

For over thirty years, community development corporations (CDCs) have struggled to address problems of social, economic and physical distress in low and moderate-income communities throughout the United States. By uniting neighborhood residents, business leaders and government, CDCs have been able to build affordable housing, spur economic development, create jobs and provide essential social services in the disadvantaged communities they serve. Their fundamental mission is to build community leadership and empower low-income people to take charge of their neighborhoods and their future.

Community Development in America

COMMUNITY DEVELOPMENT
CORPORATION (CDC)

ORAL HISTORY PROJECT



The founders of the CDC movement have left a lasting legacy. Despite great adversity, the field of community development has matured and grown tremendously over the years. It is estimated that there are currently over 3,000 CDCs located throughout the United States. But now that the field has become established and a new generation of CDC leaders has emerged, it has become increasingly necessary to document the movement's early history and original mission.

Several years ago, the Pratt Institute Center for Community and Environmental Development (PICCED) received the support and encouragement of the Ford Foundation to initiate an Oral History Project that would capture the rich history of the CDC movement from the perspective of some of its founding leaders. PICCED is a university-based technical assistance and training organization that has assisted in the creation of many CDCs, including one of the nation's first – the Bedford Stuyvesant Restoration Corporation. As part of PICCED's Oral History Project, James Briggs Murray of the Schomburg Center for Research in Black Culture conducted in-depth videotaped interviews with the founders, leaders and supporters of 19 CDCs across the country. These videotapes will be available to researchers, scholars and other interested individuals as part of the Schomburg Center's permanent collection.

The organizations included in the Oral History Project represent a broad cross section of the field, and demonstrate the diversity of the leadership styles, development strategies, and geographic, ethnic and racial base of CDCs. While they vary in terms of their goals and strategies for revitalizing the communities they serve, these CDCs share common roots in the civil rights and antipoverty movements of the 1960s.

To inform the broader public about the mission, history, struggles and accomplishments of the community development movement, PICCED and Charles Hobson of Vanguard Films drew upon the CDC Oral History Project interviews to produce *Building Hope*, a one-hour video documentary that was aired nationwide on PBS in April of 1994. PICCED has also produced a series of brief written profiles on many of the CDCs included in the Oral History Project and *Building Hope*. Our intent is to provide community development practitioners, educators, researchers, and the general public with a body of materials that will foster a better understanding of the impact and importance of the community development movement. We encourage the use of the CDC profiles and the video documentary *Building Hope* for education and training purposes. For information on how to obtain these materials, please see the back cover.

The CDC Oral History Project was directed by the Pratt Institute Center for Community and Environmental Development (PICCED), which is a university-based planning, technical assistance, training and advocacy organization that has worked with community-based development organizations for over thirty years. In the mid-1960s, PICCED assisted the Central Brooklyn Coordinating Council to create a comprehensive community development strategy for Bedford Stuyvesant in Brooklyn, New York. That effort led to the formation of one of the nation's first CDCs – the Bedford Stuyvesant Restoration Corporation.

If you would like to receive a copy of the video documentary *Building Hope*, the CDC profiles, or other information on the CDC Oral History Project, please fill out the enclosed reply card or contact:

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The CDC Oral History Project is dedicated to the memory of Charles Bannerman, Bernard McDonald, Ted Watkins and other leaders of the movement who are no longer with us.

DINEH COOPERATIVES, INCORPORATED (DCI)

The Navajo Nation, which occupies 25,000 square miles of land in parts of Arizona, New Mexico, and Utah, was the largest and one of the most resource rich Indian territories in the country in the 1960s. Its development had long been hampered, however, by its status as a Native American reservation. The U.S. government had first begun a campaign to "pacify" the Navajo people and thoroughly disrupt their way of life during the Mexican War. After a protracted battle to retain their ancestral lands, the Navajo people were forced to accept a treaty in 1868 that relegated them to their present territory, and effectively categorized them as second class citizens. Since that time, the Navajo Nation, like many other Native American reservations, has suffered from isolation and neglect. In the 1960s, very few basic infrastructure investments in electricity, road paving, telephone services, and water and sewer lines had been made, and a healthy private sector economy had never had a chance to develop. The unemployment rate was consistently above fifty percent, and sometimes as high as ninety-five percent in isolated communities. Because of the poor conditions of roads, transportation within the territory was highly difficult, and sometimes impossible in the rainy season.

BREAKING THE CYCLE OF EXPLOITATION

The country was becoming more aware about the vast economic and social inequities that existed on Native American reservations in the 1960s, in part because of burgeoning grassroots movements that were advocating for social change. In response, the federal government sponsored various programs that provided professional assistance to Native Americans who were conducting a battle against poverty and discrimination. In 1969, the small community of Piñon in a remote area at the heart of the Navajo Nation turned to its local Legal Services program and the Federal Trade Commission (FTC) to help tackle one of its most persistent problems — the exploitative practices of its local trading post. Trading posts were typically the only source of essential goods and services on Native American reservations. Because of a lack of competition, they frequently charged more than double the prices found outside Native territories. Although the operation of trading posts was officially regulated by the tribal government, local oversight was largely ineffectual. For residents of Piñon, the only alternative was to shop in border towns outside of the reservation. This often entailed a full day of travel for over 100 miles each way on dirt roads.

In order to document these problems, the residents of Piñon convinced their Legal Services office and the FTC to conduct a study on their trading post. The report revealed shocking abuses — elderly women who were forced to sign over their government checks with knives to their throats, unmarked goods that were sold at arbitrary prices, and exorbitant interest rates on pawn and other credit transactions. With these documented violations, Legal Services filed a class action suit on behalf of the residents of Piñon in 1971. As the suit progressed, however, it became apparent that the trading post operator might simply close the store, rather than conform to any court ordered guidelines. Because this would leave the community without a source of essential goods and services, a small group of Legal Services staff and participants in the federal Volunteers in Service to Action (VISTA) program began working with residents of Piñon to set up their own community-owned cooperative. Their goal was to employ local Navajos, to offer high quality goods at low prices, and to ensure that capital would be recirculated within the Navajo Nation, rather than exported to outside operators.

The doors of the Piñon Community Commercial Cooperative were opened before the law suit was even decided in the community's favor. Once the Piñon Cooperative was up and running, it began to see a flood of requests for assistance in replicating this model in other communities in the Navajo Nation. To respond to this demand, its founders decided to create a separate nonprofit organization, Dineh Cooperatives, Incorporated (DCI), whose purpose was to seek funding and provide technical assistance to newly emerging cooperatives. Within about three years after it was formed in 1971, DCI had helped to establish over twenty cooperatives throughout the Navajo Nation.

EXPANDING ECONOMIC DEVELOPMENT EFFORTS

In the mid-1970s, DCI began to learn about the national community development movement. The organization was especially interested to find out that locally-based groups who sought official recognition as community development corporations (CDCs) were eligible to receive seed capital and economic development funds from the federal government. To take advantage of the potential benefits of being classified as a CDC, Dineh Cooperatives, Inc. applied for funding from the federal Community Services Administration (CSA). DCI was looking for ways to expand its economic development activities because it had recently come to the conclusion that it needed to work on a greater scale to have a significant impact on the enormous problems of unemployment in the Navajo Nation. Although the cooperatives were serving a great need, they only employed a few people each. Without a healthy private sector economy, DCI's leaders believed, capital would continue to leak out of the reservation, and would not have a chance to turn over to benefit community residents.

With an initial planning grant that they were able to secure from CSA, DCI began to consult with residents of Chinle to identify their most urgent economic development needs. The overwhelming response was a call for a full service shopping center, which did not exist anywhere in the Navajo Nation. Despite the lack of precedent and the board's inexperience with large scale development, DCI was able to obtain \$2.1 million from CSA and nearly \$1 million in community development block grants from the U.S. Department of Housing and Urban Development (HUD) to finance the Tseyi' Shopping Center.

One of the most difficult aspects of the Tseyi' project was finding an anchor tenant for the shopping center. DCI had approached numerous big name supermarket chains before it finally received a positive response from Bashas' Markets, a chain based throughout Arizona and California. Bashas' owners were quick to realize that a store within the Navajo Nation had the potential to generate great profits.

I feel that the board is extremely important. It's through the board that we really have our ties with the community. Many of the ideas for our projects have come from board members and the communities that they represent.

— Jon Colvin
President and CEO

Bashas' was willing to be more than a shrewd investor, however. It was ready and willing to act as a socially responsible joint venture partner with DCI. It agreed to train local Navajos to serve customers and manage the store, to channel 25% of its profits to DCI for other community development projects, and to design the store to meet the needs of its Native American consumers. Because a large number of patrons could neither speak nor read English, food sections were to be marked with pictorial rather than written signs. When it opened in 1981, the Chinle Tseyi' Shopping Center was a model of cooperation between a CDC, a private sector enterprise, a tribal government, and the federal government. Within two years, the Chinle Bashas' was one of the top performing supermarkets in the chain. It also more than adequately met its target of having 95% Navajo employees within five years. In addition to the thriving supermarket, the Tseyi' Shopping Center houses a U.S. Post Office branch, a Social Security Administration office, a laundromat, a variety store, fast food restaurants, and several Navajo-owned small businesses. In total, the Tseyi' Shopping Center employs over 175 people.

TACKLING HEALTH CARE PROBLEMS

With this development experience under its belt, DCI decided to initiate an even bigger project that would address another critical need in the Navajo Nation. Residents of Chinle and thirteen surrounding communities had long been complaining to local health officials about the lack of adequate health care services in the area. They had only one clinic for over 40,000 people living in the heart of the Navajo Nation. This facility had no overnight accommodations, no specialists, very little funding, and very few staff. When local residents needed specialized treatment or intensive care, they had to travel far outside the reservation to a border town hospital. Once they arrived, they would have to endure long waits because they were low priority referrals from the reservation.

In the Fall of 1977, 250 residents of Chinle held a public meeting with officials of the Navajo Nation Council and the Indian Health Service to discuss the possibility of building a major hospital on the reservation with available federal funds. Much to their dismay, officials from the Indian Health Service declared that there were currently no funds available for such a hospital, and that their project was low on the list of priorities for Native American health care facilities. Despite the dampening effect of these pronouncements, a core group of participants in the meeting refused to allow the officials to deter them. Instead, they formed the Chinle Hospital Steering Committee.

With the assistance of the staff and board of DCI, particularly Jon Colvin, a former VISTA volunteer who had worked on the class action suit against Chinle's trading post operator, the committee gathered data, researched potential funding sources, and collected resolutions from the local health board, the Navajo Tribal Council and other community groups over the next couple of years. They were able to convince not only the Indian Health Service, but also the U.S. Congress to make the Chinle Hospital a top priority. What is more, they were able to persuade local Navajos, whose land is a precious resource that is rarely sacrificed for development, to donate a hundred acres of grazing land on which to build the facility and nearly 200 units of housing for its future staff. Ground was broken for the \$32 million hospital complex in 1979. Today, the Chinle Comprehensive Health Care Facility has 60 beds, extensive outpatient care, an intensive care unit, and a staff of over 400.

VENTURING INTO HIGH TECH MANUFACTURING

In the 1980s, DCI continued to expand its efforts to battle unemployment and spark economic development in the Navajo Nation. In 1987, the Packard Electric Division of General Motors presented the organization with the opportunity to become a supplier of precision machine parts. Although it did not have experience in high tech industry, and although its sole guarantee was a three-year purchase contract with the auto manufacturer, DCI once again ventured into a completely new area. Its strategy was to consult with various people

who had expertise in the tool and die business, to raise funds from a combination of public and private sources, to purchase used machinery, and to set up a wholly-owned subsidiary, Tooh Dineh Industries, Inc. to run the business. After surveying numerous potential sites, DCI found an ideal location for the operation — an unused school building in Leupp, a small, remote community whose unemployment rate was about 98% in the late 1970s. Because the labor force in the area lacked experience in high tech industry, DCI set up an intensive training program for its future employees. The seven-person plant that was eventually put into operation provided valuable evidence of the untapped, productive capacity of the people of the Navajo Nation.

Tooh Dineh Industries proved so successful that it was soon asked to launch a joint venture with GM to establish a state-of-the-art automobile electronics manufacturing facility in the Navajo Nation. This 54,000 square foot operation is now the largest electronics manufacturer in northern Arizona, employing over 350 technicians, managers and engineers. Tooh Dineh's enterprises have undoubtedly had a significant impact on their surrounding community. The unemployment rate in Leupp has dropped from 98% to about 20%, which is well below the Navajo Nation average.

THE NAVAJO NEW LANDS: A MODEL FOR ECONOMIC GROWTH

In 1991, it became apparent that if Tooh Dineh Industries did not find an expansion site, it would soon exceed its capacity in terms of space and personnel. After an extensive search, an ideal site was found on the Navajo New Lands, which had recently been added to the Navajo Nation after the settlement of a century-long dispute over the boundaries of the Hopi and Navajo tribes. As part of the settlement, Navajos were being forced to move to the area, where they were provided with housing but had few employment opportunities. Although the federal Relocation Commission had done little to create jobs, it was eager to cooperate with DCI to open a new manufacturing plant in the area. Once again, DCI was able to facilitate collaboration among various private, tribal, and public sector interests to create Chihh To Industries, Inc. The 32,400 square foot state-of-the-art electronics manufacturing facility was opened in 1992 with over 30 employees, and the capacity to expand to 300. Jon Colvin, DCI's current president and CEO, points out the significance of this model of economic growth. "The tribe has been trying to push the federal government to do more to provide opportunities for people that are being forced to relocate," he explains. "And it's only been in recent years that the tribe has really been successful in doing that. What we're seeing down in the New Lands is really a whole new concept of a Navajo community. One that I hope will be able to learn from the mistakes that can be viewed elsewhere in the world."

THE POWER AND POTENTIAL OF LOCALLY-CONTROLLED DEVELOPMENT

The impact of DCI's community development projects has been impressive. To date, DCI and its affiliates have secured over \$54 million in investments, have created over 740 jobs, and generated close to \$14 million in increased household income in the Navajo Nation. The Tseyi' Shopping Center and Tooh Dineh Industries have been recognized nationally with highest awards from HUD. A key to DCI's success has been its ability to work within the structure of the Navajo Nation, while avoiding some of the red tape of government and tribal bureaucracies. It has remained firmly committed to democratic decision-making processes, however. It has an active board that includes community representatives and ensures direct communications with its Navajo constituency. The chair of DCI's board of directors, Gilene Begay, emphasizes the need to educate more local residents about the power of CDCs to advance the development of the Navajo Nation. Although the Navajo people still struggle to exercise their rights within mainstream society, they have the potential to realize significant growth through locally-controlled community economic development.

ASIAN AMERICANS FOR EQUALITY (AAFE)

During the early 1970s, living conditions for Asian-American residents of New York City's Chinatown typified those found in turn-of-the-century slums. Located on the Lower East Side of Manhattan, the area had always been a port of entry for new immigrants. Earlier in the century, it was settled primarily by Eastern European immigrants who were seeking opportunities to become assimilated into American society. After laws restricting Asian immigration were relaxed in 1965, the Asian population boomed in Chinatown. While these immigrants were drawn to the area because of its strong social networks and familiar goods and services, they were plagued by some of the worst housing and working conditions in the city. Several factors, not the least of which was a history of racism against Asians, left Chinatown's residents open to widespread exploitation. The extremely high demand for shelter and employment allowed property owners and employers to conduct gross violations of city housing codes, occupancy standards and work rules. It was common for several unrelated households to be forced to reside in basements and other non-residential spaces that were illegally subdivided into small, crowded rooms. Unfortunately, city agencies did little to enforce existing laws. Because many of Chinatown's residents were undocumented workers who spoke little English, they were afraid to challenge these dangerous, exploitative conditions.

THE FIGHT FOR EQUAL RIGHTS

The Asian community first fought back with a major campaign for equal opportunities in 1974, when the builder of a federally-funded project known as Confucius Plaza refused to hire Chinese applicants, claiming that they were "too weak" for construction work. Outraged by this racial stereotype, a coalition of Asian community residents, students, and professionals founded a volunteer organization eventually known as Asian Americans for Equality (AAFE). The group's original purpose was to coordinate pickets, demonstrations and marches to demand the right to employment in the construction industry. Because of these actions, the builder was pressured to change its policies and hire 27 minority workers, among them Asian Americans. This victory was a milestone in AAFE's struggle for workers' rights in Chinatown. Inspired by the success of its first advocacy campaign, the group began to mount protests against illegal raids on sweat shops, the intimidation of garment workers and the harassment of undocumented immigrants. This early experience gave the community a sense of power to bring about change, and solidified

AAFE's role as an outspoken advocate for the rights of minorities throughout New York City.

AAFE soon turned its attention to another critical issue in Chinatown — the need to improve housing conditions and preserve affordable housing. Because of its proximity to downtown Manhattan's

AAFE's mission has come full circle. From fighting for construction jobs, we are now in a position to give out construction jobs to our local contractors. And from searching for equality, we are now able to build equality through integrated housing and through working with tenants.

