

# BUILDING HOPE

A film on Community Development Corporations



**1937** Housing Act passed to call for slum clearance and the construction of public housing.

**1949** New Housing Act passed to emphasize urban redevelopment and citizen participation.

**1954** Housing Act amended to focus on urban renewal, with provisions for rehabilitating deteriorated housing.



1957

Civil Rights Act passed.

1959

The Woodlawn Organization (TWO) formed on Chicago's South Side with the assistance of community organizer Saul Alinsky.

1960

Ford Foundation Gray Areas Program forges innovative solutions to urban decay.

1961

President Kennedy establishes the Committee on Juvenile Delinquency and Youth Crime. Leads to support of Mobilization for Youth, HARYOU-ACT and other programs that were to become models for the antipoverty programs.

1962

Rev. Leon Sullivan initiates a program to pool the resources of his Baptist congregation in North Philadelphia to create a capital base for local housing and economic development. Leads to the formation of the Zion Non-Profit Charitable Trust.

1964

President Johnson declares an unconditional "War on Poverty."

Economic Opportunity Act passed, with provisions for Community Action Agencies aimed at gaining the "maximum feasible participation" of citizens in the renewal of their communities.

Central Brooklyn Coordinating Council holds its first "War on Poverty" conference, calling for the total renewal and rehabilitation of Bedford-Stuyvesant.

1965

The Watts urban rebellion in Los Angeles leads to the creation of the Watts Labor Community Action Committee, with the support of the United Auto Workers (UAW) and the leadership of Ted Watkins.

Similar efforts grow out of unrest in Detroit, Cleveland, Newark and New York.

The Center for Community Change (CCC) formed with the support of the UAW and the Ford Foundation to help CDCs and other grassroots groups to gain access to funding and technical assistance.

1966

Senator Robert Kennedy visits Bedford-Stuyvesant at the request of the Central Brooklyn Coordinating Council.

Senator Kennedy and Senator Jacob Javits sponsor an amendment to the 1964 Civil Rights Bill to provide support to CDCs through the Special Impact Program.

1967

The Kerner Commission issues its report on the urban riots sweeping the nation, urging the President and Congress to take action.

Model Cities Program established to undertake the comprehensive social, economic and physical renewal of urban communities.

Bedford Stuyvesant Restoration Corporation, the nation's first official CDC, formed to carry out the total rehabilitation of central Brooklyn.

Mississippi Action for Community Education (MACE) initiated to combat entrenched poverty and racism in the Mississippi Delta.

### What are Community Development Corporations?

Since the 1960s, when American society was galvanized into fighting the conditions of poverty and discrimination, community development corporations (CDCs) have united neighborhood residents, business leaders and government to revitalize distressed communities. In the process of creating jobs, housing and social services, CDCs empower low-income people to take charge of the development of their communities. "Building Hope" is a one-hour documentary that traces the evolution of this unique movement over the past 30 years. It is part of a larger Oral History Project that documents the origins and early history of CDCs in the United States.

Grounded in the understanding that poverty is the result of systemic dysfunctions that affect entire communities, CDCs employ a holistic approach to addressing social, economic and physical problems. Locally based and directed, CDCs develop strategies that are tailored to the particular needs and strengths of their communities. Their mission is to build on the capacities and aspirations of the low-income people they serve.

Inspired by the model of community organizing that Saul Alinsky created in the 1950s, CDCs often engage in advocacy campaigns to prompt government to respond to community needs, or to press financial institutions to adopt more responsible lending practices. They merge these organizing efforts with "hard" development projects that produce affordable housing, establish business enterprises and create jobs. By providing essential support services such as child care, health care, job training and counseling, CDCs enable individuals and families living in poverty to reintegrate themselves into their communities and the larger society.

According to most estimates, there are over 3,000 CDCs located throughout the United States. "Building Hope" illustrates the breadth of their geographic base, ethnicity, size, leadership styles and development strategies. With impressive organizing and development skills, these CDCs have been able to raise support for their activities from a number of sources, including foundations, business, government, churches and grassroots memberships.

### The early CDCs

While each organization has its own unique history, CDCs share common roots in the civil rights and antipoverty movements of the 1960s. In Brooklyn, New York, the Bedford Stuyvesant Restoration Corporation (BSRC) emerged in response to overcrowded and dilapidated housing conditions, the lack of education and employment opportunities, inadequate political representation, and growing crime and juvenile delinquency. With support from major foundations — including Ford, Taconic, Astor and Rockefeller Brothers — and federal assistance after Senator Robert Kennedy's famous visit to the neighborhood in 1966, BSRC has nurtured the revitalization of this predominantly black community. Today rehabilitated brownstone housing exists on tree-lined streets, a shopping center known as Restoration Plaza serves as a thriving business anchor, hundreds of people are employed and a solid middle class supports vital neighborhood institutions. While many problems persist, it was the strong grassroots leadership of people like Elsie Richardson and Judge Thomas R. Jones and the organizational leadership of people like Franklin Thomas and John Doar that have provided a measure of stability to weather the severe conditions of poverty that have plagued this and other communities throughout the country.

