

Reaching New Heights

Trends and Achievements of Community-Based
Development Organizations

National Congress for Community Economic Development
5th National Community Development Census

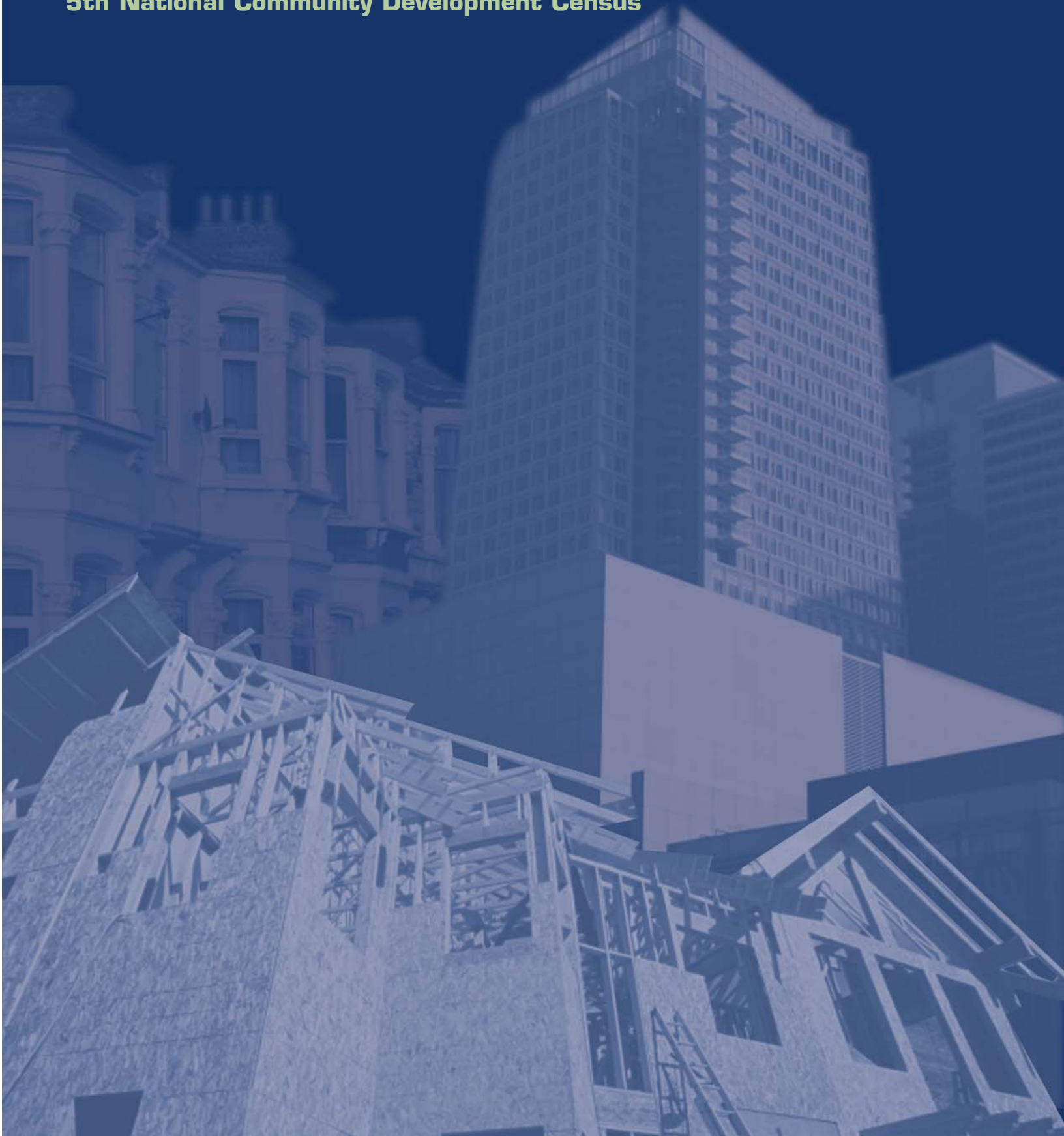




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Reaching New Heights

Reaching New Heights measures the quantitative achievements of community-based development organizations. It is a publication of the National Congress for Community Economic Development (NCCED) — the trade association for the industry. The census was carried out in 2005 by the Urban Institute. Christopher Walker of the Urban Institute and Local Initiatives Support Corporation (LISC) directed the research; Francisca Winston of LISC and Kersten Gensch of the Urban Institute corrected and tabulated the information. Aspen Systems Corporation administered the survey. Carol Steinbach wrote the text, with design and layout by Roberson Design. Special thanks to former NCCED staff member Kevin Kelly (kkelly@aeo.org) for his valuable assistance.

Qualifications for Inclusion in the Census

To be counted in this census, an organization had to qualify as a community-based development organization serving low and moderate income areas. It had to be actively engaged in producing or financing affordable housing, developing commercial or industrial space, operating a business, or providing capital or loans to support other business enterprises.

Eligible organizations must have completed at least one housing or commercial/industrial project. If engaged in economic development, the group must have operated a business enterprise, loan fund or served as an equity investor in a business.

A total of 999 organizations responded to this survey, out of the estimated universe of 4,600 eligible groups.

Surveyed organizations included community development corporations, community action agencies and community action programs, community development financial institutions, NeighborWorks/National Housing Services organizations, community housing development organizations, and local development corporations.