— Doris Koo

Founding Executive Director

financial district, Chinatown was under enormous development pressure. Eager to convert dilapidated tenement buildings into luxury housing and commercial space, real estate speculators often attempted to force tenants out of their buildings by discontinuing essential services such as heat and hot water. As a result, fires and fatal injuries were a common occurrence. Throughout the late 1970s and early '80s, AAFE fought these practices by organizing tenant associations, training tenant leaders and sponsoring numerous legal actions on behalf of area residents. One of AAFE's most significant battles was launched against a zoning variance that facilitated rampant speculation by real estate developers and foreign investors. While the ruling was never completely overturned, the group was able to rally the community around efforts to halt its most detrimental effects.

In order to maintain its ability to conduct advocacy and organizing, AAFE was run as a volunteer storefront operation that did not accept public or private funds during the first ten years of its existence. One of its main leaders was Doris Koo, an energetic volunteer with a background in community organizing. In 1983, the group decided it was necessary to create a permanent institution with a full-time staff in order to achieve some of its long-term goals. With a \$30,000 grant from the Campaign for Human Development, Koo was hired as AAFE's first executive director.

FROM HOUSING ADVOCATE TO DEVELOPER

On January 21, 1985, a fire at 54 Eldridge Street killed two tenants and left 125 people homeless. The blaze typified the plight of many Chinatown residents. The landlord had shut off heat and hot water in the building for a week, forcing tenants to resort to the use of electrical heaters in the dead of winter. Tragically, the old wiring became overloaded by the heavy use of electricity, causing the building to burn to the ground. The fire underscored the community's desperate need for safe, affordable housing. After a difficult search to place the fire's survivors in existing city shelters, AAFE decided to undertake the development of housing for low-income and homeless families in Chinatown.

Later that same year, the organization was able to obtain partial funding for a housing rehabilitation project, including a \$1 million grant from the New York State Department of Social Services. With these funds, AAFE acquired two vacant city-owned buildings in Chinatown. Unfortunately, the organization soon suffered a major setback when fire struck once again, gutting the two properties. Despite a \$1.5 million increase in construction costs, AAFE persevered and was able to piece together financing from various private sources. The linchpin was a grant from the Enterprise Foundation, which agreed to fill the difficult gaps in this patchwork of funds. Equality House, a 59-unit rental project for low-income and homeless households, was finally completed in 1988.

A COMMITMENT TO TENANT EMPOWERMENT

Despite its new role as a landlord after the opening of Equality House, AAFE was determined to maintain its principles of empowerment. To enable tenants to take ownership of the maintenance and operation of the building, the organization helped create a tenants association that not only helps run the building, but addresses

larger issues that affect the quality of life in the neighborhood. The association has, for instance, initiated tenant patrols and other crime prevention measures that have helped to combat the drug and crime activities that once plagued the block.

Since the completion of Equality House, AAFE has significantly expanded its housing development activities. The organization has renovated an additional nine buildings, producing over 145 units. The demand for affordable housing in Chinatown remains extremely high, however. AAFE's Clinton/Peace Houses, which contain 22 units of housing for low-income families and senior citizens, received close to 3,000 applications when it was opened in 1992. One reason for this high number of applications is AAFE's insistence on reaching out to a broad range of ethnic and racial groups, with the aim of achieving racial and economic integration in their housing developments and the larger community.

Asian Americans for Equality also believes in reaching out to New York City's vast homeless population. Twenty to thirty percent of AAFE's housing units are reserved for families and individuals referred from the city's shelter system. Knowing that basic shelter alone cannot address the needs of people living in poverty, AAFE integrates an array of social services into its housing projects. For instance, one of the projects in its pipeline, Norfolk Apartments, will not only provide rental housing for low-income families and senior citizens, but will also offer child care, job training and other community services.

Today, tenant organizing remains a major component of AAFE's mission. Since 1983, it has run a project that makes bilingual tenant organizers available to handle complaints and court litigation in dozens of buildings a year. In order to help community residents to protect their right to decent, affordable housing, the organization runs a housing hotline for tenants and landlords who are seeking information on such issues as rent increases, code enforcement procedures, and leases.

TRANSFORMING ADVERSARIES TO ALLIES

In its early years, AAFE viewed landlords primarily as adversaries in the battle to ensure decent, affordable housing for the residents of Chinatown. Today, AAFE's leaders have a different perspective on the role of small property owners in low-income neighborhoods. "We've matured," Koo points out. "We've understood that maybe we need to take a second look at the private owners we were organizing against. Small owners may not have the wherewithal to fix those boilers that have been neglected for fifty years." Through a Community Loan Program that is administered by a consortium of banks, AAFE provides technical assistance to small property owners who want to apply for low-interest loans to upgrade their buildings. In return, the owners agree to avoid displacing tenants or raising rents drastically. The overall aim of the program is to preserve Chinatown's unique housing stock for the next generation of low-income immigrants.

The Community Loan Program is an example of AAFE's efforts to create a beneficial relationship between local banks and the community. Early on, the group had great difficulty in convincing banks to invest in neighborhood development projects. When AAFE was turned down by fifteen banks in its search to finance the Equality House project, however, it decided to conduct a survey of bank deposits in Chinatown. It discovered that the thirty-three bank branches in Chinatown were sitting on a collective deposit base of \$3 billion between 1988 and 1990. Koo insists that community residents who place their hard-earned wages in local banks have a right to access this capital. "They are the first generation of immigrants who said we will sacrifice so our children will have a better future,"

she points out. "And all that hard work, all that sweat that went into the sweatshops and restaurants goes right into a bank account." Armed with the information from their survey, AAFE was eventually able to convince several banks that they have a responsibility to invest in the community. After approaching every financial institution in Chinatown, the organization ultimately secured \$15 million in commitments to finance its housing development projects.

As part of its efforts to foster investment in the community, AAFE also helps small businesses to gain access to capital. To do this, AAFE formed an affiliated economic development organization called the Manhattan Neighborhood Renaissance Local Development Corporation. AAFE/Renaissance helped a home health care business to obtain a \$200,000 line of credit from a local bank. This business provides job opportunities for Asian residents of Chinatown by training them to work in the growing field of health care.

BUILDING A MEMBERSHIP BASE

As the scope of its mission has broadened, AAFE has grown considerably. Membership presently numbers over three thousand. "Our members basically join to get assistance in their daily lives," says Koo. "They bring in a phone bill and say, 'I didn't make these calls.' We then call the phone company for them." Members are required to pay yearly dues — \$10 for senior citizens, \$25 for individuals, and \$45 for families. These payments reflect AAFE's belief that its members should have a sense of ownership in the organization. Revenues from membership fees also increase AAFE's financial self-sufficiency.

AAFE's membership plays an important role in electing the organization's board of directors. In order to create strong ties with the community, at least half of the members of the board must be low-income residents of Chinatown. In the past, board members have included retired garment workers, restaurant workers, lawyers, and public administrators. These directors play a strong role in setting the organization's policies, direction and goals. Christopher Kui, AAFE's current executive director, also believes that AAFE should build leadership among its diverse staff, interns and volunteers.

ACHIEVING POLITICAL EMPOWERMENT

Despite civil rights victories over the past thirty years, AAFE is aware of the need to continue to struggle for political empowerment in the Asian-American community. To this end, the group organizes nonpartisan voter registration and education drives to encourage community residents to exercise their democratic rights. AAFE's bilingual volunteers assist newly-registered voters at election polls and offer naturalization courses for undocumented residents seeking citizenship. The group is also adept at working in coalition with other groups to create policy changes at the national level. Recently, AAFE was instrumental in a coalition that worked to ratify a federal law that requires ballots and other voting materials to be printed in Chinese.

CREATING EFFECTIVE COALITIONS

A key element to AAFE's success has been its ability to build coalitions with other ethnic and racial groups to fight all forms of discrimination. When New York City passed a new charter in 1989, AAFE joined over 70 other minority community groups to develop a redistricting proposal that would provide fair and effective political representation in their neighborhoods. Every year, the organization holds a 1,000 seat banquet to honor people who have contributed to the struggle for racial equality and economic and social justice in Asian-American and other communities throughout New York City. AAFE's work to create integrated housing and build multiracial coalitions demonstrates its firm commitment to joining with other communities to confront common problems and create common solutions.

BEDFORD STUYVESANT RESTORATION CORPORATION (BSRC)

Historically, Bedford Stuyvesant in Brooklyn was a stable working and middle class neighborhood with a solid residential core of brownstone row houses. As recently as the early 1950s, it was a racially and economically mixed community with a comfortable standard of living. Many of its residents were employed in Brooklyn's thriving manufacturing and shipping industries. But when suburban homeownership and highway expansion programs began to lure white families and manufacturers out of the city, Bedford Stuyvesant underwent dramatic changes. Between 1940 and 1960, its population shifted from 75% white to almost 85% African American and Latino. Once the neighborhood's racial composition began to change, banks undertook a policy of "redlining," refusing to grant mortgages or loans to the area's residents and businesses. At the same time, the neighborhood was ravaged by unscrupulous real estate speculators who played upon racial fears to convince white homeowners to flee the area by selling their houses at cut-rate prices. This led to the widespread exploitation of incoming African-American families, who were desperate for housing and were forced to pay exorbitant rents for overcrowded, substandard shelter. The neighborhood's deteriorated conditions were made worse by inadequate public services such as police protection, garbage collection, health care and education.

THE COMPREHENSIVE NEIGHBORHOOD PLAN

Despite these seemingly hopeless conditions of poverty and urban decay, Bedford Stuyvesant had a strong base of neighborhood and block associations, churches, and other civic organizations that were dedicated to stemming the tide of decline. Over eighty of these community-based groups functioned under the umbrella of the Central Brooklyn Coordinating Council (CBCC), which served as one of the unifying forces for addressing neighborhood issues, particularly the needs of youth. During the early 1960s, CBCC became a leader in the War on Poverty, a national effort initiated by President Lyndon B. Johnson. By involving community residents in a participatory planning process, the group forged what was to become the blueprint for comprehensive physical, social, cultural and economic development in Bedford Stuyvesant. Through the efforts of CBCC's staff and volunteers, prominent community activists such as Elsie Richardson, and technical assistance providers such as Pratt Institute, the plan won the grudging endorsement of key city officials. The most significant opportunity to make this comprehensive plan a reality arose in 1966, when New York Senator Robert F. Kennedy agreed to tour the neighborhood and enter into dialogue with community leaders.

MORE THAN STUDIES NEEDED

Senator Kennedy's famous tour of the neighborhood ended at a community-wide meeting at the local YMCA. Although Kennedy seemed sincerely concerned about the appalling conditions he saw, many residents of Bedford Stuyvesant were skeptical about the public sector's ability or commitment to take action. For too long, the neighborhood had been studied by a parade of academics, politicians and public officials. Judge Thomas R. Jones, a strong local leader and civil court judge, recalls challenging the Senator. "I'm glad you're here," he stated. "But I want you to know that your late brother Jack Kennedy already had seen and understood these things, and we're tired of being studied, Senator."

THE NATION'S FIRST COMMUNITY DEVELOPMENT CORPORATION

Senator Kennedy proved willing to take up the challenge. Impressed by the strength of civic life in Bedford Stuyvesant, he decided to use the neighborhood as a testing ground for a new federally-supported model of community development. Working with the civic leaders that had forged the comprehensive plan for Bedford Stuyvesant, he helped establish the Bedford Stuyvesant Renewal and

Rehabilitation Corporation. Soon after it came into existence, however, the organization reached an impasse around programmatic and leadership issues, and consequently split into two independent entities. While one entity (which went by the original name) focused on housing development, a new entity known as the Bedford Stuyvesant Restoration Corporation (BSRC) was created in 1967. As the beneficiary of national legislation crafted by Senator Kennedy and Senator Jacob Javits, the organization became recognized as the nation's first community development corporation (CDC).

In order to fulfill one of the CDC's primary goals — to strengthen the local economy and create jobs by bringing manufacturers and private investors into Bedford Stuyvesant — BSRC was assisted by a sister organization, the Development and Services Corporation (D&S). BSRC's role was to set policy and carry out community development programs, while D&S's role was to offer technical and fundraising assistance. This unusual dual structure was somewhat controversial. D&S was managed primarily by representatives of the white power structure who were personally recruited by Senator Kennedy from the banking and corporate world. Restoration was directed mostly by African-American residents of the community who had long participated in Bedford Stuyvesant's rich civic life. Restoration's first chairman was Judge Jones, who was actively involved in community politics. The CDC's founding president was Franklin A. Thomas, a former New York City Deputy Police Commissioner who was born and raised in the neighborhood. Because of the respect he had earned in Bedford Stuyvesant, as well as the public and private sectors, Thomas was able to bridge some of the divisions in the community. He was also able to provide strong leadership to the organization, despite its dual structure. Although it was sometimes criticized for being patterned on a "colonial" model, this structure was also praised for its ability to bring together two very separate worlds for a common purpose. As Ben Glascoe, a former organizer on BSRC's staff recalls, "The legislation was unique in that it made for a marriage between the community and the business world. And in those days that meant the black world and the white world."

THE FIGHT AGAINST BLIGHT

In the spirit of the planning process that had led to its creation, BSRC undertook a comprehensive range of strategies to revitalize Bedford Stuyvesant. An essential part of this community development strategy was to improve the physical conditions of the neighborhood, with the aim of catalyzing numerous private and public revitalization efforts in the area. For instance, Restoration organized residents to pressure municipal agencies to improve basic services such as garbage collection and infrastructure maintenance, thereby fighting urban blight.

Part of our vision was that you really couldn't pursue a development strategy that was focused exclusively on housing, business development, youth, education or the cultural life of the community. For a development strategy to be worthy of the kind of effort we were all going to put into this, it really had to, in Kennedy's words, grasp the web whole.

— Franklin A. Thomas
Founding President

CHICANOS POR LA CAUSA (CPLC)

Although the civil rights movement is most often associated with the deep South and the urban North, its influence reached as far as South Phoenix in Arizona. During the 1960s, Mexican-American university students in Phoenix were leading a movement to build Chicano pride and take action on problems that plagued their community, among them racial discrimination, ethnic tension, and poverty. Joe Eddie Lopez, a former union organizer and community activist, believed that the student movement needed to be more broad-based, however. To expand its reach, he helped bring university students together with neighborhood residents to address such issues as discrimination in the education system, inadequate health care, and a lack of employment opportunities for Chicanos. As Lopez reflects, "We were primarily interested in raising the consciousness of the remainder of society to the problems that Mexican Americans were facing throughout the state. We were interested in meeting and confronting the education establishment, and meeting and confronting the government officials because we didn't think that they were employing enough of our people."

AN ADVOCATE FOR CHICANO CAUSES

In 1969, the group became officially incorporated under the name Chicanos Por La Causa (CPLC). Its first major organizing campaign was aimed at bringing attention to the unfair treatment of Chicano students in Phoenix's public school system. To protest the exclusion of Chicano history and culture from the school curriculum, and to demand that something be done about high drop out rates and mounting tensions between Mexican-American and African-American students, Joe Eddie Lopez helped form a committee to organize a boycott of Phoenix Union High, the largest public high school in the city. The committee announced that Chicano students would not attend classes until the Phoenix school system hired more Latino teachers and counselors and permitted Mexican-American parents to have a voice in matters that affected their children. Forty days after the boycott was launched, school officials agreed to meet the committee's demands.

Impressed by CPLC's position of leadership during the school boycott, the Southwest Council of La Raza, a national organization which funded organizing efforts in Latino communities, provided CPLC with its first grant of \$30,000 in 1969. During its first year, the organization placed a great emphasis on rural development issues. Many of its early participants came from Arizona's rural areas and were active in the national Chicano movement being led by Cesar Chavez and the United Farm Workers. When Ronnie Lopez, who had been serving on the Arizona State Civil Rights Commission, became president in 1970, CPLC began to focus a great deal of attention on its surrounding urban community in South Phoenix.

A number of us would meet in the evenings in the barrio and talk about a better day, not for us, but for our children. It was people who had a vision who said, let us as a community become our own architects, the masters of our own destiny.

— Ronnie Lopez
Former President

EXPANDING SERVICES IN SOUTH PHOENIX

Initially, CPLC served mainly as a referral center for Chicanos seeking access to social services. Partly because of language and cultural barriers, many Chicanos found it difficult to make use of existing public services. But CPLC soon realized that referrals alone were not going to address the underlying problems faced by Chicano residents of South Phoenix. Because there were simply not enough services to help lift them out of poverty, CPLC set out to create a number of its own programs, including youth employment counseling, training, job placement and assistance to small barrio businesses. CPLC also recognized that low-income Chicanos had great difficulty in finding decent, affordable housing in Phoenix. In 1973, CPLC was designated by the U.S. Department of Housing and Urban Development (HUD) to provide housing counseling to potential homeowners and renters. Soon this service was assisting over 1,000 families and individuals a year, and it continues to operate to this day.

Although the scope and impact of these programs built CPLC's credibility among those in power in Phoenix, the organization's leaders avoided entering into contract with local government during its early years. "Those local institutions were, as we viewed, part of the problem that affected our community," Ronnie Lopez points out. "It's very difficult to take money from somebody and picket them the next day." Like many other community-based organizations at that time, CPLC was concerned about remaining independent and maintaining its ability to conduct organizing and advocacy. Nevertheless, CPLC was becoming successful in gaining recognition and financial support for its work. It secured a line of credit with a local bank, and obtained its first grant from the Ford Foundation in 1972. By the mid-1970s, CPLC had become recognized as one of the premier Latino community development corporations (CDCs) in the country.

