target in the same way as government.

Key Funding Trends

Carol Gallant of the California Community Economic Development Association identified five key trends in the funding environment:

1) Accountability, funding and measuring impact

Funders are insisting on having projects and programs aligned to their specific development agendas. This can be good, but unless you can squeeze into their box, it may hurt you.

2) Our field is overly focused on foundation, corporate, and government support.

We're not the only game in town. We have to do a better job of stewarding funders.

3) Funders often establish their own collaboratives and intermediary organizations that re-grant funds.

An example is Living Cities, which has certainly done a lot of work. But unless you were one of the designated few, there's just few dollars for those of us out in the trenches.

4) How do funders see us?

Funders want magic from us. What they really want is a magic formula that can address intractable problems, solve them with few resources, and be easily replicable.

5) When do we get to sit at the grown-ups table?

Katrina allows us to see where we are not invited. What it really comes down to is: power. We have to renew our roots in the community, we have to remember from whence we came, be better advocates, we have to be better at defining the problems we are trying to address, be historic, be global in the way we think of them, use each other better.

Building Better Links Between Community Development and Health

The Office of Community Services in the Dept. of Health & Human Services has been a longtime funder for community development. Josephine Robinson, Director of the Office of Community Services, has been at that position for the past six months. She and many of her staff attended the conference to open lines of communication in an effort to increase the effectiveness of their programs. Robinson explained she is a full believer in the need to link public health and community development efforts, "Without the economic development piece, we would not talk about health." Robinson said. "When you're talking about health care policy, it is important to not forget about all of the elements that a family needs to be in a position to be healthy."

“The Eyes of the Nation Were Opened”

With the conference occurring only three weeks after hurricane Katrina devastated the Gulf Coast, the tragedy of Katrina—and the need for a coordinated response from the community economic development community—remained a central theme throughout the conference.

NCCED Board Chair Marva Smith Battle-Bey emphasized that NCCED has a very clear responsibility to be the policy advocate for the CDCs in the Gulf States. At the membership meeting, NCCED members unanimously approved a resolution that insisted that reconstruction be done in accordance with what we have learned through our 35 years of community economic development work. **“Let us not repeat the mistakes of the past,”** the resolution declares. The membership resolved to establish a fund — Operation Kin-Folk — to help finance the long-term reconstruction needs of the Gulf and Delta regions. Key NCCED priorities are that:

- 1) Local community development corporations and community groups be significantly represented in the planning and implementation process;
- 2) Job training and employment opportunities go first to locally affected people at livable wages;
- 3) Affordable housing be built in mixed income neighborhoods that build upon the cultural heritage and strengths of the impacted communities.
- 4) The rebuilding process not be paid for “on the backs of the poor” by cutting social programs in other areas of the country;
- 5) Existing policy tools such as OCS, HUD, and EDA be employed by community groups in the region to help speed the restoration process; and
- 6) The response should be national in scope and cover the long haul of recovery.

Organizational Issues

Both McKee and Smith Battle-Bey noted that this time is a very critical juncture for NCCED, as the organization has had to cut expenses to live within the organization’s means. “We have made a lot of progress during the last five months,” Smith Battle-Bey said, “but some of that progress has occurred by reducing our staff. We have a reduced staff because we have a reduced budget. Beginning our 36th year, we are facing very challenging times. But our mission is still present.”

Smith Battle-Bey explained that the Board is working on a business plan and developing strategic partnerships to strengthen NCCED for the long haul. The response of funders to NCCED’s restructuring has been positive, but, as Smith Battle-Bey cautioned, “Collaboration takes time. You can’t talk about collaborating and think it is going to happen overnight.”

Annie E. Casey Awards

Three organizations were recognized for the 2005 Annie E. Casey Awards: Chicanos Por La Causa (Tucson office), Rural Opportunities (based in Rochester, NY, but operating in rural areas in five states and Puerto Rico), and Eastside Neighborhood Development in St. Paul, MN.