Reaching New Heights is NCCED's Fifth Census

Census	Census Date	Covers projects completed by:
Against All Odds	1988	December 31, 1987
Changing the Odds	1991	December 31, 1990
Tying It All Together	1994	December 31, 1993
Coming of Age	1998	December 31, 1997
Reaching New Heights	2005	December 31, 2004



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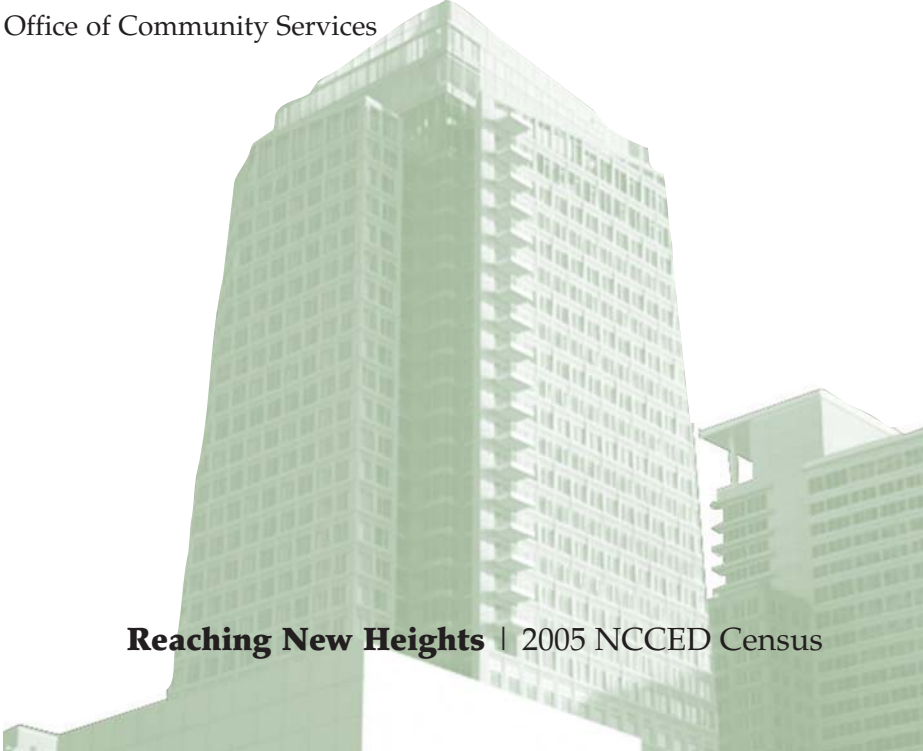
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Introduction: One Million – and Counting

During the time frame covered by this census, community development quietly reached a milestone.

On an unheralded day, probably sometime in 2002 or 2003, the number of affordable housing units generated by community groups passed the one million mark.

We don't know if the residents were Chinese immigrants in Oakland, a single mother and her children in South Bronx, or a displaced textile worker in rural Arkansas. We don't know if family members took advantage of job training, elder care, credit counseling or other support programs brokered by the CDC that built the millionth home.

We do know that community development has become an important force for reviving distressed areas. From a handful of groups in the 1970s, the field has grown significantly. Over the years, it has become more professional, more institutionalized, and better funded by a wider base of organizations.

Community development is a broad term, embracing a wide array of organizations that work to reinvigorate poor areas. The groups go by different designations, depending on their roots and mix of activities. While not all are technically incorporated as “community development corporations” (CDCs), that term has, over time, become synonymous with the industry as a whole, and is used here as such. Some for-profit developers working in low income communities also now use techniques from the community development playbook — forming joint ventures with CDCs, for example. Section 1 of this census offers more detail on community development as a field.

In the past, CDCs went largely unnoticed by society-at-large. Today, their accomplishments are much more visible. *Reaching New Heights* is the fifth in a series dating back to 1988. Collectively, these reports provide a rich source of good comparable data, covering much of the field's history. The data is a valuable resource for assessing community development's growth, impact, and shortcomings.

Each of the CDCs in this survey has its own priorities and pursuits. Yet these groups continue to share a guiding philosophy from the field's earliest days. Four decades after CDCs began, they're still targeting their initiatives to help the people who need it most. In this census, CDCs reported that 87% of the residents they serve are low income; 22% are poor.

Most CDCs augment their housing and economic development projects with other community building activities. The menu is extensive, ranging from community organizing and homeownership counseling to immigration services and prisoner re-entry programs.

Are CDCs finally achieving meaningful scale? That's the lingering question.



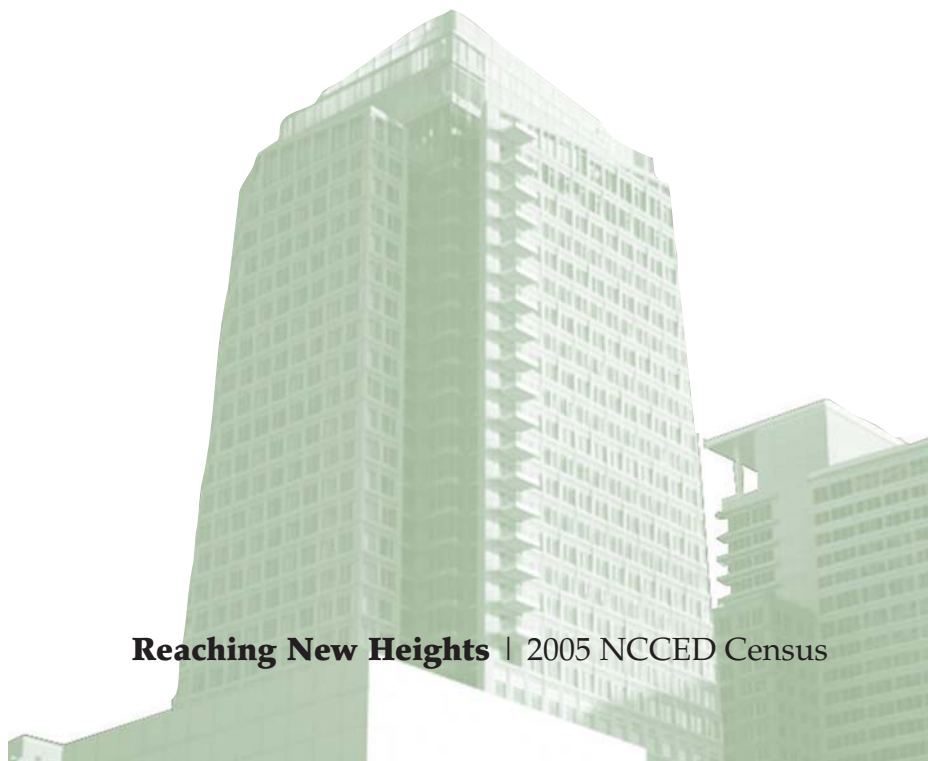
Introduction: One Million – and Counting

In terms of the need — for affordable housing, decent jobs, community re-investment — the surface has barely been scratched. Many CDCs do still struggle to generate the steady operating funds needed to build strong professional organizations. And numbers aren't everything. Much of what CDCs do — to stabilize communities, change a negative dynamic, give residents hope for the future — cannot be captured by statistics.