BUILDING LEADERSHIP CAPACITY

From the beginning, CPLC saw itself as much more than a service provider. An integral part of its mission was to build leadership capacity in the Latino community. Numerous staff members were able to gain valuable skills and experience working for the CDC before moving on to take public office or assume other positions of leadership in the public, private or nonprofit sectors. For instance, after Ronnie Lopez headed CPLC for five strong years, he was elected Justice of the Peace, and eventually went on to become Arizona Governor Bruce Babbitt's chief of staff. CPLC does not see career mobility among its staff as a loss, but a benefit to the organization's long-term growth and stability. Many "graduates" of CPLC have maintained close contact with their former employer, and continue to lend political and business support to the organization.

CPLC has proven its ability to master leadership transitions, which are among the most difficult challenges that CDCs face. When Ronnie Lopez left the organization in 1974, his top aid Tommy Espinoza was able to take over the director's position. Espinoza had first come to CPLC in 1971 without much formal experience or preparation in higher education. Because the organization's leaders recognized his potential, however, they were willing to take a chance and allow him to gain skills on the job. By the time Ronnie Lopez was ready to leave the organization, Espinoza had become expert in the area of housing, and had the capacity to take on new management responsibilities.

PURSUING ECONOMIC DEVELOPMENT

Under Espinoza's leadership, CPLC went through a period of tremendous expansion, particularly in the area of business and economic development. Espinoza was a strong advocate for self-sufficiency, and believed that the organization could achieve this goal by pursuing projects that had the potential to generate income. "I really felt that unless we had a strong economic base, we were not going to gain the kind of power our community needed in order to move forward," he reflects.

In 1975, CPLC took a major step to expand its economic development programs by securing a \$150,000 Special Impact Program (SIP) grant from the Community Services Administration, a federal agency that funded antipoverty and economic development initiatives. The award of this planning grant was impressive because it required the support of Phoenix's local officials, who tended to be very conservative and suspicious of "left-leaning" advocacy groups. CPLC was beginning to change its grassroots activist image, however. In order to become eligible for SIP funds, the organization had revised its by-laws and method of selecting its board of directors. Up until that point, CPLC was run by a self-perpetuating 15-member board comprised mainly of neighborhood residents. To increase its business expertise, it placed several people with economic development and financing backgrounds on its board.

THE TORTILLA WAR

After its initial planning phase, CPLC was awarded a \$1.5 million SIP grant to implement its economic development strategy. Because the SIP program encouraged equity investments in start-up ventures, CPLC's first small business development project was a Mexican-American food plant. Unfortunately, CPLC faced its first major disappointment when ten small Mexican-American food manufacturers filed suit against the organization, arguing that it was unfair for CPLC to use government funds to compete with small for-profit enterprises. Although the court ruled in CPLC's favor, the organization decided to sell the plant to a Mexican-American entrepreneur. The so-called "tortilla war" had taught CPLC a hard lesson about the need to establish clear communications with the community. Upon reflection, Espinoza concluded that CPLC should have reached out to local manufacturers to explain the organization's mission, the purpose of the project, and how it would have ultimately benefitted the whole community. "It is important to recognize that money and power are not your strengths," he states. "Your strength is your community. If you don't have that, then you don't have a CDC. That is a point that people sometimes lose track of."

CAPITALIZING ON REAL ESTATE DEVELOPMENT

After the tortilla war, CPLC's leaders decided to shift their economic development strategy. Instead of launching small-scale businesses, they began to undertake physical development, which seemed to have great potential for generating income and creating jobs in Phoenix's rapidly growing real estate market. Over the next few years, CPLC developed a facility for an electronics training school, a small industrial park, a day care center, and its own headquarters. CPLC also began to make use of HUD Section 202 funds for the development of multi-unit housing for the elderly and handicapped. To date, CPLC has developed six senior housing projects with a host of supportive services. To pursue these kinds of property development and management opportunities, CPLC set up a subsidiary, Tiempo, Inc., in 1980.

CREATING ACCESS TO CREDIT

Another one of CPLC's priorities in the 1970s was creating access to credit for Chicanos, who were often "redlined" by mainstream banks and tended to be unfamiliar with the banking system. In 1979, the organization created a community development credit union that

offers financial counseling and deposit and lending services to individuals and small businesses throughout its impact area. Currently, CPLC operates six loan funds for small enterprises in urban and rural areas of Arizona. The main stipulation for their small business loans is that they create jobs for low-income workers. These funds have helped start dozens of small enterprises throughout Arizona, including a restaurant, a jewelry store and a physicians group that serves economically disadvantaged families in South Phoenix.

BROADENING THE CDC'S GEOGRAPHIC REACH

While expanding its economic development efforts, CPLC began to broaden the geographic reach of its programs. Using funds from the federal Office of Economic Development, CPLC started a rural demonstration program in the small town of Somerton near the Mexican border. Within two years, the Somerton office was providing services to over 3,000 people in the area. Today, the Somerton Center specializes in assistance to Mexican immigrants who wish to apply for legal residency and naturalization. Through English tutoring, peer support and job search assistance, the center helps immigrants to become integrated into the community. Soon after it opened its branch in Somerton, CPLC also launched a program in Tucson to serve the rural development needs of Pima County.

THE STRUGGLE OF THE 1980S

Like many other CDCs, CPLC suffered great financial losses during the period of federal cutbacks in the early 1980s. Fortunately, CPLC had already begun to secure a wide range of social service contracts with city and state agencies in the mid-1970s, and was therefore not entirely dependent on federal funds. It had also secured sources of core funding for its administrative operations from a number of foundations. Nevertheless, when the Community Services Administration was disbanded in the early 1980s, CPLC was forced to cut its operating budget by 60%, and eventually had to reduce its staff by half. Although the organization survived these tough times, it realized the importance of maintaining a diverse base of funding. During this period, CPLC also came to question its earlier expectation of becoming truly self-sufficient by generating profits through its economic development ventures.

WIDENING THE SAFETY NET OF SOCIAL SERVICES

Over the years, CPLC has continued to develop a wide net of services that reach diverse segments of the Mexican-American community, including migrant workers, the elderly, students, the handicapped, homeless families and individuals, immigrants, substance abusers, teenage parents, and victims of domestic violence. For example, it has developed a bilingual shelter for abused women and children, a bilingual residential treatment program for chemically-dependent men, and a center that provides pregnant and parenting adolescents with counseling, high school equivalency preparation, job training, prenatal care and free on-site day care.

MEASURING SUCCESS

Today, Chicanos Por La Causa is one of the largest CDCs in the nation. It has grown from a small group of student activists to a huge corporation with over 350 full-time staff and several offices throughout Arizona. Among its recent, successful projects is the Museo Chicano Cultural Center in downtown Phoenix and a self-help housing program in Somerton that enables families to use low-cost mortgages and their "sweat equity" to construct their own single-family homes. CPLC's current president and CEO Pete Garcia does not measure his organization's success by its phenomenal growth, however, but by its tremendous impact on the Mexican-American community. It has opened numerous doors, built leadership and instilled pride among Chicanos. What is more, it has built respect for Arizona's Latino community within mainstream corporate and government circles.

DREW ECONOMIC DEVELOPMENT CORPORATION (DREW EDC)

The construction of the Martin Luther King, Jr. Hospital and Medical Center in 1972 was a pivotal step in improving the deplorable conditions of Watts-Willowbrook in Los Angeles County, California. Several years earlier, after the nationally televised Watts rebellion of 1965, the area had become the subject of federal investigations headed by John McCone, the former director of the U.S. Central Intelligence Agency. McCone's task force had concluded that the cause of the civil disorders was the state of severe physical, social, and economic deterioration in Watts-Willowbrook. The unemployment rate for African Americans in the area was more than triple the average for urban whites, and the median income was substantially below the poverty line. Poverty-related health problems such as substance abuse, infant mortality, and psychological illness were also endemic. Before the construction of the medical center, residents of Watts-Willowbrook had to travel over twenty miles to the nearest hospital, even though there was almost no public transportation in the area. Because of a lack of access to preventative health care, visits to the hospital emergency room were often the only form of medical attention they received.

A COMMITMENT TO SOCIAL ISSUES RELATED TO HEALTH

From the outset, the Martin Luther King, Jr. Hospital and Medical Center, which is part of the Charles R. Drew University of Science and Medicine, was committed to addressing the social issues related to health in its surrounding community. Dr. Alfred Haynes, president of the medical school, believed firmly that his institution should have a broad community service mission. Because health problems are often related to poverty, he reasoned, the hospital would not be able to adequately meet the needs of its predominantly low-income African-American and Latino patients without addressing the underlying economic and social problems they faced.

Initially, Dr. Haynes's attempts to launch a university-sponsored community development program in Watts-Willowbrook did not come to fruition for lack of support and momentum. It was not until the early 1980s, when he hired Brenda Shockley, a lawyer with an economic development background, that his vision of community development began to take shape. Having worked as a research associate at the National Urban Coalition during her law school studies, Shockley had become familiar with the first generation of community development corporations (CDCs) that had emerged in the 1960s. She believed that Drew University could draw upon the impressive models created by organizations like the Bedford Stuyvesant Restoration Corporation in Brooklyn, New York and the Watts Labor Community Action Committee in South Central Los Angeles.

REPLICATING ORGANIZATIONAL STRUCTURES THAT WORK

Despite the ominous cuts in social programs during the Reagan administration years, Shockley convinced the university's board that a CDC would be the most effective vehicle for fulfilling the institution's community service mission in Watts-Willowbrook. The benefit of the structure of a CDC, she argued, was that it would not only be able to provide services and develop sorely needed affordable housing, it would also empower community residents to take charge of matters that affect their quality of life. What is more, she believed that it was important for the organization to have a measure of independence from the university. It would therefore be able to set its own agenda, and could remain accountable to the residents it was created to serve. At the same time, it would continue to serve the interests of the institution from which it was spawned by allowing three universi-

ty representatives to sit on its nine member board. As Shockley explains, "Anything we did would always meet the dual goal of enhancing the campus and developing the university, while also improving opportunities for residents of Willowbrook." In 1982, shortly after Shockley's plan was approved, the Drew Economic Development Corporation (Drew EDC) was incorporated.

BUILDING ALLIANCES WITH AREA CDCS

As an emerging "third generation" CDC of the 1980s, Drew EDC was careful to avoid working cross purposes with other, more established organizations in the area. During the early planning stages, Shockley made a point of building alliances with the Watts Labor Community Action Committee (WLCAC), which had an extensive, successful community development track record in Watts-Willowbrook, and had strong ties to the very constituency that the new CDC was to serve. WLCAC had, in fact, organized neighborhood residents around the grassroots campaign that had led to the creation of the King-Drew Center. In an effort to mitigate potential conflicts of interest and competition for scarce resources, the King-Drew Center and WLCAC came to an agreement about their respective redevelopment plans, and which sections of the community each would target. It was clear to both sides, however, that the problems of poverty and urban deterioration in Watts-Willowbrook were so deeply entrenched that there was a tremendous amount of work for both organizations to undertake.

CHILD CARE AS A FOUNDATION FOR COMMUNITY REVITALIZATION

From its inception, Drew EDC's mission has been to foster the revitalization of the community surrounding the King-Drew Center by creating and preserving affordable housing, conducting job training and placement, undertaking business and commercial development, and developing child care and child development facilities. Drew EDC's revitalization strategy is based on the belief that high quality, low-cost child care is essential for moving people out of poverty. Because of the nation's growing number of single parent households, access to child care is the key to enabling today's low-income parents to achieve an education and secure employment.

Drew EDC's first attempt to put this philosophy into practice was a pilot project known as Willowbrook Green Apartments. Launched as a joint venture with the Los Angeles County Community Development Commission, the project was part of Drew EDC's plan to develop Drew University's campus. The university's idea was to produce 48 units of multi-family rental housing that would be available to the King-Drew Center's non-traditional staff and student body. Shockley was adamant, however, that the housing be open to the wider community, and that it contain a mix of income levels. She also wanted the design of the complex to break new ground in meeting the needs of single parent households. In Watts-Willowbrook, forty percent of all households with children under six are headed by single parents.

Our goal is the amelioration of poverty. And, unfortunately, the conditions of poverty are growing at exponential rates. The resources are scarce. The resources that are really in abundance are human capital.

— Carla Dartis
Former President

Like many community development initiatives, Willowbrook Green Apartments took many years to plan, finance and construct. The final product, which was unveiled in 1990, truly embodied Shockley's vision of high quality housing suited to today's changing family. Each apartment is equipped with its own washer and dryer to ease the burden of household chores for working parents. The kitchens have views onto a common courtyard so that parents can watch their children while they play outside. The project also includes a central community building, a large playground, public gardens, an on-site job training and placement program for under- and unemployed residents, and tutorial services for school-age children. As Drew EDC's former president Carla Dartis explains, "It's a comprehensive development—one that looks at employment, one that looks at child care, one that looks at housing." The centerpiece of the project, a large child care facility, has been financed and is now under construction.

CREATING ECONOMIC AND EMPLOYMENT OPPORTUNITIES

Another one of Drew EDC's early projects focused on the economic development component of its mission. Concerned about a survey that had revealed that a mere five percent of the vendors used by the King-Drew Center were community-based suppliers of goods and services, Drew EDC created a joint venture with an existing company to establish a bookstore/office supply enterprise on campus. The bookstore not only employs and trains local residents to manage the store's operations, but also fulfills an accreditation requirement for the medical school.

In the process of developing its economic development and job creation strategy, Drew EDC came across a disturbing finding that is not uncommon to many urban areas. While the medical center was the single largest new investment in Watts-Willowbrook in the past half century, most local residents lacked the education and training necessary to take advantage of the employment opportunities it offered. Those lacking basic skills could only hope for entry level service jobs, which are often low paying, do not have benefits, and have little or no room for upward mobility. To address this problem, Drew worked in partnership with a local community college to develop an adult education program for residents of Watts-Willowbrook. Participants who successfully complete the program are able to further their education and earn AA and BA degrees at Drew University's College of Allied Health. Through these programs, disadvantaged residents of the area are given the opportunity to build successful careers in the fast growing field of health care.

Drew EDC also provides services to build the capacity of local entrepreneurs. In collaboration with the State of California Assembly District Office, it provides entrepreneurship development classes, job development and referral services, and loan packaging and other technical assistance to local businesses. The organization has also worked out agreements with general contractors who carry out construction at Drew University to increase the participation of minority-owned subcontractors and joint venture partners in their projects.

BUILDING ON SUCCESS

One of Drew EDC's current major initiatives is designed to build on the success of its Willowbrook Green project. The organization has been helping tenants of Ujima Village, a 300-unit publicly-owned housing complex that has been on the brink of foreclosure numerous times in its twenty-year life, to negotiate with the U.S. Department of Housing and Urban Development (HUD) to take control of their housing. Like much of the nation's public housing stock, Ujima Village has suffered from disinvestment and has been allowed to fall into major disrepair. Drew EDC is clear, however, that the idea is not to transfer the units to the private market, which would foreclose the option of keeping them affordable to future generations, but to create a nonprofit ownership structure that would enable tenants to participate in the management of their own housing. It is seeking operating subsidies that will keep the rental units affordable once

they are rehabilitated. It has also been training tenants in resident management, and has created numerous support services, including a Learning Center that offers basic reading, writing and math skills to children and adults, a micro-business training program and an employment training program.

DRAWING UPON THE UNIVERSITY'S RESOURCES

While Drew EDC received a small amount of financial support from the university during its formative years, it became entirely independent once it grew and matured. It continues to draw upon the wealth of resources housed within the institution, however. To create its child care programs, for instance, Drew EDC consulted with the Pediatrics Division of the Medical School to devise a curriculum on early childhood development. Drew EDC, in turn, has assisted the predominantly African-American and Latino women who operate various child care and development programs at the medical center to create their own, independent CDC. The establishment of the Drew Child Development Corporation has enabled these women managers to overcome bureaucratic obstacles and to attract more resources for their Head Start, respite care and child abuse prevention programs.

BUILDING ORGANIZATIONAL CAPACITY

Drew EDC's operations are small relative to the scale of the projects it administers. It has augmented its organizational capacity by creating innovative partnerships with various other nonprofit entities, public agencies, and for-profit corporations. It has also greatly benefitted from the core support provided by several major funders, most significantly the Ford Foundation, which has been providing grants to the organization since its early years. Unfortunately, Shockley notes, it continues to be very difficult to find unrestricted general support for the organization because most funders prefer to support specific project initiatives.

Another instrumental factor in building Drew EDC's organizational strength has been its board of directors, which is comprised of business and development professionals, university officials, leaders of community-based organizations, and local residents. The way in which the organization operates reflects Drew EDC's belief in the importance of community participation. As Shockley explains, "I think that communication and identification with your community is absolutely essential. It really is the reason you create the organization in the first place."

PLANS FOR THE FUTURE

In less than a decade and a half, Drew EDC has made some notable achievements in Watts-Willowbrook. Its founding president Brenda Shockley has reason to be proud that many of her innovative ideas about housing, day care, and economic development have been put into practice. In 1992, after close to ten years of service at Drew EDC, Shockley decided that it was time to bring new leadership to the organization. She chose Carla Dartis, who had been working as an economic development specialist at Drew EDC and had extensive experience in the public sector aspect of community development, to take over Drew EDC's presidency. Under Dartis's leadership, and now under Jonathan Newsom's leadership, Drew EDC has been expanding its economic development agenda and has been increasing opportunities for local residents to start small businesses. Drew plans to complete the Willowbrook Child Care Center, to create greater employment opportunities in health care, day care and food service for the residents of its housing projects, and to develop new, single family homes for first-time, low-income homebuyers. "We will look into having a corporate image," says Dartis. She adds, however, "I don't ever want Drew to leave its grassroots beginnings because there is too much work to be done."