Board Elections

Roughly half of the Board seats were up for election. The following people were elected to serve two-year terms on the Board of Directors:

Mary Nelson, Bethel New Life (Chicago); Robert Moore, Development Corporation of Columbia Heights (Washington, DC); Ronnie Miller, Alabama Association of CDCs; Tony Lentych, Community Development Association of Michigan; Dee Walsh, Reach CDC (Portland, OR); Chloe Coney, CDC of Tampa (Florida) Lenora Jarvis-Mackey: River City CDC (North Carolina); Lynne Cunningham, Southeast Chicago Development Commission; Pat Barnes, Ohio State Association CDC; Cindy Carney, Coastal Enterprises (Maine); Bernie Mazyck, South Carolina Association of CDCs.

Changing Times: Opportunities and Challenges for CDCs

Juan Williams, Senior Correspondent with National Public Radio and host of the program, *Talk of the Nation*, moderated this plenary discussion in which leading practitioners answered questions both from Mr. Williams and NCCED members regarding the challenges CDCs face.

For Robert Zdenek, President for NCCED for 13 years in the 1980s and 1990s, the biggest challenge is the core competencies that CDCs are going to need five years from now in addition to the ones they have now. Roland Anglin of the New Jersey Public Policy Research Institute, emphasized CDCs need to innovate and develop new products and services that can build communities. Jeff Nugent of the Development Training Institute identified unrestricted cash as a critical issue: “Everyone in the funding community and community development organizations know that is what is needed,” Nugent declared. “Working capital.”

All three leading community development finance intermediaries also participated in the panel. For Bart Harvey, Director of the Enterprise Foundation, identified two critical issues: how to avoid gentrification at the local level when CDCs succeed in improving neighborhoods and facing up to the hollowing out of the industrial sector of the country at the national level. “It’s really important but is hard to get the story out,” Harvey observed. “But this has to be part of the answer to the conditions we saw in New Orleans.” Buzz Roberts, of the Local Initiatives Support Corporation (LISC) also emphasized the need to better tell the community development story to maintain existing policy supports. Ken Wade of NeighborWorks put this in a slightly different way, “We haven’t been able to do a good job of describing what the return on investment is. It is housing units, but it is also more than that.”

Two longtime CDC leaders rounded out the discussion. Mary Nelson, founder of Bethel New Life in Chicago, and Marva Smith Battle-Bey, Board Chair of NCCED and CEO of Vermont-Slauson Economic Development Corporation in Los Angeles. According to Nelson, one of the big challenges is finding the next generation of CDC leaders. “Many of us old-timers grew up in the era of civil rights. We cut our teeth in the passion for justice and community. We were willing to start at low pay and long hours. This is a new generation. Between 50-75% of founding directors are going to leave in the next 5 years.” Smith Battle-Bey underscored the need for individual CDCs to leverage their *individual* leverage with local legislators for the good of the movement. “We need to be transfer all of those legislative contacts that is institutional for the work that we do at NCCED at the national level,” she said.

Invest in Families

Representative G. K. Butterfield (D-NC) from the 1st District of North Carolina (northeast Carolina) gave a brief address to the conference. Butterfield pointed out that his district is the 15th

poorest in the nation and so he understands the importance of community economic development. "I am a supporter of your work," Butterfield said. "We must reorder our priorities and invest in families. Invest in people. That's the challenge we face."

Promoting the Tools for Working Americans to Escape Poverty

Representative Diane Watson (D-CA) of Los Angeles delivered the keynote address. "There are a lot of speeches about the American dream," Rep. Watson remarked, "But the people in this room are the ones who make that dream a reality for so many Americans. You take our ivory tower policies and toil to make them work for American families, with very limited resources."

Watson emphasized the importance of taking advantage of the present national debate in the wake of Katrina to launch renewed efforts to reduce poverty in the United States. "This is a very remarkable moment," Watson remarked. "Suddenly poverty in America has burst into our national and international conversations. Tens of thousands of Americans victimized by poverty were made visible."

But visibility does not ensure progress, Watson cautioned. "We now have another Gulf War," Watson observed. "But this one is in the Gulf of Mexico. We must put our shoulders together to fight and win this war."