Looking South, the problems of the rural Mississippi Delta were of a different nature. Due to the vestiges of the plantation system after the Civil War, including oppressive racism and the institutionalization of sharecropping and tenant farming, many blacks in the Delta lacked economic and political power in the 1960s. The Mississippi Action for Community Education (MACE) was founded in 1967 to help impoverished, black residents of the region develop leadership and assert their basic civil rights.

Charlie Bannerman led MACE through a tumultuous and successful battle against segregation until his untimely death in 1986. In its early years, under Ed Brown's direction, MACE created education strategies for rural development and helped blacks establish law and medical practices to provide badly needed services to impoverished communities. More recently, under Larry Farmer's direction, MACE has empowered blacks in Mississippi to incorporate and run towns that lack basic public amenities such as water and sewer lines, police and fire protection, and street paving. In order to bring critical jobs to the nation's poorest region, MACE's sister organization, the Delta Foundation was created in 1969. It has spawned dozens of manufacturing enterprises that produce goods ranging from blue jeans to railway spikes. And to capture the indigenous culture of the area, MACE sponsors an annual blues festival in Clarksdale, featuring world famous musicians whose roots are in the Delta, among them the late Albert King and John Lee Hooker.

Back in North Philadelphia, Rev. Leon Sullivan started a religious-based movement in the early 1960s to confront discrimination that prevented blacks from getting decent-paying jobs. He organized successful boycotts against companies that denied black applicants, and provided youth with work skills through the Opportunities Industrial Center. Building on \$10 donations from his Baptist

Rev. Leon Sullivan of Zion Baptist Church in Philadelphia





1969

Chicanos Por La Causa organized by young Latino leaders in South Phoenix.

TELACU formed by Esteban Torres in East Los Angeles.

1973

President Nixon declares a moratorium on all categorical community development grants.

A "second generation" of innovative new CDCs forges the neighborhood movement of the 1970s.

1974

Community Development Act passed. Funds no longer go directly to grass roots organizations, but to local governments through Community Development Block Grants.

1977

Community Services Administration succeeds the Office of Economic Opportunity.

Community Reinvestment Act passed as a result of the National People's Action organizing effort to halt "redlining" of low-income neighborhoods.

The "sweat equity" and self-help movement receives national attention as a result of President Carter's visit to the devastated South Bronx.

1978

HUD Office of Neighborhood Development established under the leadership of Msgr. Geno Baroni, a clergy-based community organizer with strong ties to community development networks.

1979

Local Initiatives Support Corporation (LISC) created by the Ford Foundation to provide financing and technical assistance to the "second generation" of CDCs. Other national intermediaries, including the Enterprise Foundation and the Development Training Institute emerge later.

1981

President Reagan takes office and slashes funding for community development. New Federalism shifts responsibility for distressed neighborhoods to states and local governments.

Tacoloy Economic Development Corporation emerges in response to riots in Miami to rebuild Liberty City.

A "third generation" of entrepreneurial CDCs takes hold in communities throughout the country, despite severe cutbacks in federal funding.

1986

Tax Reform Act passed, with provisions for a tax-credit program to build low-income housing.

1990

National Affordable Housing Act passed, mandating support for nonprofit community-based groups to develop low- and moderate-income housing.

congregation, he formed the Zion Non-Profit Charitable Trust to provide a capital base for housing, education and economic development programs that continue to this day.

Another early CDC with a religious base is New Community Corporation in Newark, New Jersey. It has been in operation since 1968, when community residents decided they needed to respond to the riots of the previous summer by tackling the serious social and economic problems facing the inner city. With strong community participation and the leadership of Msgr. William Linder, New Community built affordable housing and created an extended network of social services. Through its associated organizations, it currently employs 1,000 people, owns 2,400 units of low- and moderate-income housing and runs a shelter for victims of domestic violence. It also owns and operates a number of businesses, and recently opened a major shopping mall to serve community residents who used to have to travel great distances to buy basic goods and services.

The Woodlawn Organization (TWO) in Chicago was organized by a group of religious and block club leaders in 1959 to deal with slum landlords and local merchants who were charging exorbitant prices for poor quality goods and services. In order to confront the entrenched political machine, TWO enlisted the assistance of community organizer Saul Alinsky. Out of their efforts grew a strong, local voice in the revitalization of Woodlawn. Under the leadership of Dr. Arthur Brazier, its original spokesperson, and more recently, Rev. Leon Finney and Lauren Allen, TWO has developed and maintains over 1,500 units of housing, provides direct social services to 7,500 individuals, and is actively involved in improving the public school system.