THE EAST LOS ANGELES COMMUNITY UNION (TELACU)

The acts of urban rebellion that took place throughout the ghettos of Los Angeles and other parts of the country in the 1960s stemmed from longstanding frustration among residents of inner-city barrios and ghettos about their social and economic isolation and lack of political power. In South Central and East Los Angeles, major auto-related manufacturers were closing their factories, leaving behind scores of unemployed workers, abandoned industrial plants, and a crippled local economy. Without a strong economic or political base, residents of Los Angeles's poorest neighborhoods seemed to have no means of improving these conditions. In the absence of hope for a positive future, many of them, particularly youth, felt compelled to express their discontent through dramatic and sometimes self-destructive means. In the predominantly Mexican-American neighborhoods of East Los Angeles, residents were greatly concerned about juvenile delinquency, a deficient education system, deteriorated physical conditions, inadequate police protection and a lack of employment opportunities. As in other Chicano communities throughout the Southwest, their desire was to exercise their right to self-determination.

REPLICATING A SUCCESSFUL MODEL FOR CHANGE

After the famous Watts rebellion in 1965, the United Auto Workers (UAW) and other unions became very concerned about the need to channel frustration about these conditions towards positive ends. Their first effort to create a "community union" that would serve as a vehicle for the people of Watts to voice their grievances and take control of decisions that affect their lives turned out to be very promising. It was the growing political and economic strength of the Watts Labor Community Action Committee that prompted the UAW to ask one of its international representatives, Esteban Torres, to help create a similar community development corporation (CDC) in East Los Angeles. With the support of technical assistance providers such as the Southwest Council of La Raza and the Center for Community Change, as well as the UAW, The East Los Angeles Community Union (TELACU) was officially incorporated in 1968. Its mission was to help the low-income residents of East Los Angeles to build political and economic power.

BUILDING TRUST WITHIN THE COMMUNITY

When TELACU set out to organize area residents, it was initially met with resistance. The people of East Los Angeles had suffered so many disappointments that they were reluctant to put their faith into yet another promise of help from a group that had been created from the outside. As Torres reflects, "It was difficult to just simply parachute into a community to organize people who often had been manipulated by organizations, including labor, who would come into the barrios during election time, organize, get the votes out, and then not return." However, the fact that Torres had grown up in East Los Angeles helped build trust and confidence in the organization. Torres had gotten started as a labor organizer and had formed a close relationship with Cesar Chavez and the rural farm workers movement. He was therefore experienced in assisting poor, disenfranchised people to forge peaceful and effective strategies for negotiating their rights.

TELACU's method was to organize the barrios like labor organized plants. The CDC functioned as the international headquarters and the twelve barrios served by TELACU functioned as plants. Each barrio sent a union representative to sit on TELACU's board. "As an organized labor movement deals with the corporate community on

questions of worker's rights and worker's benefits," Torres explains, "so too could poor people in an urban setting begin to negotiate and carry out collective bargaining with school administrators, the police force, and county officials." One of TELACU's first major organizing campaigns was a resident-led effort to pressure East Los Angeles's local housing authority to improve the appallingly dilapidated conditions of a public housing complex that had once been World War II army barracks. The effort resulted in the creation of over 500 units of new replacement housing for low-income residents of the area. What is more, 80% of the contractors hired for the project were Chicano, and half of them were residents of the complex. The tenants of the new town houses were provided with community-run social services, and some of them were employed in maintenance and management jobs.

THE QUEST FOR POLITICAL AND ECONOMIC POWER

Initially, TELACU's leaders had two main objectives — to prepare the way for the incorporation of East Los Angeles as a municipality independent of the City of Los Angeles, and for the election of a Chicano to the U.S. Congress. Their overall aim was to help Chicanos to build the kind of political power and autonomy needed to demand equitable services and exercise control over policy and budgetary matters affecting East Los Angeles. While incorporation was never achieved, TELACU did eventually see the realization of the goal of placing a Chicano in a position of decision-making power at the federal level. In 1982, Esteban Torres was elected to the U.S. Congress, where he continues to bring his community development experience to bear on domestic policy issues.

From the beginning, TELACU's leaders believed that power could not be achieved solely through advocacy and organizing for better physical conditions and services in East Los Angeles. In order to gain the kind of influence that leads to significant change, they reasoned, East Los Angeles needed to build an economic base. One of the area's greatest problems was its lack of capital. "For too long, external forces had taken capital out of East Los Angeles," Torres observes. "It was owned by outsiders and it was controlled by outsiders. We felt it important to work from within to begin to recoup our own posture as an economic entity and to build capital. Out of that would come the political power." Although the CDC's leaders decided to emphasize economic development, they hoped to maintain the organization's social development mission. Part of their strategy was to provide social services to the residents of East Los Angeles, particularly youth. The CDC's first director of social services was David Lizarraga, who came to the organization in 1971 with a background in community organizing and work with alienated, "marginal" youth and gang leaders.

■ We live in a capitalist society. In East Los Angeles, you're talking about a community that has no capital and no economic power. How do you begin to create change if you are not able to marshal capital? Like everywhere else in this country, invest it, and you'll be sure to see a return.

— David Lizarraga
President

MISSISSIPPI ACTION FOR COMMUNITY EDUCATION (MACE)

The rural African-American communities of the Mississippi Delta were slow to see the gains that were being made by the civil rights movement in the late 1960s. Delta residents had been disenfranchised for so long that when members of the Student Nonviolent Coordinating Committee (SNCC) first came to the area to carry out a voter registration project, they were met with great skepticism. SNCC's early grassroots organizing activities helped to build a sense of power and potential for change, however, that enabled people to tackle the deeply ingrained inequities and racial discrimination that their poverty-plagued rural communities had experienced for decades. A newly recognized sense of capacity to bring about social change inspired residents to create a permanent institution — a community development corporation (CDC) — that would build upon the gains made by the civil rights movement.

BUILDING ON CIVIL RIGHTS

Given the Delta's deepening ties to the national movement, it is no surprise that the founders of the Mississippi Action for Community Education (MACE) were a group of activists who were members of SNCC and other civil rights organizations. Most of the fifteen men and women who came together in 1967 to form MACE were born and raised in the Mississippi Delta, and had personally experienced the challenges facing African-American rural communities. As Ed Brown, MACE's first president and CEO recalls, "We did not participate in any of the decisions that affected our lives. So the emphasis was on creating those kinds of institutions that facilitated participation." With their experience in creating change through democratic vehicles, the founding members of MACE had the capacity to build effective coalitions and mobilize their constituency. MACE's approach to this work was heavily influenced by SNCC's philosophy of grassroots leadership development. One of MACE's former presidents, Larry Farmer, explains that their strategy was "to build a cadre of skilled local community leaders — indigenous persons who were not likely to leave — and to train and equip them with the skills necessary to build a membership base, and to build institutions in the process."

INCORPORATION AS A MEANS OF CITIZEN EMPOWERMENT

One of the greatest problems facing impoverished black communities in the Delta was their difficulty in gaining an equitable share of government funds for basic municipal services. Because they lived in areas that did not have recognized units of government, they could not contest these discriminatory practices. Thus, another essential component of MACE's early work was its assistance to communities in the Delta who were attempting to become incorporated municipalities. By seeking legal incorporation, the citizens of these communities were empowered to govern themselves and to demand an equitable share of public resources. One of MACE's earliest projects trained 260 local residents to systematically analyze the discrepancies between the services available to white and African-American communities in the Delta region. The findings resulted in six municipal equalization suits, which MACE helped to file. Through these class action lawsuits and five municipal incorporations, more than \$40 million worth of public facilities and services, including fire and police protection, water and sewer lines, and paved roads, was leveraged. As part of the process of incorporation, MACE also helped these communities to develop decent, affordable housing.

ECONOMIC DEVELOPMENT IN THE DELTA

Two years after MACE was formed, its leaders came to recognize the growing need for economic development in the Delta. They reasoned that leadership training and advocacy would not be effective without strategies for tackling the problems of unemployment and disinvestment. Thus, in 1969 they created the Delta Foundation to focus exclusively on strengthening the economic base of the region and creating job and investment opportunities for local residents. Since that time, MACE and the Delta Foundation have developed and operated numerous manufacturing enterprises and have provided loans and financing for small rural businesses, particularly those owned by minorities. In the area of manufacturing, the Delta Foundation has ventured into the production of apparels, metal parts, and electronics. While some of these business ventures have produced returns, others have not shown great economic profitability. Nevertheless, they have all created desperately needed employment opportunities for the residents of the area. In addition, they have helped people to build the skills needed in today's highly competitive job market.

The decision to form the Delta Foundation as a separate economic development entity was based on MACE's insistence that its central mission of advocacy and human development not be compromised. As Larry Farmer reasoned, "because of the political and racial nature of organizing, MACE could end up fighting some of the folks they'd need to do business with later." By functioning as two separate organizations, however, MACE and the Delta Foundation could carry out advocacy and development in tandem. Today, the two organizations seek to coordinate their activities whenever possible. A direct link between the two is maintained through an overlap of their boards. They frequently collaborate on housing and human development projects in which the Delta Foundation typically provides affordable financing and technical assistance and MACE develops and runs social service programs that assist people through education in child development, literacy, financial planning and other areas. MACE also supports local leadership and institutional development efforts.

BUILDING HUMAN CAPITAL

The centerpiece of MACE's mission is human development. Because of inadequate education and training opportunities, many residents of the Delta are uncompetitive in the job market. In order to build human capacity in the region, MACE runs a number of educational programs, including high school equivalency and literacy classes.

The Delta represents America's version of apartheid. We're seeking empowerment. We're working, not necessarily to change the color of government, but the compassion of government, the quality of government and the sensitivity and responsiveness of government. We take the constitution literally — 'we the people.' And we want the people to decide.

— Larry Farmer
Former President

Throughout the early decades of the 20th century, Newark's Central Ward was a transitional community for European ethnic groups who were working their way into the American middle class. During the 1940s and '50s, waves of African Americans from the South also began to settle in the area in search of low-skilled industrial jobs and the opportunity to advance economically and socially. Upon their arrival, they were met with hostility from white residents who felt that the growing presence of African Americans threatened their access to a dwindling supply of blue-collar jobs and housing. Like many other urban neighborhoods throughout the country, the Central Ward began to see "white flight." In a matter of years, the mass exodus of whites into the suburbs left the area populated predominantly by African Americans. Because of racial discrimination and disinvestment, the Central Ward experienced rapid decline and became characterized by the signs of severe urban poverty — high infant mortality rates, unemployment, juvenile delinquency, and dilapidated physical conditions. Marginalized by the political system, the residents of the Central Ward, as well as other oppressed communities throughout the country, were incited to express their extreme frustration in mass rebellion in the Summer of 1967.

FORMING A NEW COMMUNITY

This expression of outrage and alienation in the black community compelled Catholic church leaders in the area to discuss the responsibility of the church to help address the problems that caused the unrest. Father William J. Linder, a key figure in the group, enlisted his parishioners in an effort to address some of the most urgent issues facing the community. The first step was to form a policy board composed of leaders of the parish and the African-American community, and to create a locally-based community development corporation (CDC). Thus in 1968, New Community Corporation (NCC) was formed to "improve the quality of life of the people of Newark to reflect individual dignity and personal achievement," as its mission statement read.

The founders of NCC recognized that the pursuit of this mission demanded the creation of stable social and economic institutions in the community. They also understood that the problems afflicting the area's residents stemmed from their lack of access to resources and opportunities for advancement. Guided by religious principles of self-determination, NCC believed that the solutions to these problems lay in the power of people to control their lives and their environment. In order to carry out their social change agenda, NCC helped

the residents of the Central Ward to work as a collective force. NCC's model was a method of community organizing developed by Saul Alinsky, whose strategy was to mobilize people to identify problems and demand that existing public and private institutions help solve them. The organization took this model one step further,

We got a group of local people together and we asked them to make a twenty year commitment. Community development is not something you can do in two or three years. It really takes twenty years if you want to make significant change.

— Msgr. William Linder
Founding President

NEW COMMUNITY CORPORATION (NCC)

however. Rather than focusing all of its energy on fighting institutional barriers to better conditions in Newark, NCC set out to engage community residents in the process of building their own new institutions.

BUILDING A FOUNDATION

NCC's first development project responded to the findings of a study commissioned by New Jersey's governor on the root causes of the civil unrest of 1967. The report concluded that permanent, affordable housing was needed to stabilize an otherwise transient population. These findings corresponded to the concerns of Central Ward residents about the deteriorated physical conditions in which they lived. NCC's founding president, Father Linder (later to become Reverend Monsignor), believed strongly that a "new community" could be built in the process of creating improved housing.

When the fledgling organization began planning its first housing project, New Community Homes, it had few resources and little experience in large-scale development. In 1969, NCC reached out to a number of suburban white allies to create Operation Understanding, which increased communication between suburban communities and Newark's black inner-city neighborhoods. This cooperative relationship led to the formation of the New Community Foundation, which launched a massive grassroots fund drive. Using a fundraising strategy that helped to rebuild Israel after its war with Egypt, the New Community Foundation raised over \$100,000 for New Community Homes by symbolically selling parcels of land in Newark.

To ensure that the project was responsive to needs articulated by the community, NCC staff asked sixty families living in public housing to help plan New Community Homes. For over two years, the group spent one Saturday a month learning about the process of developing housing. They participated in design seminars and traveled to Model Cities sites that had been designated as areas for intensive investment under a federal urban development program. Through this process, the future tenants of New Community Homes became the true owners of the completed project.

The unique scheme they developed confronted serious challenges along the way, however. While the members of the planning team felt that the standard high-rise model for public housing developments did not foster a sense of community, the rules governing the state's rental housing voucher program had rigid specifications regarding the cost per foot for low-rise housing. Msgr. Linder remembers the state's argument: "They said it was too expensive. In fact, one state official said it looked too good for poor people. So we kept fighting." As the conflict with the state dragged on, NCC's leadership was faced with a difficult decision — change the plans to meet the specifications, or stand behind the consensus that had been reached through the participatory planning process. They decided to stand their ground, and after years of concerted pressure, the state agreed to build the 120-unit New Community Homes project as planned. When it finally opened in 1975, the complex was hailed as a model for affordable yet high quality housing. After its initial trial and success with New Community Homes, NCC was able to complete five major building projects in the next five years, creating an additional 829 units of affordable housing, over 350 of which were developed for senior citizens.

MAINTAINING A STABLE BASE

While searching for land on which to build New Community Homes, NCC had the option of competing for a number of Urban Renewal parcels that were controlled and subsidized by the city. In order to remain outside the fray of local politics, the board decided to avoid any dependence on city funds. It chose instead to raise money on its own and purchase land at market rates. This made the development more expensive, but allowed NCC to use its real estate to leverage future loans. As a result, NCC has been able to establish an excellent credit rating.

The organization has also made a practice of avoiding dependence on any one source of support. For instance, its housing developments have usually been financed through a combination of private loans and Section 8 certificates, which are federal rent subsidies attached to low-income housing units. When this strategy became less feasible because of cuts to the federal budget in the late 1970s and early '80s, NCC was able to make use of a number of other financing mechanisms, among them the federal low-income housing tax credit. This focus on self-sufficiency and diversification has been one of NCC's most successful characteristics.

ADDRESSING THE NEEDS OF WORKING MOTHERS

From its inception, NCC has had a close relationship with Babyland Nursery, Inc., an infant day care program for working mothers in Newark. Babyland was formed in 1969 by a group of inner-city and suburban women who named themselves Operation Housewives. Their first infant care center was housed in a seven-room apartment in one of Newark's public housing complexes and was run by Mary Smith, both a mother and president of the building's tenants association. When Babyland first opened, the State of New Jersey had no means of licensing or funding day care programs for children under two and a half years old. With the assistance of Operation Housewives, however, the staff and mothers of Babyland successfully lobbied the state to establish regulations and funding for infant care facilities. This effort resulted in the creation of a state agency to address the day care needs of working mothers throughout New Jersey, using Babyland as its model.

Within a few years of operation, Babyland was growing rapidly. Although it had expanded into a former medical office building, it needed a new, permanent facility. NCC was able to help by developing a \$1.9 million building for the program, using the participatory planning process it pioneered in its housing development projects. Over a period of fourteen days, sixty people representing various interests in the community worked with architects to design the new building. The project enhanced NCC's reputation as an innovative developer, and built equity to enable the organization to leverage loans for future projects. Babyland now operates six day care centers and employs over 180 people.

A COMPREHENSIVE VISION OF COMMUNITY

One of NCC's trademarks is a comprehensive vision of the community building process. In order to create a decent living environment for its tenants, NCC provides an array of support services and security patrols in each of its housing complexes. By keeping all management, maintenance and other services in-house, the organization also provides vital jobs for local residents. For instance, its security force not only reduces crime in the area, but has created over 120 jobs for local residents. Its domestic support program, which helps elderly residents with cooking and cleaning, also provides 120 jobs. Another 200 jobs have been created by a full-service nursing home sponsored by NCC. In order to make it possible for seniors to remain independent and active in the community as long as possible, and to avoid the high cost of nursing homes, NCC also staffs and operates a home health care program.