And yet, as this census confirms, the numbers are starting to add up as noted in the following chart:

CDC INDUSTRY PROFILE	2005	1998	1994	1991	1988
Number of CDCs	4600	3600	2000-2200	2000	1500-2000
Housing production (units)	1,252,000	¹ 650,000	400,000	320,000	125,000
Commercial/industrial space (sq. ft.)	126 million	² 65 million	23 million	17 million	16 million
Number of jobs created	774,000	247,000	67,000	NA	26,000

¹1998 reported total has been adjusted upward by 100,000 units because of undercounting
²1998 reported total has been adjusted downward by 6.7 million to remove square footage developed by non-CDCs





Census Highlights

Section 1: CDCs as Organizations

- **The CDC field continues to expand, but at a slower pace**

Nearly 1,000 more CDCs are counted in this census. The field grew at an annualized rate of just over 3% from 1998 to 2005. That's a significant growth rate, but less than the 11.5% annual growth recorded during the 1990s. Some growth appears to be existing organizations that added a physical development component since the last survey.

- **CDCs have become more professional**

Some CDCs are tiny, fledgling groups, run by volunteers on a shoestring budget. Increasingly, however, this is the exception, not the rule. The median CDC, according to this census, has 10 paid employees. The typical executive director is over 40, and the vast majority of groups offer a basic package of employee benefits.

Section 2: Housing and Related Activities

- **CDC housing production has soared since 1998**

The increase in CDC housing production during this census period was impressive. CDCs added more than 600,000 affordable homes and apartments to their inventory - an average of 86,000 units annually.

Section 3: Commercial and Industrial Development

- **More CDCs are doing commercial and industrial projects**

Traditionally, relatively few CDCs developed industrial parks, commercial and retail space, office buildings or community facilities. The 1998 census was the first to find an upsurge in such activity. The 2005 census confirms continued growth in CDCs' development of commercial and industrial square footage, which rose by 61 million from 1998 to 2005.

Section 4: Job Creation and Business Development

- **CDC job generation: significant expansion recorded**

The 2005 census records a very substantial increase in CDC job creation since 1998. CDCs added 527,000 jobs to their cumulative total and recorded three times as many jobs as in the last census.

Section 5: Community Building

- **Community building remains an important component of community development**

Most CDCs continue the tradition of augmenting their physical development initiatives with activities more closely allied to social and human services. The menu of non-development activities is extensive. In this census, the most popular were advocacy and community organizing, homeownership counseling, budget and credit counseling, and education/training.



Census Highlights

Section 6: Funding Sources

- **Federal resources are still key**

The community development field draws dollars from a wide array of funders, and many groups have become adept at using resources from public sources to leverage investment from the private sector. In this census, CDCs received more than \$50,000 in grants, investments or loans from 40 different federal programs. Importantly, this census does not reflect cutbacks in federal community development programs enacted or proposed since 2004.

- **Intermediaries are helping to drive the field forward**

The 2005 census confirms that community development intermediaries are an important and growing part of the financial support system for CDCs. Intermediaries continue to raise funds from foundations, corporations and other sources and pool these dollars into new funding mechanisms for community development. The new local collaboratives are particularly consequential.

Section 7: Special Findings: Faith-based Organizations

- **One-quarter of CDCs are faith-based**

The 2005 census included special questions to learn more about faith-based organizations. Some 24% of CDCs in the survey reported that they are faith-based - translating to more than 1,100 groups.

Between this census and the last...	
• 1,000 more CDCs	
• 600,000 more housing units	
• 61 million more square feet of commercial/industrial space	
• 527,000 more jobs created	

- 1,000 more CDCs
- 600,000 more housing units
- 61 million more square feet of commercial/industrial space
- 527,000 more jobs created

CDCs as Organizations

The community development field continues to expand, but at a slower pace

Nearly 1,000 more CDCs are counted in this census than 1998. The field grew at an annualized rate of just over 3% from 1998 to 2005. That's a significant growth rate, but less than the 11.5% annual growth recorded during the 1990s.

Behind the numbers are interesting trends. Of the 1,000 more CDCs in this census, about 600 groups reported incorporating between 1996 and 2005. These are clearly new groups. Another 200 groups incorporated before 1970, and the remaining 200 incorporated between 1970 and 1995. This suggests that some of the “new” CDCs in this census are not new organizations at all. More likely, they are older groups — community action agencies or service providers, for example - that have recently added physical development to their mix of activities.

Regional distribution

Initially, CDCs were more concentrated in the urban centers of the Northeast and North Central states. Beginning in the 1990s, the South and West started catching up. Today, CDCs are more equally dispersed. The percentage of CDCs in the South grew the most of any region between 1994 and 2005, while the Northeast's share of all CDCs continued falling. The drop in the share of CDCs in the Northeast does not reflect an overall decline in the number of CDCs there, but a slower growth rate, about 4% over this census period. By contrast, the number of CDCs in other regions grew much faster — from 28% to 48% depending on the region.

Service Area: 2005	% of all CDCs
Multiple states	1
Single state	5
Multiple counties	14
Single county	13
Single city	29
Multiple neighborhoods	24
Single neighborhood	13
Indian reservation	1
Other	1

A long-standing tenet of community development is that CDCs should be indigenous and locally-based, with governing boards comprised of area residents and business and civic leaders. Local groups, it was reasoned, would be more in tune with residents' needs and could give poor people more control over their communities.

Two-thirds of CDCs in the 2005 census do have a distinctly local focus. They serve one city, several neighborhoods, or a single neighborhood. But the community development field also includes organizations, especially rural groups, that have much larger service areas, as well as national housing producers, some with local affiliates and local boards.