In South Phoenix, Chicanos Por La Causa took its inspiration from political activist Cesar Chavez in combatting discrimination against Latinos and advocating for better services. Over its 25 year history, it has expanded through other parts of Arizona. Its "sweat equity" housing projects are a prime example of the community participation that provides the cornerstone of its programs.

On the West Coast, another CDC emerged in response to urban unrest. The Watts Labor Community Action Committee was organized in 1965 by union leaders seeking to promote economic development in the riot-torn Watts neighborhood of Los Angeles. With the long-term guidance of Ted Watkins, a former representative of the United Auto Workers (UAW), the organization has made a great impact on the community through job training, youth programs, business development, housing and services for the elderly.

Shortly afterwards, UAW leader Esteban Torres launched The East Los Angeles Community Union (TELACU), which went on to develop a major industrial park and a series of other ventures. It rebuilt over 500 units of public housing, converting a gang-plagued project to a stable community. Mr. Torres is now a member of Congress.

Supermarket developed by a CDC



### The Later Generations

During the 1970s, the neighborhood movement spawned a whole new generation of innovative CDCs. Even though funding for antipoverty and community development programs was beginning to shrink, a patchwork of public and private agencies supported CDC efforts to battle such issues as "redlining" (bank policies that discriminate against urban, disadvantaged areas) and "planned shrinkage" (government policies to cut back essential services to poor areas in order to divert scarce resources to "healthier" areas). While the emerging motto was self-help, Washington continued to support a number of federal programs for local initiatives. Federal responsibility began to shift to state and local governments, who began to enter the community development scene in greater numbers, albeit with fewer financial resources.

In the 1980s, CDCs suffered severe cutbacks in funding and other support. Poverty and depressed economic conditions rose sharply in urban and rural areas. With remarkable tenacity, and the ability to tread on paths blazed by earlier community development leaders and advocates, an entrepreneurial "third generation" of CDCs took hold, despite Washington's scarce support. One example is the Tacoloy Economic Development Corporation (TEDC), located in Florida, where most tourists never venture beyond Miami's beach front condos and Coconut Grove. In 1981, however, urban riots tore through the neighborhood of Liberty City. While the nation viewed the familiar images of police in riot gear and businesses ruined by looting and burning, TEDC emerged to rebuild the community. Today a new supermarket and two shopping centers with locally operated businesses and affordable housing exist where water cannon once had to put out fires. By getting banks, government and local residents to reinvest in the area, TEDC has managed to bring new found hope to the community. In the words of one local merchant, "Now everybody is committed to staying in this neighborhood. Why leave now? We sweated out the worst. Ain't nothing to do but look forward now."

Community-based day care center





## CDCs included in the Oral History Project

"Building Hope" features a sampling of the groups included in the Oral History Project, which provides an in-depth perspective on some of the earliest community development corporations (CDCs) in the country. Through extensive videotaped interviews with dozens of key leaders of the movement, the project covers the following CDCs:

Asian Americans for Equality (New York, NY)

Bedford Stuyvesant Restoration Corporation (Brooklyn, NY)

Chicanos Por La Causa (Phoenix, AZ)

Dineh Cooperatives, Inc. (Chinle, Navajo Nation, AZ)

Drew Economic Development Corporation (Los Angeles, CA)

Harlem Commonwealth Council (New York, NY)

Mexican American Unity Council (San Antonio, TX)

Mississippi Action for Community Education (Greenville, MS)

New Community Corporation (Newark, NJ)

South East Alabama Self-Help Association (Tuskegee, AL)

South East Community Organization (Baltimore, MD)

Southern Development Foundation (Lafayette, LA)

Spanish Speaking Unity Council (Oakland, CA)

Tacoloy Economic Development Corporation (Miami, FL)

The East Los Angeles Community Union (East Los Angeles, CA)

The Woodlawn Organization (Chicago, IL)

United Durham, Inc. (Durham, NC)

Watts Labor Community Action Committee (Los Angeles, CA)

Zion Non-Profit Charitable Trust (Philadelphia, PA)

### BUILDING HOPE

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**PICCED** is a university-based planning, technical assistance and training organization that has worked with community-based organizations for thirty years. In the mid-1960s, it assisted the Central Brooklyn Coordinating Council to create a comprehensive community development strategy for Bedford-Stuyvesant. That effort led to the formation of the nation's first CDC – the Bedford Stuyvesant Restoration Corporation.

For additional information about Building Hope and the CDC Oral History Project, please contact:

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*In memory of Charles Bannerman, Bernard McDonald, Ted Watkins and other leaders of the movement who are no longer with us.*