In an effort to address the growing crisis of homelessness, NCC built Harmony House in 1989. This transitional housing facility for previously homeless families operates with state funds for job training and

placement. Residents of Harmony House are given job experience as aids in NCC's medical facilities and senior programs, as child care workers in Babyland's programs, and as food service workers in NCC-owned restaurants. Residents also receive health care, emergency food, and child care, which are all delivered through NCC with government funding. This model promotes economic development in the area, while integrating formerly homeless people into the community.

A COMMERCIAL ANCHOR FOR THE COMMUNITY

NCC's most successful economic development project to date has been the Pathmark supermarket and neighborhood shopping center. Within two years of its opening in 1990, NCC's Pathmark had become one of the chain's most profitable East Coast stores. With a two-thirds share in the venture, NCC is able to use its profits to support other programs. Most important, however, the supermarket provides a local alternative to the high-priced convenience stores that were previously the only source of goods in the Central Ward. The surrounding shopping facility also functions as an inter-generational social center that brings together youth and senior citizens.

COMMUNITY CONTROL AND STABILITY

One of NCC's long-standing principles has been community control of its board. All board members are community leaders who are people of color. Based on NCC's belief that it takes a whole generation for substantive community change to take place, they are asked to make a 20-year commitment to the job. One of NCC's longtime board members is Mary Smith, who organized and presided over Newark's largest public housing tenants association over two decades ago, and is presently the executive director of the Babyland nursery network. The stability of NCC's board has been cited as the key reason that the organization was able to weather the fiscally turbulent decade of the '80s.

The fact that NCC has refused to include any corporate or business interests on its board has helped build its reputation for being responsive and accountable to Central Ward residents. In order to maintain the integrity of its mission, NCC has used the New Community Foundation as a separate vehicle for soliciting the technical and financial support of the private sector. Tenant associations and program-specific advisory boards serve as vehicles for community participation in the planning and management of NCC's projects. This approach to development is based on a belief that, if given the opportunity, people will demonstrate their ability and commitment to solving community problems. Resident associations in NCC managed housing complexes have, for instance, developed creative programs to deal with homelessness, AIDS, illiteracy, and domestic violence.

STRUGGLING WITH DEMAND

A quarter of a century after its creation, New Community has become a major, visible force in the economic, social and physical revitalization of Newark's Central Ward. It employs over 1,200 people, and owns and manages over 2,500 units of housing. NCC continues to struggle with the challenges of urban decay, however. Despite advances, NCC has not been able to keep up with the demand for its services. Currently, NCC estimates that close to 10,000 families are waiting for affordable housing units in the area.

Strengthened by the restructuring of the board of the New Community Foundation in 1992, NCC has been able to enter into partnership with New Jersey businesses to build its fundraising capabilities and expand its job programs. NCC's future goals include opening a new Babyland facility and creating 200 new jobs each year. The organization has also begun working with communities outside Newark. In Jersey City, NCC has already built 33 units of low-income housing, and has secured federal funds for another 80 units of senior housing. It is also helping to replicate Harmony House's homeless reintegration program in central New Jersey. As NCC continues to grow and share its vision and success with groups in other parts of the country, it promises to serve as a model for building new communities.

SOUTH EAST ALABAMA SELF-HELP ASSOCIATION (SEASHA)

In the 1960s, southeast Alabama was undergoing dramatic change. The civil rights movement was sweeping the South, and schools were slowly being desegregated. Nevertheless, the social and economic conditions for African Americans in the area remained bleak. Communities that had long been held together by a common vocation — farming — were being threatened by breakthroughs in agricultural technology. With little access to the large amounts of capital needed to modernize, small farmers were being pushed off the land under the pressure of consolidation. Large, predominantly white-owned farms were in a much better position to benefit from new technology and to compete in the new market. In the decades leading up to the 1960s, almost all the black-owned farms in the South were wiped out, sending large number of migrants to the North looking for work. Those remaining in southeast Alabama faced dismal conditions: the counties that comprised Alabama's "black belt" had poverty rates of up to fifty percent, over one-third of this population had less than an eighth grade education, numerous back roads remained unpaved, and many homes lacked running water and sewer lines.

MORE THAN EDUCATION NEEDED

In 1965, when John Brown, Jr. was approached by the historically black Tuskegee Institute to work on a Summer Education Program that provided tutorials to black elementary and high school students, he knew that education alone would not help African Americans in southeast Alabama to overcome the barriers to success. Brown had been an educator in Alabama for over fifteen years. As an active participant in the civil rights movement, he had come to understand the forces of economic oppression in the South. He agreed to take the job on the condition that he would be allowed to organize parents and students around efforts to pool their resources and initiate self-help projects. Assisted by Burt Phillips, who was Tuskegee's dean of students and had formerly worked at the federal Office of Economic Opportunity (OEO), Brown immediately set out to involve people in a series of meetings aimed at bringing about social change. As Brown describes, "We invited all tutors, tutees and parents to an assembling — we had about 5,000 people — and talked about the possibility of organizing people across political boundaries for the purpose of dealing with the resources at their disposal to improve their economic condition."

One of the main goals of Brown's early organizing efforts was to make people aware that they had a right to meet and participate in democratic decision-making processes. For generations, the oppression of blacks had prevented them from congregating in public facilities and having a voice in public debates. Institutions like city hall and the county court house served to repress rather than guarantee their freedom of expression. The series of meetings organized as part of the Summer Education Program were therefore instrumental in empowering people to use a civic forum to express their opinions.

CREATING A PERMANENT ORGANIZATION OF THE PEOPLE

Brown firmly believed that people should not rely upon well-intentioned university programs funded with federal grants to carry out long-term rural development efforts. As he was to learn in later years, Washington's funding process was simply too political, and was not suited to understanding the needs of small farmers. The solution, he asserted, was to create "a permanent organization of the people, by the people, for the people, that would be in these communities perpetually." Thus, in 1967 the South East Alabama Self-Help Association (SEASHA), a multi-purpose community development corporation (CDC), was formed.

Because SEASHA's leaders believed that the survival of small farming was key to any development strategy in the South, an integral part of the organization's mission was to enable people to use the land as a resource for economic empowerment. To fulfill this aspect of its mission, SEASHA began to initiate programs aimed at helping isolated, undercapitalized small farmers to survive by cooperating on projects and building economies of scale. SEASHA also began to assist low-income residents, particularly those who could not read or write, to gain access to scarce public services in the organization's twelve-county target area. Government agencies were commonly hostile and unresponsive to blacks, and thereby often discouraged many eligible residents from applying for public assistance. To help people to overcome these barriers, SEASHA stationed field workers in each of the twelve counties it served. The task of these organizers, who were indigenous to the communities in which they worked, was to help people to fight for their entitlements and to advocate for improved infrastructure such as water, sewer lines, road paving and electricity.

PURSUING ECONOMIC DEVELOPMENT

During its formative years, SEASHA spawned a number of innovative ideas on rural development and farming. With the assistance of the Southern Cooperative Development Program, a regional initiative supported by the Ford Foundation, SEASHA was able to secure its first grant, \$750,000 from OEO, to test some of its rural economic development concepts. The grant enabled SEASHA to provide technical assistance to small farmers who were trying to retain their land, to coordinate the installation of water systems in its twelve county area, and to form a Feeder Pig Cooperative.

Unfortunately, some of SEASHA's agricultural initiatives, particularly the Feeder Pig Cooperative, were saddled with a number of problems from the start. As is the case with many creative ideas that have to go through a bureaucratic funding process in order to be realized, SEASHA's proposal was not funded as originally envisioned. The main component of SEASHA's proposal was the promotion of diversified agriculture, which would allow small farmers to grow a variety of crops to earn income all year round. OEO's grant only allowed for SEASHA's staff to provide technical assistance, however, and did not provide critical funds for farmers to purchase or lease land to experiment with diversified agriculture. While the Feeder Pig Cooperative was funded, it was never very successful for a number of reasons. It did not get the full support of the State of Alabama, which gave the feeder pigs a lower grade than others of similar quality in the private market, and it encountered a depressed market. Because SEASHA's agricultural proposal was not fully funded and could not be tested in its entirety, it never realized its full potential.

The idea was to provide the opportunity for people to pool their resources. We knew that once the grants would run out, if you didn't have a self-perpetuating organization, that eventually there would be nothing in the community for the people.

— John Brown, Jr.
Founding President

INTRODUCING COOPERATIVE ECONOMICS

With technical assistance from the Southern Cooperative Development Program, SEASHA began organizing small, family farmers around principles of cooperative economics in the early 1970s. The idea was to minimize their operating costs by purchasing materials together, coordinating production, and regulating prices so that they could compete with large-scale producers. Through a cooperative that was established in 1973, SEASHA ran an operation that prepared pigs for market, a loan program that provided venture capital to farmers interested in expanding their operations, and a feed mill that helped farmers to cover some of their operating costs. These programs met with good results for a number of years until they were forced out of existence because of federal cutbacks in funding in the 1980s.

Another program that was established in 1973 to fulfill SEASHA's mission of cooperative self-help was its credit union, which offers low-interest consumer loans to people who have difficulty in gaining access to credit from traditional financial institutions. Membership in the credit union is open to all of SEASHA's members at a nominal lifetime fee of three dollars. Over the years, the credit union has grown significantly. It presently serves over 3,000 members and manages assets in excess of \$3 million.

EXPERIMENTING WITH HOUSING DEVELOPMENT

While continuing its agricultural development initiatives, SEASHA soon began to take advantage of opportunities to expand its focus to address problems of housing in its twelve county area. Funds for housing development were much more readily available than for cooperative farming, and the lack of decent, affordable housing was a major issue in Southeast Alabama. The 1970 census found that over 42,000 families were living in substandard housing within the "black belt." SEASHA's first housing development initiative was launched as part of a HUD-financed national experiment to design and build a prototype home for low-income people. Called the Battelle-Basic Homes Program, the experiment was to be conducted in three phases in which cost-effective single family homes would be built and then tested for their acceptability to low-income home buyers. While the program was discontinued after a strong start, SEASHA was able to build on what it learned during this experiment with housing production. Within twelve years, SEASHA had constructed 269 single family garden style homes for low and moderate-income families.

Another one of its successful housing experiments was Sojourner Apartments, a 100-unit rental complex for elderly and handicapped residents. In order to meet the social needs of this population, Sojourner offers a range of auxiliary services, including a community center, a food assistance program, a preventative health care facility run by Tuskegee University School of Nursing, and social services provided by the Tuskegee University School of Social Work. Tenants are encouraged to maintain the complex's flower and vegetable gardens. In order to avoid the isolation that many senior citizens experience when they move into housing for the elderly, SEASHA built one of its single family home projects next to the Sojourner Apartments complex. The organization encourages

the families of the elderly residents to live in these homes. It also provides linkages between the two projects through various social programs.

For four years before the Community Services Administration was disbanded by the Reagan administration, SEASHA also ran a successful rural home repair program that employed and trained young workers. By 1992, SEASHA Homes, its independent subsidiary, had constructed over 300 new single family homes, rehabilitated 75 existing homes, and constructed 192 multi-family apartments for elderly and handicapped citizens. To ensure that its housing is affordable to low-income families and individuals, SEASHA makes use of operating subsidies offered under HUD and Farmers Home Administration programs.

STRENGTHENING MINORITY BUSINESSES

In the 1970s, minority business technical assistance centers were programmatically popular among federal policy makers. SEASHA's leaders understood, however, that the difficulties minority entrepreneurs encounter are financial as well as technical. In 1984, with \$600,000 from the Economic Development Administration, SEASHA created a revolving loan fund that provided minority entrepreneurs with greatly needed high risk capital. By 1992, the fund had made 124 loans available to minority businesses. These loans totaled \$2.5 million, and helped create over 270 new jobs.

PARTICIPATORY DECISION-MAKING

SEASHA is operated as a membership organization with a decentralized structure. Today, each of the twelve counties that SEASHA serves sends five representatives to sit on SEASHA's board of directors. One representative from each county is selected to serve on its twelve-member executive committee. Initially, county representatives were more likely to be professionals such as teachers or businessmen than farmers. Over the years, however, the board has come to reflect its diverse constituency. This arrangement is designed to maintain the organization's accountability to the low-income people it serves.

SEASHA's reputation for assisting people in their self-help efforts has solidified its reputation in the community. Many of the people who have participated in SEASHA's various programs have gone on to run successful businesses, operate small farms, or serve in public office. SEASHA has opened many doors for African-American residents of Southeast Alabama.

LOOKING TO THE FUTURE

As many of its programs come of age, SEASHA is becoming a seasoned institution in Southeast Alabama. While many of its agricultural programs are no longer in operation, they have left a base of skills, technology and expertise in the local community. Under the leadership of Clyde Windsor, the organization is currently focusing on housing development, credit and loan services to minority entrepreneurs, and industrial job creation. Although SEASHA has gone through many changes over the years, its principle of self-development through self-help continues to be its driving vision.

SOUTH EAST COMMUNITY ORGANIZATION (SECO)

For several decades leading up to the 1950s, Southeast Baltimore was comprised of close-knit white ethnic neighborhoods whose residents maintained strong ties to their religious and cultural traditions. Local manufacturing industries offered numerous blue collar jobs and a measure of stability to its low-income residents. In the 1960s, however, dramatic social and economic changes threatened to weaken the fabric of Southeast Baltimore's working class communities. Plant closures, layoffs, and a general decline of the manufacturing sector was leading to great economic hardships among residents. Changes in the city's demographic composition began to incite fear among whites, who felt that incoming African Americans would cause further decline in their neighborhoods. While this fear was misguided, there was reason to be concerned that the city's political and business establishment focused too much attention on downtown redevelopment, and did little to stop the growing problems of housing abandonment and disinvestment in Southeast Baltimore.

A COMMUNITY GALVANIZED

Galvanized by the desire to save their neighborhoods, Southeast Baltimore's residents began to organize around such issues as the need to improve schools, to fight absentee landlords and to change urban renewal policies that favored demolition over the rehabilitation of their homes. One of the final straws for the community was its discovery that the city was planning to construct a major interstate highway straight through several of its residential enclaves. Led by skilled neighborhood organizers such as Barbara Mikulski (who was eventually elected to Congress and now serves in the Senate), the community launched a major campaign that ultimately halted the project. Their ten year battle was won in part because they were able to convince the National Park Service to register the area as a historic district, and were therefore able to bring the Maryland State Roads Commission to court.

One of the outgrowths of this long-term process of neighborhood mobilization was the decision to create a permanent institution that would serve as a coordinating body for various neighborhood interests. In 1971, at a meeting of more than 1,000 residents and 70 civic and church-based organizations, the South East Community Organization (SECO) was born. Under the leadership of Joe McNeely, SECO's first executive director, the organization began to initiate numerous advocacy campaigns that attracted widespread media attention. By halting the closure of a chronic care ward in a city hospital, saving a local library and stopping the construction of a prison in the community, SECO proved that it was able to exercise impressive political muscle within the city's power structure.

A DEMOCRATIC DECISION-MAKING PROCESS

From its inception, SECO was run as a democratically-controlled organization that would enable community residents to participate in decisions that affected their lives. One of SECO's primary goals was to build the capacity of grassroots leaders to identify needs and take advantage of opportunities in their community. To fulfill this aspect of its mission, the organization was guided by a Congress of over 1,000 members who met annually to set priorities and plan initiatives. This Congress elected a smaller executive committee that met on a monthly basis to make programmatic decisions. As Betty Hyatt, one of the numerous long-time neighborhood residents who served on SECO's executive committee explains, "Everyone understood why we were coming together — to take power and to make some decisions for ourselves. We did not want to have to depend on City Council people to make decisions for us."

During its early years, SECO's priorities were to work with youth, particularly those who had problems with the law, and to address the growing problems of unemployment and housing deterioration. Its role as a strong community advocate drew attention from national activists such as Ralph Nader, who was widely known for his work on consumer issues, and Monsignor Geno Baroni, who was later to become Assistant Secretary for Community Development at the U.S. Department of Housing and Urban Development (HUD) under President Carter. With Msgr. Baroni's assistance, SECO was able to obtain its first grant of \$10,000 from the National Center for Urban Ethnic Affairs.

CREATING A COMMUNITY DEVELOPMENT CORPORATION

As part of its mission of creating a means for local residents to determine the direction of their neighborhoods, SECO initiated an intensive community planning process in 1974. What emerged from this process was the decision for SECO to take a direct role in improving the physical and economic conditions of Southeast Baltimore. As Robert Giloth, who served as SECO's executive director between 1988 and 1993, observes, "Organizing is the first step in the empowerment process. The issues lend themselves to a lot of civic attention quickly. Development is long-term. It delivers the goods that community organizing promised or fought for. At some point, if the community organizing group can't bring in the goods and services, people are going to lose interest."

SECO's first step in pursuit of a development agenda was to establish a Neighborhood Housing Services program, which provided more than \$1.7 million in mortgage loans to over 200 families before it was eventually spun off as an independent operation. The next, more significant step to undertake development took place in 1974, when, with the approval of SECO's Congress and the financial backing of the Ford Foundation and National Center for Urban Ethnic Affairs, SECO's leaders decided to create a separate development entity, Southeast Development, Inc. (SDI).