CDC Service Areas	% 2005
Urban	52
Rural	26
Mixed	22

Regional Distribution of CDCs	% 2005	% 1998	% 1994*	% 1988*
Northeast	22	27	34	35
North Central	29	25	26	26
South	29	28	22	22
West	20	20	18	17

* In 1994 and 1988, the regions were East, Central, South and West

CDCs as Organizations

Income	Average % of CDC target area populations at this income: 2005
Above moderate income	2
Moderate income	10
Low income	36
Very low income	29
Poverty level	22
Above moderate income	Above 115% of area median income
Moderate income	80%-115% of area median income
Low income	50%-80% of area median income
Very low income	30%-50% of area median income
Poverty level	Below 30% of area median income
This census found that 87% of the people served by CDCs are low income, very low income, or at the poverty level.	
Serving those most in need has remained a consistent component of community development across all five surveys.	

CDC origins

CDC roots are diverse. The differences among groups was more meaningful at one time because these distinctions impacted funding streams and support networks. Today, the lines are blurred. Community development embraces a wide array of organizations that work to reinvigorate poor areas. Groups call themselves different things, and use different labels in different contexts, but the terms community development and CDC apply broadly across the field.

CDCs arrived on the scene in the 1960s and 1970s. These early groups, numbering about 100, received most of their funding from federal anti-poverty agencies. Some grew quite large, with an expansive menu of programs.

Community action agencies and community development corporations emerged during this era.

During the 1980s, many new CDCs formed. These groups were smaller and focused on affordable housing -housing often appears in the names from this era. Though more diverse, these CDCs, too, relied heavily on federal dollars, particularly Community Development Block Grants. In the 1990s, a major expansion of the CDC field occurred, as funding became more diversified and stable. Groups moved beyond housing into other types of development. Community development financial institution is a term dating from the 1990s.

CDC Origins: 2005	% CDCs
Community development corporation	51
Community action agency	15
Nonprofit housing development organization	54
Rural community assistance program	6
Self-help housing organization	6
Local development corporation	14
Community housing development organization	44
Neighborhood Housing Services/NeighborWorks	9
Farm labor housing organization	2
Community development financial institution	10
Supportive housing provider	15
Other organization type	11
Numbers do not add up to 100% because groups use multiple designations	

CDCs as Organizations

Staffing and budgets

A handful of CDCs are large organizations — one group in the survey reported 1,100 employees. And a few CDCs are tiny groups run by volunteers on a shoestring budget. These, however, are the extremes. The median CDC, according to this census, has 10 paid employees, an 11-member board of directors, and incorporated in 1987.

The typical CDC's executive director is more likely to be male than female (57% - 43%), over 40 years old (90%), and white (69%). Most CDCs today offer a basic package of employee benefits. Eighty-one percent pay their executive directors an annual salary of \$40,000 or more; one-third pay \$75,000 or above.

CDC Organizational Profile		
CDC Staffs	Median size	Total employees
Full time staff	7	153,000
Part time staff	3	46,000
Volunteers	5	132,000
		331,000

Age: Executive Director	% 2005
Under 30	1
30 to 39	9
40 to 49	25
50 to 59	45
60 or older	20

Annual salary: Executive Director	% all CDCs
Less than \$25,000	8
\$25,000-\$39,999	11
\$40,000-\$59,999	27
\$60,000-\$74,999	23
\$75,000-\$90,000	16
More than \$90,000	15

Race/Ethnicity of Executive Director	% 2005
African American	22
White	69
Hispanic/Latino	7
Asian Pacific American	1
American Indian and Alaska Native	2

Benefits Provided	% 2005
Health insurance	84
Disability insurance	42
Paid vacation	96
Training/tuition assistance	52
Life insurance	52
Employer-funded pension	92
Sick leave	88
Flex-time	42

Executive Directors	
% Male	% Female
57	43

Housing and Related Activities

CDC housing production soars

The increase in CDC housing production during this census period was impressive. CDCs added more than 600,000 affordable homes and apartments to their inventory. Since the last census, CDCs have brought on line an average of 86,000 units annually.

Increase in CDC Housing Production	
From 1991 census to 1994 census	+ 27,000 units annually
From 1994 census to 1998 census	+ 62,000 units annually
From 1998 census to 2005 census	+ 86,000 units annually

Why the large upswing in housing production — from 650,000 units in 1998 to 1,252,000 in 2005?

One reason is that housing is the primary development activity of CDCs. As the number of CDCs increases, so too, does housing production. In this census, for example, nearly nine out of every ten groups said they had successfully developed or financed at least one housing unit. There is more capacity today, especially in parts of the country that had limited capacity in the mid-1990s.

Housing is popular among CDCs because the demand for affordable housing remains high and because visible results can be readily achieved. CDC housing can be a foundation for other activities, and housing development can serve as a source of income. Housing is more manageable for most groups than commercial or industrial development. Most importantly, financing for affordable housing today is more widely available and standardized.

There are interesting aspects behind the housing numbers. From this survey, for example, it appears that the actual number of units produced before 1998 may have been undercounted, especially among rural groups. The

1998 total has therefore been adjusted upward by 100,000 units throughout this census.

To be consistent with prior reports — and thereby have consistent data for comparison purposes — this census does not include housing produced by groups affiliated with Habitat for Humanity. If counted, Habitat production would add about 10,000 units to the total.

The census does include housing totals from large, non-profit housing producers, including organizations which work in multiple states. Such groups were also counted in previous surveys.

Rental/Homeownership: 2005		
CDC Housing Production	Rental Units	Homeowner Units
Urban areas	661,000	198,000
Rural areas	187,000	206,000
Total	848,000	404,000
	68%	32%

Urban/Rural Housing: 2005	
Urban Areas	Rural Areas
859,000 units	393,000 units
69% of total units	31% of total units
77% rental	48% rental
23% homeowner	52% homeowner

Housing and Related Activities

Regional distribution of housing

In the 1998 census, CDCs in the West accounted for only 19% of all CDC housing production nationwide; by 2005, the West's share had jumped to 35%. What's behind the big jump? One explanation: large scale producers in the West ramped up their housing production. Another possibility: an increase in state resources for affordable housing in key western states.

Large Scale Producers

Over the years, the percentage of CDCs that have become large-scale housing producers has risen significantly.

In this census, 44% of all CDCs reported that they had generated more than 100 homes and apartments over their lifetime, compared with 34% in the 1998 census. This increase is not surprising, since groups have continued to produce units over the seven years since the last census. Nevertheless, it is noteworthy that the number of large housing producers is approaching half of all CDCs.