THE ORGANIZING VERSUS DEVELOPMENT DILEMMA

The first real crisis in SECO's history was a power struggle that took place just as the community development corporation (CDC) was

being established. At heart, the issue was who had control over SECO's organizing agenda, and to what extent the decisions that emerged from the planning process would be honored. Ultimately, organizers who opposed decisions made by SECO's executive committee cast the debate in terms of a struggle between organizing and development. As was the case with other community-based organizations that had taken root in

Most CDCs come in when no one else wants to. When it's too difficult and doesn't provide enough profit for anyone else, they're willing to come in and give five times as much time to making something work, getting maybe one-fifth of the profit that someone else would want.

— Betty Hyatt
Original Executive
Committee Member

the 1960s and early 1970s, there was a concern that SDI's initiatives would require SECO to work with the very forces that they had been founded to oppose, including political, real estate and business interests. The battle for control over SECO's agenda continued to escalate throughout the planning of SDI, reaching a critical point when some of SECO's organizing staff tried to halt the formation of the CDC. In the end, however, the forces in support of a dual organizing and development mission prevailed, and the CDC was established. In an effort to allay some of the concerns about this new direction, SECO decided to maintain control over SDI's policies and programs. The two organizations would have overlapping boards and a common director, but their staffs were to be kept separate.

THE PURSUIT OF A DEVELOPMENT STRATEGY

The CDC initially followed a two-part development strategy — one aimed at improving housing conditions and the other aimed at revitalizing the economy in Southeast Baltimore. In keeping with the desire of neighborhood residents to preserve the historic character of the area's housing stock, which consisted mostly of 2 and 3-story row houses that were either abandoned or in great disrepair, the CDC decided to undertake housing rehabilitation. Financed by a Program Related Investment (PRI) from the Ford Foundation, SDI's first housing development program entailed buying, rehabilitating and then selling properties at affordable prices to area residents. The idea of this "land banking" scheme was to intervene in the housing market and to reverse the negative consequences of housing speculation. The program proved that it was possible to change the direction of neighborhood decline by increasing property values, yet ensuring that low-income residents had opportunities to become homeowners.

In the meantime, SDI pursued efforts to improve the economic conditions in Southeast Baltimore through commercial revitalization and job creation. In an area called Highlandtown, SECO and SDI collaborated on a project to resuscitate an aging commercial strip. SECO organized local merchants, while SDI secured financing to restore small markets in the commercial district. SDI was notably successful in attracting an \$8 million investment of federal funds to improve sidewalks, streets and infrastructure in the area.

SECO/SDI's most lucrative economic development project turned out to be a supermarket, which the CDC developed and leased out to a local entrepreneur, Santoni's. Through an agreement with Santoni's to share a portion of profits from sales, SDI was eventually able to repay its initial loan from the Small Business Administration, and earned several years of revenues that helped support its other programs. SDI also launched a number of its own economic ventures. Among them was a metalworking collaborative and a sewing and clothes-making operation that employed senior citizens. Although these ventures did not prove to be economically profitable, and eventually had to be phased out for lack of funding, they did offer some benefits. They provided employment opportunities for local residents, and enabled elderly residents of the community to overcome their isolation and remain active.

WEATHERING LEADERSHIP CHANGES

The tension between organizing and development resurfaced once again towards the end of the 1970s, when Joe McNeely left his post at the head of SECO and SDI to become director of HUD's Office of Neighborhood Self-Help Development under President Carter. Between 1977 and 1979, it became increasingly difficult for the two organizations to reconcile their difference in philosophies, particularly because they were being led by two separate directors. The problems came to a head when one of SDI's housing rehabilitation programs was accused of causing the displacement of low-income Native American residents. In the end, the organizational issues were resolved by appointing Larry Pencak, a community organizer who worked on SECO's human service programs, to lead both SECO and SDI.

BUILDING A TRACK RECORD

Under Pencak's leadership, SECO/SDI continued to work on development initiatives. With funds from HUD's Neighborhood Self-Help Development Program, they initiated a successful homeownership and rehabilitation program in the neighborhood of Madison, rehabilitating five vacant homes and assisting 53 households to buy homes within two years. SECO/SDI also began to branch out into a predominantly African-American neighborhood near Johns Hopkins Medical Center. Under contract with the city, SDI collaborated with Johns Hopkins and other neighborhood groups to create the Middle East Housing Center, which has rehabilitated and sold over 100 units of affordable housing to low and moderate-income families to date. In an area called Monument Street, SECO/SDI also mounted a successful commercial revitalization program that was modeled on its work in Highlandtown.

Despite its growing strength in development, SECO remained committed to providing human services. In order to reduce youth crime, its Youth Diversion Program provided counseling and recreational activities to young offenders. To deal with high rates of illiteracy in the area, SECO also initiated its Learning Is For Tomorrow (LIFT) program, which offers instruction in reading, math, and "life skills" such as problem-solving in family situations. Thanks to the success of these social service programs and its solid work in development, SECO built respect among city officials, including Baltimore's Mayor Kurt Schmoke, and other neighborhood-based groups throughout the city.

A CHANGE IN TIDE

Like many other community development organizations across the country, SECO was hard hit by the drastic funding cuts during the Reagan administration years. Fortunately, in part because it was not dependent upon federal programs such as Title VII (which favored CDCs serving predominantly minority communities), it was able to weather this difficult period of funding in the 1980s. Unlike some other CDCs, it had already been forced to create strong ties with local government to sustain its programs.

Today, Southeast Baltimore has become increasingly diverse in terms of ethnicity, race, income and occupation. To respond to these changes, SECO has reached out to numerous other Baltimore organizations, and has continued to live up to its reputation as a strong advocate on neighborhood issues. In 1986, SECO worked with two other community groups to launch a major support and advocacy network for parents whose children have been exposed to lead. Recently, it has been collaborating on an effort to combat growing problems of ethnic violence, and has been working with a waterfront coalition to preserve the affordability and character of Southeast Baltimore in face of development pressure generated by the Inner Harbor. Other recent initiatives include a neighborhood recycling program and the purchase and renovation of the historic building in which it had rented space for over fifteen years. This building now serves as a complex for several nonprofit neighborhood organizations, including SECO.

LOOKING TO THE FUTURE

SECO is nearing its twenty-fifth year of operation, and has much to reflect upon with pride. Although it has been unable to significantly alter major systemic problems such as unemployment, it has fulfilled many of the goals of a CDC. It has served as a forceful neighborhood advocate, it has made decent, affordable housing available to hundreds of low-income households in Southeast Baltimore, and it has built strong grassroots leadership that is capable of playing a meaningful role in the decision-making process. Recently, to reverse declining community participation in its programming (a problem that is common to many CDCs), SECO helped to initiate a neighborhood planning process in Southeast Baltimore. The product of this process is sure to be more than the Southeast Community Plan. It will be the ongoing empowerment of neighborhood residents who want to have a say in the future of their community.

SPANISH SPEAKING UNITY COUNCIL (SSUC)

Latinos in Oakland, California comprised a small but growing community in the 1950s. As a "minority of minorities" in a predominantly African-American city, one of their greatest challenges was getting attention and resources from the city's power structure to address their problems of poverty and lack of access to mainstream institutions. Although many Mexican Americans were legal residents who had been paying taxes for decades, they were often ineligible for basic public benefits. It was in this context that the Community Services Organization (CSO), a statewide Mexican-American coalition that was formed in 1952 with the help of community organizer Saul Alinsky, began to build a base of Latino leadership to deal with these issues. CSO's president Herman Gallegos and vice president Cesar Chavez were among the leaders who prepared the way for a tide of change in California in the 1960s. Drawing upon lessons from the civil rights movement, their strategies were to conduct house meetings aimed at mobilizing community residents, to organize major voter registration drives, and to fight for greater visibility of Latino issues. As Gallegos reflects, "You don't get change by just asking. You sometimes have to hit the streets. For Mexican Americans, this was a new experience — the idea of beginning to organize and assert your rights as residents and citizens."

UNIFYING LATINO LEADERSHIP

One of the most significant outcomes of this process was the formation of a network of institutions whose aim was to unify Latino leadership and attract critical resources to the barrios. Among these groups was the Spanish Speaking Unity Council (SSUC; originally called the Mexican American Unity Council), which was formed in 1964 to enable Latino groups to exchange ideas, discuss common problems and collaborate on common goals. Its underlying mission was to empower Spanish-speaking groups to bring about social change, as well as to preserve and celebrate Latino culture and heritage. During its first three years as an unincorporated umbrella for Mexican, Puerto Rican, Filipino, Colombian, Peruvian and other Spanish-speaking groups, SSUC persuaded the city of Oakland and the state of California to make a significant number of investments in new services and institutions for Latinos. The organization compelled the city to create the first Latino library in the area, convinced the Department of Unemployment to station a counselor at SSUC, obtained funds for an adult education program that provided instruction in English as a Second Language, and participated in numerous advocacy coalitions that brought attention to such issues as the need to extend old age benefits to legal residents.

BRINGING RESOURCES TO THE BARRIOS

Once SSUC became officially incorporated as a nonprofit organization in 1967, it was able to hire its first executive director, Arabella

Martinez, who had a background in social work and had helped launch and run the organization during its unincorporated stage. SSUC also began receiving grants from the Southwest Council of La Raza, an organization headed by Gallegos and funded by the Ford Foundation to provide support to emerging Latino

What we had to do was build institutions in which we would be providing jobs to Latinos. In that process, we were able to provide opportunities for people to learn how to be leaders.

— Arabella Martinez
Founding Executive
Director

groups throughout the Southwest. La Raza's grants enabled SSUC to provide "barrio sub-grants" to small, grassroots advocacy organizations in the Bay Area.

Under Martinez's leadership, SSUC became very successful in raising funds from sources outside of Oakland, where antipoverty grants were for the most part committed to groups serving the city's black population. One of SSUC's greatest early achievements was convincing the Bay Area United Way to include Latino groups among its grantees. This was significant because it not only benefitted SSUC, but other Latino, African-American and Asian-American community organizations that were in constant search of funding. Rather than enter into competition with groups serving an African-American constituency, SSUC's strategy was to expand the pot of desperately needed resources for all low-income, disadvantaged groups.

THE MOVE TO "HARD PROGRAMS"

During its early years, SSUC established a solid reputation as a community advocate. In addition to bringing resources into the barrios, it contributed to reform efforts in Oakland's public school system. It helped to negotiate agreements with the city to increase the number of Latino teachers, to provide more support for bilingual education and to create a greater number of preschool slots for Latino children. But towards the end of the 1960s, changes in funding priorities at the national level began to have a significant impact on SSUC's direction. As a result of the Tax Reform Act of 1969, which required private foundations to greatly restrict their funding of what Congress saw as political activity (particularly voter registration), many foundations felt compelled to rethink their support for community-based organizations whose sole mission was organizing and advocacy. At this point the Ford Foundation, among others, began to encourage what it termed "hard programs," which emphasized economic and physical development, along with the provision of social services. This focus on tangible products such as housing or jobs grew out of the foundation world's general concern about the need for measurable evaluation criteria.

The new emphasis on hard programs had immediate consequences for Latino organizations being funded by the Southwest Council of La Raza. Many of them felt that these programs would co-opt them into giving up their advocacy and social change mission. Martinez, however, saw the policy shift as a welcome opportunity. As she states, "For me, the issue of what the money was for wasn't that important. I liked the notion of housing and economic development because it essentially moved us from being another charitable organization to really being able to control economic resources." From her perspective, the most critical task for SSUC was to create job opportunities that would enable Latinos to develop leadership skills.

In pursuing its leadership development goals, SSUC realized that one of the greatest employment obstacles facing Oakland's youth was their lack of basic skills and education. Like many other cities across the country, Oakland was losing its base of blue collar manufacturing jobs. While literacy and other basic skills were becoming increasingly necessary in the changing job market, a growing number of Latino youth were graduating from Oakland's high schools without being able to read or write. To address this problem, SSUC launched a Neighborhood Youth Program in the summer of 1970. Within a couple of years, the program was serving over 1,000 youth of all races and ethnic groups. SSUC also launched a General Education Development (GED) program for high school dropouts, and continued to run adult education programs that provided instruction in English as a Second Language.

PURSuing PHYSICAL AND ECONOMIC DEVELOPMENT

In keeping with the idea that leadership development is most effective in the context of concrete programs, SSUC undertook numerous physical and economic development projects throughout the 1970s. Its first real estate development project was the renovation of a building in Fruitvale (its primary geographic target area) to house its adult education program. With the assistance of the Ford Foundation, SSUC also pursued several housing development projects, the first of which was Las Casitas, a 61-unit complex that was built in the neighboring area of Hayward. To ensure that its rents would be affordable to low-income families, the project made use of federal subsidies from the U.S. Department of Housing and Urban Development (HUD). Although SSUC eventually experienced problems in operating the project because these subsidies were not adequate, it was able to build a track record as an efficient, resourceful developer of affordable housing. With increasing financial and technical proficiency, SSUC became adept at piecing together financing for major real estate projects, including a facility that would house its own headquarters and a community center. Now that it had begun to undertake these types of development projects, SSUC saw itself as a community development corporation (CDC).

While pursuing specific real estate development projects, SSUC also initiated several economic development programs. In the early 1970s, it began to provide technical assistance to entrepreneurs, to help create financial institutions for Latinos and to make direct business investments. One of its most successful technical assistance efforts resulted in the creation of a Latino federal savings and loan association. SSUC's biggest regret was that it did not take a direct stake in the institution, and was therefore not able to benefit from its financial growth.

FROM THE BARRIO TO THE BOARDROOM

During the 1970s, SSUC's programs and budget grew tremendously. Its ability to place Latinos in key leadership positions in the public and private sectors also became firmly established. Joe Coto, one of SSUC's board members, was the first Latino elected to Oakland's City Council, and eventually became Superintendent of the Oakland public school system. Not long after leaving SSUC in 1974, Arabella Martinez was appointed as Assistant Secretary of the U.S. Department of Health, Education and Welfare under the Carter Administration. As Gallegos reflects, "here we were moving from the heels of protest — from the barrios to the boardroom, so to speak — and that's a very big transition to make."

The leadership transition that took place when Martinez left SSUC was fairly smooth, in part because she had been serving as a mentor to her deputy director, Henry Mestre, for several years. Mestre had first started at SSUC as a volunteer for its Neighborhood Youth Program, and had quickly gained skills and responsibility. Under Mestre's directorship between 1974 and 1981, SSUC continued to meet with success in a number of areas. It created a subsidiary, Parato Services Corporation, to run a demonstration manpower program that provided opportunities for hard-to-employ workers such as ex-offenders and welfare mothers to gain skills on the job. Within five years, the program had attracted \$5.3 million and had over 900 participants. Another one of SSUC's hard won achievements was the award of a planning grant in 1978 under the Title VII program of the federal Office of Economic Opportunity (OEO), enabling it to expand its economic development programs. During this time, SSUC also built its first elderly housing complex and continued to run its Neighborhood Youth Program.

A DECADE OF CRISIS

During the 1980s, SSUC experienced a series of crises that brought the CDC to the brink of disaster. When Mestre left the organization in 1981 to work for a new national intermediary, the Local Initiatives Support Corporation (LISC), the organization's problems began to escalate. It had started on a course of financial and organizational

instability when its OEO-supported economic development ventures, among them a child care center and a car rental franchise, suffered great financial losses. These problems were compounded by the fact that its social development programs were losing large amounts of money and had to be heavily subsidized. Many of SSUC's board members were representatives of social service organizations and were very reluctant to recommend cutbacks to these types of sorely needed programs.

Throughout the 1980s, SSUC continued to undertake increasingly complex and risky development activities. A major factor in its subsequent organizational crisis was the board's lack of adequate information, time or technical expertise to monitor these activities. In fact, the board did not get a true picture of SSUC's managerial and financial dilemma until it was almost too late. By 1988, SSUC had \$3 million in short-term debt, many of its programs were operating at a loss, and all of its properties were destined for foreclosure.

At this point, SSUC's current executive director was asked to leave, and the board was reorganized to include more representatives of the business and civic sectors. The community's confidence in the organization was at an all-time low. Mestre was asked to return as director on an interim basis, but after months of struggling to keep the organization afloat, the board considered filing for bankruptcy and closing down this critical Latino community institution.

BACK ON TRACK

During this tumultuous period, it became apparent that the greatest challenge in keeping SSUC alive was restoring confidence among funders and community members. SSUC's new director would have to be known to these groups, and would have to make a long-term commitment to the organization's survival. In 1990, after extensive debate among board members and in the community, Arabella Martinez was asked to return to SSUC. She agreed to either revive the CDC or shut it down with dignity. As she reflects, she was greatly concerned about seeing SSUC go into bankruptcy "because of the message it would send out to all kinds of people about whether Latino organizations could be trusted. Could they be managed properly? Was there any integrity?"

Since Martinez's return, SSUC has restructured its assets, reorganized its operations, and raised substantial amounts of money. To date, only one project has been lost to foreclosure, two have been sold to pay down debts and reduce monthly operating expenses, and one has been renegotiated as a limited partnership. After two years of hard work, SSUC once again had a positive fund balance in 1992.

More important, SSUC has renewed its commitment to its original mission of building community coalitions to bring about comprehensive social, economic and physical development. It helped found the Fruitvale Community Collaborative, a coalition of fifteen ethnically and racially diverse religious, social service, and business associations that involves community residents in efforts to address issues of crime, violence, graffiti and the need for positive youth activities. When the Bay Area Rapid Transit (BART) authorities proposed to develop a large commuter parking garage in the midst of a densely populated Fruitvale housing and commercial strip in 1990, SSUC saw a prime opportunity to mobilize residents to develop their own vision of the community's future. In collaboration with other groups, SSUC has helped the community to forge a plan to build a day care center, cultural center, health care facility and affordable housing at the site of the proposed parking garage. To encourage local business development, the plan includes a pedestrian plaza that would connect the BART station to a commercial strip.

With its organizational comeback well underway, there is now a great deal of optimism about SSUC's long-term viability as a community institution. By creating economic opportunities and providing essential social supports, SSUC is well equipped to continue nurturing the next generation of Latino leadership in its surrounding community.

UNITED DURHAM, INC. COMMUNITY DEVELOPMENT CORPORATION (UDI/CDC)

Despite the problems of racial oppression that were prevalent throughout the South in the 1950s, Durham, North Carolina's African-American community had a strong base of power. In addition to a network of black-owned and managed businesses and financial institutions that were known as the country's "black Wall Street," Durham had numerous colleges and universities that provided a quality education to the city's future black professionals. One of the community's most vital assets was its cadre of black leaders committed to bringing about social and economic change. During the civil rights movement, Durham was among the first cities to use sit-ins, street demonstrations, boycotts and other nonviolent protest strategies to break down the barriers of segregation and halt the practice of racial discrimination. One of its most successful campaigns for social justice, a boycott of Durham's white businesses, capitalized on the black community's economic power. As R. Edward Stewart, a participant in those early days of nonviolent protest recalls, "There was a movement to say, if we can't do things on an equal basis as whites, then we would not shop downtown."

BUILDING LEADERSHIP TO FIGHT POVERTY

The struggle for social justice in North Carolina during the early 1960s required more than breaking down racial barriers, however. It entailed a battle against poverty and an effort to build community leadership throughout the state. To support a statewide antipoverty initiative, the Ford Foundation and several funders based in North Carolina created the North Carolina Fund (NCF) in 1964. Its main purpose was to help redistribute resources and bring about civil rights and economic justice. Fortunately, North Carolina had a progressive governor, Terry Sanford, who supported and recognized the value of NCF's strategy of engaging local leadership in efforts to improve education, employment training, social services, transportation, housing, and health care around the state.

NCF launched its antipoverty initiative by inviting counties throughout North Carolina to develop plans for addressing their most urgent needs. From the pool of applicants, twelve were chosen to receive funding to establish what were called Community Action Agencies. These agencies eventually became the model for the type of programs that were supported by the newly created federal Office of Economic Opportunity (OEO). Through their boards, which were mandated to include a broad spectrum of community representatives, the Community Action Agencies were to foster what was to become one of the basic tenets of President Lyndon B. Johnson's War on Poverty — the "maximum feasible participation of the poor."

Soon after these agencies were formed, however, several of NCF's African-American staff members became concerned that the boards of the Community Action Agencies did not truly empower impoverished residents of the state. For the poor to exercise real power, they asserted, they needed to create their own organizations and have full control over resources. To address this concern, some of the NCF staff members devised a plan for creating a separate entity, the Foundation for Community Development (FCD). This new organization would identify and build leadership in impoverished African-American, Native American, and white Appalachian communities in the state, and would help them to capture and direct resources to solve local problems. Fortunately, the idea received a favorable response and financial backing from the directors of NCF, and the new entity, the Foundation for Community Development, was created in 1967. Its first director was Nathan Taylor Garrett, a member of the African-American community who had served as the comptroller for the North Carolina Fund and had helped develop the concept for the new foundation. One of FCD's most important contributions to the antipoverty effort in North Carolina was the creation of a cadre of leadership with the skills to mobilize people to address their own

needs and concerns. As Garrett describes, "People learned how to analyze situations, how to address a crowd, and how to plan a meeting so that you got out of it what you intended."

CREATING ECONOMIC ALTERNATIVES

Initially, FCD helped its grantees to organize around such issues as the need for improved housing, bus transportation, sanitation, health care, and other basic services. Soon after its formation, however, FCD's mission was broadened to respond to community concerns about the lack of economic and employment opportunities in its 12-county impact area. To forge a strategy for nurturing economic enterprises within the black community, FCD worked with several neighborhood councils and local business associations. With his background in accounting and finance, Garrett was able to find an innovative means of selling stock in the community to form a for-profit business corporation, United Durham, Incorporated (UDI), which would be owned and operated by low-income people. In 1968, the organization was capitalized with \$40,000 worth of Class A and B stock. The Class A membership was reserved for low-income residents of the neighborhood, and the Class B membership was reserved for people from the business community.

The concept behind UDI's creation was that it would help produce the goods and services that the African-American community was being asked to avoid buying downtown. As R. Edward Stewart, UDI's first executive director, points out, "If we were going to tell our relatives, friends, and neighbors not to shop downtown, the idea was to perhaps provide them with the basic needs of food, shelter, and clothing."

LAUNCHING THE FIRST ENTERPRISES

UDI's decision to focus on enterprise development was timely. On the federal front, OEO was making a significant amount of funding available for economic development in low-income areas. In 1969, UDI secured a Title VII grant from OEO to start up its first ventures, a modular housing production plant and a supermarket. The plan for the production plant was to build housing units and sell them to another OEO-funded agency, which would use the federal Section 235 homeownership program to turn them over to local residents at a low cost. Unfortunately, this venture encountered a number of problems. At first, the other agency was not pleased with the quality of the housing, and refused to honor its original agreement to buy the first 50 units. Once UDI finally managed to address its initial production and marketing problems, the federal Section 235 program was frozen by the Nixon administration, and it became extremely dif-

CDCs are natural in our society. They organize around economic interest, and that's acceptable and appropriate in our society. CDCs really have achieved legitimacy here in North Carolina because we've had such a long history with them.

— Nathan Taylor Garrett
Early Sponsor

icult to sell the homes as originally planned. Eventually, the organization was able to build and sell the homes to residents in five other states, and was even able to use several units to build a day care center in Atlanta. Many of UDI's housing units had to be sold at a loss, however. The supermarket venture, which was also created to address an urgent need in the community, ran into management and financial difficulties as well.

WATTS LABOR COMMUNITY ACTION COMMITTEE (WLCAC)

The Watts section of South Central Los Angeles has long been a symbol of urban distress in America. Currently, more than half of its residents are unemployed, and about one quarter of its households receive welfare assistance. Conditions in this predominantly African-American community were not much better in the 1960s. Because public transportation lines in Los Angeles did not service the area, many of its low-income residents had to walk at least one mile to the nearest bus route that would bring them to scarce jobs in other parts of the city. Racial discrimination, a high level of police surveillance, and numerous cases of police brutality were all causes of tension in the neighborhood. Another source of frustration among African-American residents was the fact that most businesses in the area were owned by whites who lived outside the community. Local residents had difficulty in gaining access to capital to operate their own ventures. At heart, the issues were the community's lack of control of resources, and its lack of power and representation in the city's political system.

COLLECTIVE BARGAINING FOR CHANGE

In 1965, members of the United Auto Workers (UAW) and other labor unions decided to apply their political muscle to the struggle for economic and social justice in South Central Los Angeles. Realizing that union organizing strategies could be very effective in forcing politicians to improve conditions in the neighborhood, they formed the Watts Labor Community Action Committee (WLCAC). Their mission was to empower residents to improve the economic, social and political environment of the community of Watts. Their leader was Ted Watkins, a prominent union member who had just been appointed as an international representative of the UAW. As he stated, "We felt that some of the same organizing capabilities, concessions and bargaining arrangements could be made with some of the politicians who supposedly represented this area."

Within a few months of the organization's founding, Watts and other neighborhoods in South Central Los Angeles erupted into five days of mass rebellion. The violent protest was sparked by a rumor of police brutality, and was fueled by immense frustration over discrimination and poverty. Although the riots took place throughout South Central Los Angeles, the public was left with the impression that Watts was solely responsible for the violence. Watkins and other leaders of WLCAC were concerned that this distortion of the facts was caused by the community's political vulnerability.

The first test of WLCAC's ability to strengthen the community's political voice occurred when a Los Angeles police officer shot a Watts resident who was rushing his pregnant wife to the nearest hospital, which was twelve miles away. This fatal incident became the rallying point in a major campaign to prevent the miscarriage of justice and to improve services in Watts. It also deepened WLCAC's resolve to channel the community's anger into constructive actions. Using their favorable status in the community, WLCAC's leaders were able to suppress a violent backlash and mobilize residents to advocate for a hospital in Watts. Drawing upon their collective bargaining skills, they convinced city officials to construct a facility that would provide desperately needed health care, while creating jobs for local residents. As a result of the success of this campaign, WLCAC became recognized as a legitimate community mediator. Today the Martin Luther King, Jr. Hospital serves as a major employer, health care provider, and center of economic activity in Watts-Willowbrook.

THE FUTURE GENERATION

In order to invest in the future of Watts, WLCAC initiated a number of programs for youth. For instance, one summer youth employment program focused on neighborhood beautification. Entitled Community Conservation Corps, this program paid participants to clear weeds and debris from vacant lots, to plant trees, and to build picnic tables and benches. Over a 15-year period, young people planted over 40,000 trees along South Central's streets, transforming rubble-strewn lots into vest-pocket parks.

One of WLCAC's most ambitious employment initiatives was the Saugus Center, a year-round residential retreat program that offered youth a refuge from the turmoil of the inner-city. Located in a rural town about 40 miles north of downtown Los Angeles, the program trained over 5,000 youth in auto mechanics, horticulture, carpentry, clerical work, paramedics, and other professions between 1968 and 1972. In order to prevent their dislocation from the community, participants stayed at the Saugus Center during the week and returned home on weekends. While the youth were back in the city, senior citizens were bused in from Watts for a weekend in the country. Unfortunately, cutbacks in federal funding under the Nixon administration forced the Saugus Center to close, despite its impressive success.

CONTROLLING THE DEVELOPMENT PROCESS

Over the years, WLCAC has been guided by a spirit of self-sufficiency and entrepreneurship. Its founding president, Ted Watkins, strongly believed that community residents should initiate and control economic activities in Watts. In 1968, WLCAC set up a separate entity, the Greater Watts Development Corporation, to help fulfill this aspect of the organization's mission. By serving as the general contractor for all of WLCAC's construction activities, the corporation makes optimum use of the economic activities that are generated by its development projects. As Watkins points out, what distinguishes this community development corporation (CDC) from others is that, "WLCAC has never put itself in the mode of being the sponsor. We have been the developer, owner and builder. We have also been the supplier of the materials that go into construction." By controlling various aspects of the development process, the organization is able to recycle dollars within the community and to provide job opportunities for local residents.

One of WLCAC's first innovative development projects was initiated in 1970 in response to the State's plans to construct a major freeway in the midst of a residential area. WLCAC was able to convince the California Department of Transportation to award the organization a contract to purchase and physically move the homes that were in the freeway's right of way. With a \$2.9 million low-interest loan from the Chrysler auto workers pension fund, WLCAC purchased vacant lots to relocate the homes that had been slated for demolition.

Our organization is an organization of workers. This has never been an organization that looked at how many degrees a person had. We formed this organization based on the what skills a person had.

— Ted Watkins
Founding President

Several years later, as the cost of hiring private movers became prohibitive, WLCAC secured a grant from the Ford Foundation to purchase used moving equipment and establish its own moving company, Tri-House Movers Incorporated.

Another major component of WLCAC's development operations is its Property Management Division, which was created to oversee tenant selection, rent collection, repairs and other services for its residential and commercial properties. It coordinates security, garbage collection, and landscaping services, and operates two home maintenance programs to assist homeowners, particularly elderly and physically handicapped residents, with the upkeep of their properties.

BUILDING MIXED-INCOME COMMUNITIES

One of WLCAC's major concerns has been the drain of the middle class from Watts. Over the past twenty years, its housing development projects have been designed to attract middle class families back into the area. By building mixed-income communities in which all residents have the same high quality of housing, the organization attempts to create an environment that enables people to live up to their potential. As Watkins explains, "We have tried to create a community that may have a person who is a doctor, lawyer or merchant living next door to a person on welfare... Our feeling has been, if we change the environment of the people who live in this community, we can change their whole being."

WLCAC's first new construction project, Franklin Square, produced 39 homes for low-and moderate-income families in 1973. Since then, the organization has constructed and rehabilitated over 500 units of housing for low and moderate-income families and senior citizens. In order to make homeownership possible for low and moderate-income families, WLCAC runs a program that allows people to purchase single family homes under a monthly installment plan. Over a twenty to thirty year period, WLCAC serves as the landlord and pays for utilities, insurance, and maintenance services. At the end of that period, tenants are granted free and clear title to their homes.

RECYCLING CAPITAL IN THE COMMUNITY

In addition to housing, WLCAC owns and operates several commercial properties and business ventures. During the early 1970s, these ventures included a gas station, restaurant, credit union, food stamp distribution center, seven-store supermarket chain and several convenience stores. In the 1980s, WLCAC began to enter into joint venture partnerships with private developers. For instance, it helped plan and now has 25% ownership in the Willowbrook Community Shopping Center. Through its training programs, it recruited and prepared local residents for jobs in the new shopping center.

One of WLCAC's most successful commercial projects is the 1-15 Home Improvement Center, which houses the organization's headquarters and numerous WLCAC-owned businesses, including building material and home improvement stores, a laundromat, and a food stamp distribution center. The 1-15 Center functions as a small business incubator for local merchants who find neighboring shopping malls too expensive for their operations. In keeping with its belief in continuously recycling capital in the community, WLCAC reinvests the proceeds from its business operations into programs that benefit local residents. "Our dollars basically turn over ten times. We are able to turn money over and build million dollar buildings," says Watkins.

A HELPING HAND

In recent years, Watts has seen a growth in its elderly population. In response, WLCAC has developed a number of programs for senior citizens, including meal delivery and home care for seniors who need special assistance but are not ready to move into nursing homes.

WLCAC also owns and operates 215 units of senior housing, and runs two senior citizens centers. In order to address longstanding public transportation problems in Watts, WLCAC operates a low-cost service that provides handicapped and elderly residents with door-to-door transport to senior centers, health care facilities and shopping centers.

Over the years, WLCAC has expanded its services to other populations. Like other communities throughout the country, Watts has seen a steep rise in homelessness. Therefore, in 1988 it started a program that provides emergency shelter, food vouchers, counseling and permanent housing placement to approximately 1,000 clients a year. It also runs a child care center and provides training in single-parenting skills. Because of the persistent problems of juvenile drug addiction and violent gang and drug-related crime, WLCAC continues to operate programs aimed at addressing the needs of youth.

STRUGGLING TO SURVIVE

One of WLCAC's strong points has been its ability to maintain a diverse base of support through public sector contracts and foundation grants. At one point, it had 35 different service contracts with state, city, and federal agencies. The government cuts of the 1980s had a devastating effect on the organization, however. When the Reagan administration slashed funding for training and employment programs, WLCAC's budget was drastically reduced by 80% over a three-year period. In the early 1970s, the organization's annual budget was upwards of \$20 million. By 1992, it had been reduced to \$5.9 million. At the same time, WLCAC has had to contend with steadily declining conditions in the neighborhood. Many large employers, including General Motors, Ford Motor Company, Goodyear and Firestone, have closed their plants and left South Central Los Angeles permanently. Despite WLCAC's numerous achievements, the problems of unemployment, homelessness and overcrowding and deterioration of public housing are on the rise.

RELIVING THE PAST

In April 1992, urban rebellion once again ravaged Watts and the rest of South Central Los Angeles. Unfortunately, WLCAC was not spared of the rampant burning and looting during the uprising. Its headquarters were destroyed, causing an estimated \$4.5 million loss. After years of work in the community, WLCAC's staff wondered what they could have done to prevent the violence. They have been forced to reassess their work and their ability to bring about broad-based change without the level of public investment that is needed to address the magnitude of the problem. As Louise Manuel, WLCAC's senior planner points out, "Where we have made life better for poor folks, we have done so against all the odds; and where we have not succeeded, or had our efforts thwarted, we have not had adequate resources to address the scale of the problems we face. The lesson is that CDCs can solve problems, given the proper and appropriate application of resources."

After the riots of 1992, South Central Los Angeles once again became the focus of public debate about the need for a national urban agenda. And once again, WLCAC began the process of rebuilding. Sadly, the driving force behind the organization's vision, Ted Watkins, passed away in 1993. Fortunately, he left behind a legacy of community empowerment that is bound to remain strong for years to come. Under the leadership of Terry Watkins, Ted Watkins's daughter and WLCAC's new president, the organization continues to work with the public and private sectors to spur investments in South Central Los Angeles. WLCAC's perseverance in the face of recent setbacks is a testimony to its commitment to the people and future of Watts.