Regional Distribution of CDC Housing Production	Total Units 2005	% of CDCs in Region Doing Housing		% of all CDC Housing Production	
		2005	1998	2005	1998
Northeast	273,000	92	88	22	42
North Central	235,000	84	77	19	18
South	298,000	89	80	24	22
West	444,000	77	84	35	19

Total units by region do not precisely add to overall total because some survey respondents are located in Puerto Rico and not included in the regional breakdown.

Large Housing Producers	% CDCs 2005	% CDCs 1998
CDC producing more than 100 units over their lifetime	44	34
CDCs producing more than 25 units annually over the past four years	20	24

CDCs don't just build housing. Their housing activities span a broad spectrum - from acquisition to management to housing preservation and weatherization.

CDC Housing Activities: 2005	% CDCs
Acquisition of existing housing	62
New construction	71
Rehabilitation	64
Home repair/weatherization	39
Self-help/sweat equity	12
Housing preservation	13
Construction management	37

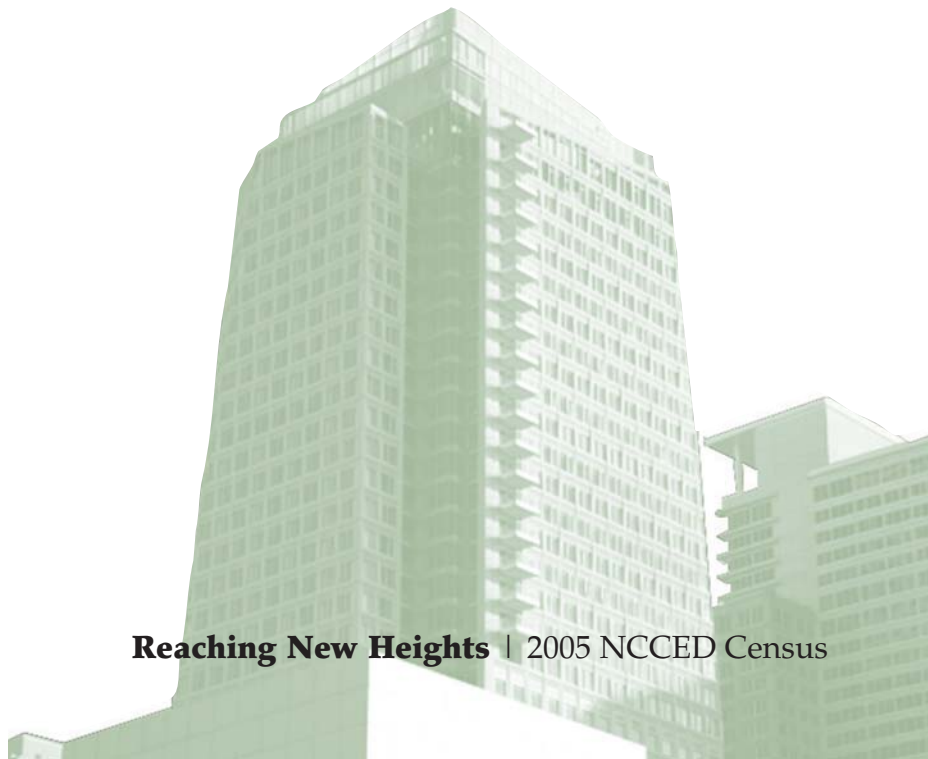


Housing and Related Activities

A significant share of CDCs generate housing for special needs populations — from the disabled and elderly to homeless people.

Special Housing Produced: 2005	% CDCs	
	Urban	Rural
Disabled	36	21
Elderly	26	22
Substance Abuse	11	4
HIV/AIDS	11	2
Formerly Homeless	27	13
Returning Prisoners	4	1

Homeless Housing: 2005	% CDCs
Emergency Shelter	13
Transitional Housing	25



Commercial and Industrial Development

More CDCs are doing commercial and industrial projects

Until the mid-1990s, relatively few CDCs developed industrial parks, commercial and retail space, office buildings or community facilities. The 1998 census was the first to find an upsurge in such activity. Between 1994 and 1998, commercial and industrial development rose dramatically, up 42 million square feet. The new census confirms continued growth. CDCs added 61 million more square feet of commercial and industrial space from 1998 to 2005.

Ever developed commercial, industrial, retail, community facilities	% CDCs		
	2005	1998	1994
	45	31	18

Why has commercial and industrial development been rising since the mid-1990s?

One explanation is that the percentage of CDCs involved in these initiatives has steadily grown, from 18% of groups reported in 1994 to almost half of the CDCs in this survey. Another factor: neighborhoods where CDCs work are now more ripe for commercial development because of the groundwork laid by CDCs. More community development intermediaries provide encouragement and support for commercial and industrial projects. And as their experience with these developments grows, CDCs are more adept at them.

An especially prominent area of growth is community facilities. Square footage in that category tripled, from 11 million in 1998 to 37.6 million in this census. CDCs are increasingly being asked to develop community facilities by other local institutions, especially day care centers, health care centers, youth centers, arts programs, and other social service providers. It is not uncommon to find CDCs partnering with other nonprofits on such projects.

CDC Development	Urban Square Feet: 2005	Rural Square Feet: 2005	Total Square Feet: 2005	Total Square Feet: 1998
Office	23,000,000	7,100,000	30,100,000	14,200,000
Retail	20,600,000	5,100,000	25,700,000	14,600,000
Industrial	14,100,000	8,900,000	23,000,000	17,000,000
Business incubators	5,400,000	4,200,000	9,600,000	3,400,000
Community facility	23,700,000	13,900,000	37,600,000	11,100,000
Other				4,400,000
Total	86,800,000	39,200,000	126,000,000	64,700,000



Commercial and Industrial Development

Type of Development: 2005	% CDCs	
	Urban	Rural
Child care center	18	19
School	4	2
Health care center	9	7
Arts/cultural center	6	3
Community/recreation center	22	11
Senior center	8	8

Job Creation and Business Development

CDC job generation: significant expansion recorded

The 2005 census records a very substantial increase in CDC job creation since 1998. CDCs added 527,000 jobs to their cumulative total and recorded three times as many jobs as in the last census.

1988	26,000 jobs
1994	67,000 jobs
1998	247,000 jobs
2005	774,000 jobs

Why the dramatic upsurge in jobs? The 2005 census period is longer than the others, but that alone is not sufficient to explain the burgeoning job numbers. One reason may be that a growing number of CDCs are involved in business development activities that lead to jobs - financing small businesses, owning or operating their own businesses, and helping entrepreneurs. More than one-third of CDCs in the census did business development.

Business Development Activity	% CDCs
Develop businesses	39
Own business	24
Make equity investment in a business	17
Operate a business	21
Provide technical assistance	70
Organize a manufacturing association	30
Provide entrepreneurial training	52

In 2005, 17% of CDCs made equity investments in a business, compared to 12% in 1998.
 In 2005, 52% of CDCs provided entrepreneurial training, compared to 43% in 1998.
 In 2005, 70% of CDCs offered technical support to businesses, compared to 58% in 1998.

Rural job totals higher

When it comes to job creation, rural CDCs outpace urban groups by 60,000 jobs. Rural CDCs — such as Coastal Enterprises in Maine and Kentucky Highlands Investment Corporation — have a long history of job creation initiatives. Their service areas typically face chronic job shortages. Urban groups, by comparison, focus more on improving residents' access to existing jobs in their metro areas.

Urban/Rural Job Creation: 2005	
Urban jobs created	357,000
Rural jobs created	417,000

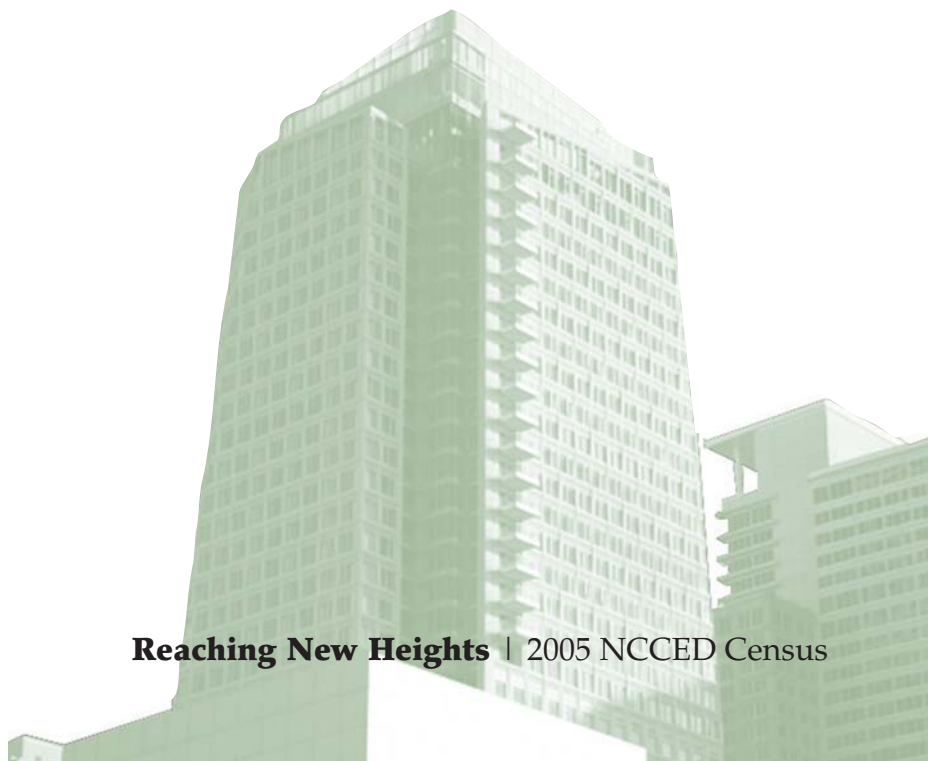


Job Creation and Business Development

Micro lending

CDCs have always engaged in forms of micro lending, but as a poverty-fighting strategy, it became more widespread beginning in the 1990s. Micro lending was seen as a way to encourage indigenous entrepreneurship in low income communities and to help poor people build up their assets. And CDCs have a comparative advantage when it comes to micro lending because they can often connect better to prospective entrepreneurs than traditional business development organizations, such as banks or small business development corporations.

CDC loans to micro enterprises: 2005	Urban	Rural	Total
Number of loans	70,000	46,000	116,000
Value of loans	\$619 million	\$890 million	\$1.5 billion





Community Building

The vast majority of CDCs combine their physical and business development with other initiatives — ranging from community organizing to prisoner re-entry programs. Some CDCs partner with allied organizations to deliver these services; in other cases, they provide the services themselves.

Among the most popular community building activities in this census are homeownership counseling (59%), budget and credit counseling (54%) and education/training (53%). Each of these activities shares a focus on helping low income residents connect to opportunities in the larger economy.

Over the years, some CDC observers have been concerned CDCs would focus so much on development that they would lose interest in helping their communities advocate for better services and more investment. The 2005 census confirms that community organizing and advocacy remain important CDC pursuits. Nearly two-thirds of CDCs are engaged in such activities, the highest of any single community building category.

CDCs were involved in most community building activities during this census period at about the same level as in 1998, with some exceptions. CDCs in this census were slightly more involved in education and training (53% versus 46%), and less engaged in CRA advocacy (20% versus 28%).

The biggest change since the last census is the percentage of CDCs helping residents establish Individual Development Accounts (IDAs), which grew from 9% to 22%. (This parallels CDCs' growing interest in micro lending). IDAs promote asset building among lower income households by matching their contributions into special savings accounts. Funds can be withdrawn to buy a first home, pay education costs, or start or expand a small business. A range of public, private and foundation funds provide the matching dollars for such accounts.



Community Building

Community Building Activity	% of CDCs: 2005
Community organizing/advocacy	62
Homeowner counseling	59
Budget/credit counseling	54
Education and training	53
Community organizing	47
Local-level advocacy	41
Tenant counseling	37
Youth programs	36
Housing resident services	35
Job skills training	34
State-level advocacy	33
Job-readiness training	32
Homeless services	27
Senior programs	26
Emergency food assistance	26
Job placement	25
Community safety	23
Transportation	23
Help in establishing IDAs	22
Federal-level advocacy	21
Child care	21
CRA advocacy	20
Job retention/advancement	18
Arts & culture	15
Health care	14
Drug prevention/treatment	12
Immigration services/ESL	9
Prisoner re-entry programs	6



Funding Sources

The community development field draws dollars from a wide array of funders. Many groups have become adept at using resources from public sources to leverage investment from the private sector.

Source of Financing	% 2005	% 1998	% 1994
Federal government	88	90	77
State governments	38	46	51
Banks	49	49	48
Foundations	49	46	45
Local governments	30	31	40
Intermediary organizations	44	41	27
Corporations	26	24	26
Religious Institutions	12	13	15

Includes CDCs receiving more than \$50,000 in grants, investments, or loans from the listed sources.

Federal resources remain key

In this census, CDCs received more than \$50,000 in grants, investments or loans from 40 different federal programs. These range from major sources — Community Development Block Grants (CDBG) and HOME, for example — to smaller federal programs, such as those for energy weatherization, transportation, and youth employment. Importantly, this census does not yet reflect cutbacks in federal community development spending enacted or proposed since 2004. The impact of those reductions — in CDBG, for instance — would almost surely be reflected in future surveys. The Bush Administration proposed draconian cuts in CDBG in the Administration's FY 2006 budget proposal, but Congress did not go along. For FY 2007, the Administration's budget calls for a \$1 billion cut in CDBG formula grants, a 25% decrease over FY2006 levels.

Funding Sources

2005 Funding for CDCs: Federal Sources	% All CDCs	% Urban	% Rural
HUD Community Development Block Grants	52	62	34
HUD HOME	57	58	53
HUD Section 202/811 Elderly/Disabled Housing	9	7	10
HUD McKinney Act - Shelter & Care	7	6	7
HUD Section 8	22	22	18
HUD Rural Housing	10	0	21
HUD Other Programs	31	30	28
USDA Section 502 - Single Family	7	0	17
USDA Section 515 - Rental Housing	4	0	9
USDA Section 523 Self Help TA	5	0	7
USDA Rural Business Enterprise Grant	5	0	14
USDA Community Facilities	3	1	8
USDA Other Programs	15	3	33
Low Income Housing Tax Credit	28	28	25
Historic Preservation Tax Credit	6	6	5
Americorps/VISTA	11	11	13
Office of Community Services Discretionary Funding	8	8	8
HHS Community Services Block Grants	13	3	26
Community Development Financial Institutions Fund	8	6	8
Low Income Heat and Energy Assistance Program	11	3	22
Department of Labor programs	7	4	10
Temporary Assistance for Needy Families	8	4	13
Other Federal Programs	20	13	28

Includes CDCs receiving more than \$50,000 in grants, investments, or loans from the listed sources.

Intermediaries are helping to drive the field forward

In the 1980s and 1990s, the community development field began to attract new money from state and local governments, foundations, banks, corporations, and religious organizations. A major innovation was the establishment of national and local intermediary organizations to advocate for and coordinate those resources. Intermediaries also supply technical assistance to CDCs, and create networks to strengthen CDCs as organizations. Intermediaries have been especially consequential in catalyzing local community development partnerships.

Funding Sources

The 2005 census confirms that intermediaries are an important and growing part of the financial support system for CDCs. Across the board, the percentage of CDCs receiving more than \$50,000 in grants, investments, or loans from an intermediary support rose from 27% in 1994 to 41% in 1998 to 44% in 2005.

Intermediary Organization	% CDCs	
	2005	1998
Local Initiatives Support Corporation	24	22
Enterprise Community Partners, Inc.	11	6
Neighborhood Reinvestment Corporation	11	9
Housing Assistance Council	5	5
Rural Community Assistance Corporation	3	2
Local intermediaries/partnerships/collaborations	9	9

Includes CDCs receiving more than \$50,000 in grants, investments, or loans from the listed sources.

Core operating support		% CDCs	<p>Some of the toughest dollars to come by, for CDCs and other nonprofits, too, are funds that can be used to support an organization's routine operations, from staff salaries to utility bills.</p> <p>This chart indicates where CDC operating funds come from. It shows the percentage of CDCs receiving \$10,000 or more from the listed sources during the most recent fiscal year.</p> <p>As in the past, foundation dollars continue to be a mainstay of CDC operating support.</p>
Source of Support			
Individuals' contributions	26	<p>Some of the toughest dollars to come by, for CDCs and other nonprofits, too, are funds that can be used to support an organization's routine operations, from staff salaries to utility bills.</p> <p>This chart indicates where CDC operating funds come from. It shows the percentage of CDCs receiving \$10,000 or more from the listed sources during the most recent fiscal year.</p> <p>As in the past, foundation dollars continue to be a mainstay of CDC operating support.</p>	
Foundations	43		
Corporations	34		
Intermediaries	18		
Federal government	32		
State governments	29		
Local governments	33		
Earned income	36		
Other	13		

Other private support

The data gathered for the 2005 census makes it possible to explore trends in private funding for CDCs broken down by CDC service areas.

Funding Sources

The chart below, depicting the percentage of CDCs receiving \$50,000 or more from the listed sources, excludes funds provided to CDCs through community development intermediaries.

Private Sources of Funding: 2005	% CDCs			Total
	Urban	Rural	Mixed	
Banks	55	35	48	49
Foundations	55	39	46	49
Corporations	34	12	22	26
Insurance companies	7	2	5	5
Religious institutions	14	7	11	12
United Way	15	12	20	16
Fannie Mae	13	5	11	11
Freddie Mac	3	0	1	2
Federal Home Loan Bank Affordable Housing Program	26	30	39	30
Other Federal Home Loan Bank programs	3	4	6	4
Fee income	30	18	30	27

Special Findings: Faith-based Organizations

One-quarter of CDCs are faith-based

The 2005 census included special questions to learn more about faith-based CDCs. In the survey, 24% of CDCs reported that they are faith-based — translating to more than 1,100 groups.

Characteristics of faith-based CDCs

About 40% of faith-based groups noted that while they were started by a faith organization, they now operate independently. Only 20% of faith-based CDCs are controlled by a religious entity.

Faith-based Origins	% of all Faith-Based CDCs
Congregation	28
Denominational or ecumenical agency	26
Interfaith association	16
Independent ministry or individuals	18
Other	12

In terms of religious orientation, 95% of faith-based CDCs are Christian; another 8% are Jewish. (The numbers do not add up to 100% because some ecumenical CDCs are both Christian and Jewish combined). The congregations represented by faith-based CDCs are 33% African American, 40% white, and 6% Latino. About half of the executive directors are religious leaders or a congregation member.

Among faith-based CDCs, 57% do not have an explicit mission to foster a religious purpose. For groups that do, only 5% expect the people they serve to engage in religious activities. Some 80% of the faith-based CDCs believe their congregations are more alert and responsive to social concerns because of the CDC's work.

Faith-based funding

Faith-based CDCs are largely funded like other CDCs. The primary exception is funding from religious institutions. About one-third of faith-based groups received more than \$50,000 from religious institutions, compared to only 6% of other groups. Faith-based CDCs also received less funding from state and local governments.

2005 Funding for CDCs	% Faith-based	% Not Faith-based
HUD Community Development Block Grants	49	53
HUD HOME	52	59
HUD McKinney Act Homeless	12	12
HUD Section 8	18	23
Low Income Housing Tax Credit	27	29
Americorps/VISTA	13	11
HHS Community Services Block Grants	9	15
State governments	29	41
Local governments	23	32
Local Initiatives Support Corporation	26	24
Enterprise Community Partners, Inc.	9	11
Neighborhood Reinvestment Corporation	8	12
Banks	45	50
Foundations	47	49
Corporations	31	29
Religious institutions	31	6

Includes CDCs receiving more than \$50,000 in grants, investments, or loans from the listed sources.



Methodology

The 2005 census of community-based development organizations consisted of a mail survey to more than 7,000 organizations listed on various membership and other mailing rosters compiled by national and state organizations. As was done in the past, prospective respondents were encouraged to complete and return the survey through a range of strategies — including frequent reminders from such national intermediaries as Enterprise Community Partners, Inc., LISC, the Housing Assistance Council and NeighborWorks America, and telephone calls from Aspen Systems Corporation.

A special appeal to complete and return the questionnaire was sent to organizations that reported large production numbers in the previous census.

NCCED and the national intermediaries that provided lists for the census took several steps to ensure as high a rate of return as possible, in order to have the most statistically accurate data on the community development industry.

From the survey answers, post-stratification weights were calculated. These were used to estimate national totals for CDC counts, production figures, and the other organizational characteristics reported in this census. There were 999 returned surveys that had usable data and that qualified as community development organizations. (Some organizations reported that they were not community development groups). To estimate the total number of CDCs nationwide, the research team conducted a telephone survey of groups which had not responded to the survey. Based on the 180 respondents to that follow up, the team estimated the universe of CDCs to be approximately 4,600. This is also the methodology used to carry out the 1998 census.

To be consistent with prior reports, and thereby have consistent data for comparison purposes, Habitat for

Humanity organizations were not counted in this census. Habitat groups are a major nonprofit producer of affordable housing for low and moderate income persons, but they fall outside the purview of this census.

For the first time, the census collected comprehensive data on faith-based CDCs. This strategy was part of the follow-up to our efforts in 1998, when NCCED included a couple of questions to determine how many CDCs considered themselves to be faith-based and what religious denomination played a role in organizing and establishing their presence in the community. The results of those efforts spurred the desire for a more complete picture of faith-based CDCs and a separate section of the questionnaire was devoted to faith-based CDCs. We believed that the data collected through these questions would provide a better understanding of faith-based CDCs, their continued connection with the religious institutions that created them, and how they compare to non-faith-based CDCs. This report includes comprehensive data on faith-based, community-based development groups for the first time anywhere.

This data offers significant opportunities for continuing research by NCCED and other national organizations, and we encourage further work in surveying the community economic development field.



About NCCED

The convergence of the civil rights and community organizing movements served as the backdrop for the creation of NCCED in June 1970. Fourteen CDCs — funded by the federal Office of Economic Opportunity's Title VII program — formed NCCED to be a national voice for their community development initiatives. A foundation challenge grant, matched by the CDCs' own funds, enabled NCCED to open a Washington, DC office in 1971.

Over the years, NCCED has evolved, adding a wide range of programs and services for member organizations. It has continued to serve as the voice for community development at the national level. NCCED has had a major impact on the evolution of the field through its publications, training, and networking activities. At its peak, during NCCED's 30th anniversary year in 2000, the organization had over 800 member groups and a 26-person staff.

NCCED's publications — and more recently its web site — have been especially important in advancing the field. Key among these reports are NCCED's five census surveys, detailing the activities, products and services of the community development field.

In countless ways, the linkages and sharing of information at NCCED conferences and other gatherings assisted member groups and spurred the evolution of community development into a major industry. Often with the help of major foundations and corporations, NCCED contributed to important milestones in the field as it:

- Assisted in development and support of state associations and related regional and local community economic development institutions;

- Developed the Human Capital and Emerging Leaders Initiatives to bring the next generation of leaders into community development and build the professional capacity of the field, together with colleges and universities;
- Helped bring focus on the rural community-based initiatives and their unique response to their environment;
- Developed pioneering work with the faith-based community development groups long before it became popular, and provided tools and training through the Faith-Based Academy; and
- Served as a strong voice in the national arena and in Congress, insisting that community economic development outcomes be considered in both short- and long-term planning. NCCED has effectively worked with federal, state and local governments, financial institutions and related parties to provide resources and investments for community-based economic development initiatives.

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The Career Resource Center:

Provides job training and placement services to over 6,000 residents of Hillsborough County.

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Assists prospective and current small business owners by providing consulting and business training. The center has provided 486 businesses with technical assistance and made 32 micro loan distributions totaling \$140,000.

The Housing Opportunity Center:

Assists individuals by providing intensive counseling and financial education empowering potential homebuyers.

For more information
about our programs please contact the

CDC of Tampa, Inc.

Chloe Coney, Chief Executive Officer
Albert Lee, Chairman-Board of Directors

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Bethel New Life salutes NCCED for 35 years of encouraging, connecting and strengthening community development. May we all continue our work for just, sustainable communities where all people can live to the fullest.

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