THE WOODLAWN ORGANIZATION (TWO)

In the 1950s, racial discrimination greatly limited opportunities for advancement among Chicago's African-American residents. The previous decade had seen a huge influx of blacks from the South who were searching for economic opportunities in the North. While Chicago's African-American population boomed, its racial boundaries remained rigid, forcing thousands of blacks to live in segregated neighborhoods. The great demand for housing in these areas allowed slum landlords to subdivide apartments into ever smaller, more crowded rental units. As neighborhoods like Woodlawn on Chicago's South Side transformed from historically white to predominantly black, they began to experience disinvestment and rapid deterioration. Absentee landlords allowed their buildings to fall into disrepair. Local businesses sold low quality goods at inflated prices. City agencies cut back on essential public services such as education and transportation, and the physical infrastructure of the neighborhood began to collapse. Because they were systematically excluded from Chicago's firmly entrenched political machine, African Americans found it very difficult to use existing political channels to demand accountability from their local elected officials.

THE POWER OF COLLECTIVE ACTION

In face of the alarming physical, social and economic decay of their community, the residents of Woodlawn began to organize for change. In 1960, a group of religious and block club leaders brought together a coalition of over 100 neighborhood associations, religious institutions and civic organizations to fight against the forces of disintegration. Contrary to what many believed, Woodlawn had a number of organizational resources. As one of the group's leaders, Reverend Dr. Arthur M. Brazier points out, "The idea that black communities were disorganized was really a fallacy. They were not disorganized, they were unorganized." With the assistance of Saul Alinsky, a well-known community organizer, the Temporary Woodlawn Organization (TWO; later to become The Woodlawn Organization) began to lead a unified movement for self-determination. Its founding president was Dr. Brazier.

Throughout the early 1960s, TWO mobilized Woodlawn's residents to pressure merchants, landlords, city bureaucrats and others who were responsible for the neighborhood's blighted conditions to respond to their demands for change. By picketing and threatening boycotts against local stores, residents fought back against inflated prices and inferior products. And by demonstrating in front of the suburban homes of their absentee landlords, they forced building owners to make basic repairs. These small victories were important because they proved that low-income people could gain power through collective action. The significance of this process became apparent years later when oppressed urban neighborhoods across the country erupted into violent civil disorder during the Summer of 1967. Knowing that they had an alternative means of getting attention from those in power, the residents of Woodlawn did not

You were only likely to get a deal through if you had the power. If you did not have the power of the people, you were not likely to get anything. This was the reason for organizing. So when you spoke, you spoke for large numbers of people.

— Rev. Dr. Arthur M. Brazier
Founding President

feel compelled to express their frustrations through urban rebellion. As Reverend Dr. Leon Finney, TWO's second executive director, observes, "We had no riots here because we had already developed a legitimate means of redressing our grievances. The people trusted that vehicle and idea of TWO."

THE CAMPAIGN AGAINST DISPLACEMENT

TWO launched one of its most challenging advocacy campaigns in response to the University of Chicago's plans to expand its South campus into Woodlawn. Using Urban Renewal funds, the university wanted to clear a major strip of the neighborhood to create a new park and upper-income housing. In effect, the institution was attempting to establish a buffer zone against its surrounding low-income community. Having experienced what was termed "Negro removal" as a result of other Urban Renewal projects in the city, many of Woodlawn's residents were strongly opposed to the university's plan, especially because it did not make concessions for replacement housing. Fortunately, TWO was able to make use of the Urban Renewal program's community participation requirements to mount a battle against the university's plan. They were ultimately successful in negotiating a compromise agreement whereby the university agreed to cover the costs of relocating displaced families to new low-income housing in Woodlawn. Because it had established itself as the legitimate voice of the residents of Woodlawn, and had the power of people to back it, TWO became recognized as a major political force in Chicago.

THE FIGHT FOR EQUAL OPPORTUNITIES

To ensure that blacks had access to mainstream institutions, TWO was very active in the civil rights movement during its early years. One of its priorities was to advocate for the integration of housing and education in order to eliminate the inequities produced by segregation. As Dr. Brazier explains, "Our concern about integrating public schools was to get a piece of the pie. We felt as long as our kids were segregated, they were going to get hand-me-downs."

But TWO's leaders soon began to see the need to address another critical aspect of the problem — the economic barriers that blacks faced in their struggle for self-determination. As Dr. Brazier explains, "We recognized that no matter how much access we might have, unless people had jobs, unless people earned money, no matter what doors were opened, they would not have the opportunity to walk through them." To prepare African Americans to take advantage of the gains of the civil rights movement, TWO began to focus on employment. In partnership with its former adversary, the University of Chicago, the organization secured a grant from the U.S. Department of Labor to study the racial biases of common hiring practices such as job applications and tests. By arguing that these procedures posed unnecessary obstacles to the employment of blacks, TWO was able to gain federal support for a demonstration job training and placement program in 1964.

THE TRANSITION INTO SERVICE PROVISION

The creation of TWO's job training and placement program marked an important transition for the organization. Some of its members did not believe that TWO should begin to provide services because this new direction might compromise the organization's ability to continue conducting advocacy and organizing. But as Dr. Brazier reasoned, "just to continue advocacy and not think about the other social ills that affected the community seemed to be short sighted."

In the 1970s, TWO began to make use of federal funds to offer a range of social services, including prenatal and infant health care, Head Start early childhood development, and mental health care. Today, TWO operates a \$4.2 million social service network that reaches 7,500 people daily. One of TWO's primary concerns is helping people at an early point in the life cycle in order to prevent substance abuse, teen-age pregnancy, and infant mortality. The organization offers comprehensive health care, infant day care, substance abuse treatment and rehabilitation, AIDS awareness and outreach, job counseling and placement, and black adoption services. Through its Family Life Program, TWO addresses the psycho-social problems that result from poor health in low-income neighborhoods.

In 1969, under the leadership of Dr. Finney, the organization decided that its broadened programmatic direction required a change in structure. From its inception, TWO had operated as a federation of civic and neighborhood associations. The members of this federation comprised the organization's community base, and were represented on delegate committees that made policy recommendations on housing, crime, education and other neighborhood issues. As TWO entered the 1970s, the challenge was to create a new structure that would continue to hold the organization accountable to its community-based constituency, but would also address the concerns of its funders, who believed that advocacy needed to be kept distinct from other program areas such as social service delivery and development. TWO's solution was to create a separate entity, the Woodlawn Community Development Corporation (WCDC), for its physical and economic development activities. This development corporation would have its own board of directors, but was to remain accountable to The Woodlawn Organization's community base.

DEVELOPMENT AS A MEANS OF CREATING VIABLE COMMUNITIES

TWO was faced with a great challenge when the development corporation was formed in 1972. Woodlawn had lost nearly half of its population between 1960 and 1970. One of the ironies of the civil rights movement was that as the barriers to integration were removed, the social and economic infrastructure of African-American urban neighborhoods began to erode. Out of necessity, black communities had once been home to people with a broad range of social and economic backgrounds. Doctors and lawyers lived next door to housekeepers and welfare recipients. But once moderate and middle-income residents gained opportunities to escape the deteriorated conditions of inner city neighborhoods, many of them moved out. Increasingly, communities like Woodlawn became ghettos of the poor. Because of its great concern about these demographic trends, TWO/WCDC's leadership decided that its redevelopment strategy needed to focus on attracting middle class families back into the neighborhood. To achieve this goal, the organization began to search for ways to improve Woodlawn's physical and socioeconomic conditions. TWO/WCDC's ultimate aim was to make Woodlawn a viable, mixed-income community.

This redevelopment strategy proved controversial at times. By concentrating on bringing moderate and middle-income families into the neighborhood, TWO/WCDC could not always ensure that its programs had a direct benefit to Woodlawn's poorest and most desperate residents. In fact, some of its programs required the displacement of existing residents. Nevertheless, quite a few neighborhood residents felt that the drawbacks of this development approach were outweighed by its benefits.

Since 1968, TWO/WCDC has rehabilitated or constructed over 1,500 apartment units and homes for low and moderate-income families and individuals, senior citizens and physically and mentally disabled residents of Woodlawn. It pioneered the first mixed-income homeownership project in the country, proving that it was possible to create communities in which middle, moderate and low-income families choose to live next door to each other. Moreover, the CDC

has helped dispel the myth that whites are unwilling to live in predominantly black neighborhoods. Over the years, TWO/WCDC has built a strong reputation for being an efficient and effective manager of low-income housing. Recently, it was hired by the Chicago Housing Authority to manage and provide social services to two of the city's most troubled public housing projects.

Another aspect of TWO's redevelopment strategy has focused on economic revitalization. One of WCDC's first efforts was a small-business support program that provided technical assistance and access to outside financing for local enterprises. By the mid-1970s, however, the limits of this economic development approach in Woodlawn compelled WCDC to begin large-scale commercial real estate development, including a shopping plaza, movie theater and supermarket to spur economic growth and create jobs for neighborhood residents.

A COMMITMENT TO QUALITY OF LIFE ISSUES

Over the years, TWO has continued to serve as an advocate for quality of life issues in Woodlawn. In the 1970s, it conducted a series of studies on the Board of Education's budget, revealing vast inequities in the distribution of resources throughout Chicago's school districts. Drawing upon the organizing capabilities it developed in its early advocacy campaigns, TWO was able to create a partnership of teachers, students, parents and the Board of Education to improve public schools in Woodlawn. In 1976, it launched a major effort to revamp Woodlawn's Hyde Park High School, which had become a battle ground for local street gangs. Renamed the Hyde Park Career Academy, the school was transformed from one of the lowest-performing to one of the top eight in the city in just over a decade.

CATALYZING REINVESTMENT

TWO has always believed that an integral aspect of its mission is to increase confidence in the economic and social viability of its community. It has long been concerned about the consequences of disinvestment, which were evidenced when Woodlawn's only remaining financial institution, the Southeast National Bank, left the neighborhood in 1971. TWO has therefore made a conscious effort to transform the psychological perceptions of Woodlawn. The CDC's idea is to create enough positive change to instill confidence in the community by major institutions. As Dr. Finney explains, "At best TWO is a catalytic agent. If we catalyze reinvestment in the community, we don't have to do it all. The point is let others take it up after we've been on the point. And we're beginning to see that."

The success of TWO's revitalization strategy was illustrated by the building of a regional YMCA in Woodlawn in 1990. Despite intense competition from other, more affluent neighborhoods, TWO was able to convince the Metropolitan Y that Woodlawn was a viable site for its new facility. The Woodlawn Y greatly exceeded membership projections within the first few years of its operation. TWO also recently assisted a massive effort to overhaul Woodlawn's decaying public transit system. Through a partnership with the city, it helped create a \$56 million investment in transportation and related infrastructure in the neighborhood. Over the years, TWO has catalyzed a total of over \$113 million in public and private investments in Woodlawn.

THE ROAD TO RENEWAL

As TWO/WCDC looks to the future, it has reason to be optimistic about Woodlawn's economic, social and physical viability. Though it continues to face challenges inherent to low-income urban communities, the neighborhood has realized some breakthroughs in renewed growth and investment. After twenty years without a neighborhood bank, Woodlawn proudly observed a significant milestone on the road to renewal — the opening of the Cole Taylor Bank in 1993. Under the direction of Carole Millison, TWO's current executive director, TWO continues to build partnerships with the public and private sectors to improve the quality of life in Woodlawn.

ZION NON-PROFIT CHARITABLE TRUST (ZNPCT)

The abolition of slavery in 1865 removed the most obvious shackles of oppression from the lives of African Americans across the United States. Close to one hundred years later, however, blacks still faced great barriers to full emancipation. Persistent poverty was a more subtle, but no less real form of oppression. While the civil rights movement of the 1950s and early '60s was making impressive headway in eliminating some of the most entrenched forms of institutionalized racism, it still needed to achieve what Reverend Dr. Leon Sullivan saw as the key to true self-determination among blacks — economic emancipation. Rev. Sullivan had experienced poverty growing up in the small town of Charleston, West Virginia. In his early twenties, he had moved up North and become engaged in the struggle for social justice through nonviolent direct action. His mentors were civil rights and religious leaders such as A. Philip Randolph, Rev. Martin Luther King, Jr. and Rev. Adam Clayton Powell. Through this experience, he had become convinced that one of the greatest challenges facing blacks was the need to gain ownership of economic resources. As pastor of Zion Baptist Church in North Philadelphia, Rev. Sullivan set out to start the Progress Movement, a self-help effort that would lead to full economic emancipation among blacks.

LOAVES AND FISHES: THE 10-36 PLAN

Inspired by a well-known parable from the Bible, Rev. Sullivan decided to use the church as a vehicle for organizing the black community to consolidate its resources and build a community-owned economic base. In 1962, during one of his Sunday sermons, he introduced his congregation to his vision of self-help through community investment. "One day I preached a sermon at Zion about Jesus feeding the five thousand with a few loaves and a few fish," he recalls. "Everybody put in their little bit and you had enough to feed everybody, and a whole lot left over. So I said, that is what I am going to do with the church and the community. I said, I am going to ask 50 people to put \$10 down for 36 months of loaves and fishes and see if we could accumulate resources enough to build something that we would own ourselves." Although Rev. Sullivan had expected about 50 families to sign up for the 10-36 Plan, the response was overwhelming. Over 200 joined the plan that Sunday morning. His idea of bringing people together to invest in a community-owned enterprise had caught fire.

The concept of the 10-36 Plan was to create two separate legal entities. For the first 16 months of the subscription period, investors would contribute to the Zion Non-Profit Charitable Trust (ZNPCT), a community development corporation (CDC) that would support education, scholarships for youth, health services and other programs aimed at social uplift. For the remaining 20 months of the subscription period, investors would make payments to a for-profit corporation, Progress Investment

Associates (PIA), which would undertake income-generating projects. At the end of 36 months, subscribers would receive one share of common voting stock and would be entitled to participate in yearly shareholders meetings.

I've always felt that the church should have a pragmatic approach to human problems. It's the work of the church not just to get people into heaven, but heaven into people. Not just to keep people out of hell, but to get hell out of people.

— Rev. Dr. Leon Sullivan
Founder and Trustee

As William Downes, the treasurer of the 10-36 Plan and the executive director of ZNPCT explains, the idea of the voting system was to encourage community involvement in the plan.

According to Rev. Sullivan's philosophy, it was important for people to begin by contributing to the nonprofit side of the effort in order to develop a psychology of giving before receiving. It was also important for people to learn basic economic concepts and to see the 10-36 Plan as a long-term investment. Although stockholders were told that they would eventually receive a dividend, they were cautioned not to expect to obtain profits right away. Their most immediate monetary benefit would be a tax deduction for their contributions to the nonprofit. To participate in the 10-36 Plan, investors had to have faith in the idea of investing in a secure future for the next generation. Rev. Sullivan's vision was to use the tools of the free enterprise system to foster something that is vital to community progress — a sense of ownership and a stake in the common good.

LEVERAGING RESOURCES TO BUILD THE PROGRESS MOVEMENT

Funds accumulated rapidly under the 10-36 Plan, and were soon used to invest in numerous housing and economic development initiatives. In 1964, PIA made its first investment in an 8-unit apartment building in an all-white community. The rationale for buying this property was that it would help address a long-standing problem facing blacks — racial discrimination in housing. The leaders of the Progress Movement believed that money often has the power to speak louder than words in the struggle to improve race relations. One year after its first investment in housing, PIA built Zion Gardens, a middle-income garden apartment complex in North Philadelphia. The \$1 million project was financed by using 10-36 funds to leverage a loan from the Federal Housing Administration and a grant from the U.S. Department of Housing and Urban Development (HUD).

While pursuing these development projects, Zion continued to build an equity base through the 10-36 Plan. In 1965, the plan was opened to new subscribers from Zion's congregation, and another 450 joined. Over the years, the Progress Movement has had great success with its strategy of using equity accumulated under the 10-36 Plan to leverage funds from public and private sources, including commercial banks and insurance companies.

TRANSFORMING DESPAIR INTO HOPE

The Progress Movement was not limited to building a capital base in the black community. Soon after launching the 10-36 Plan, Rev. Sullivan began to focus on the need to remove the barriers that African Americans, particularly youth, faced in their search for employment. With the cooperation of 400 black ministers, Rev. Sullivan organized a selected patronage program that boycotted Philadelphia companies with a record of discriminatory hiring practices. Industry by industry, the campaign succeeded in opening new doors of opportunity for African Americans. But simply making jobs available was not enough. "I found that we needed training. Integration without preparation is frustration," Rev. Sullivan reflects. In 1964, Zion created the first of what was to become an international network of Opportunities Industrialization Centers (OICs), whose purpose was to train black youth in industrial trades.

Because of its symbolic value, Rev. Sullivan chose an abandoned jail house as the site for the center. The Progress Movement's leaders wanted to send the message that it is possible to transform a place of despair into a place of hope and opportunity. In keeping with Zion's self-help mission, Rev. Sullivan recruited residents of the neighborhood to help him renovate the dilapidated building with their own bare hands.

The OIC program proved to be one of the Progress Movement's most enduring successes. With technical assistance and machinery donated by local businesses, OIC trained black youth in electronics, plumbing, machinery, office support, and various other specialized trades. Thanks to the national attention it began to receive after a visit by President Lyndon B. Johnson, the Philadelphia OIC was able to secure significant federal support for its programs. One of the most important factors in its success was its link to Zion's various development activities. Because other initiatives launched as part of the Progress Movement created construction jobs, OIC trainees had opportunities to build their skills in the work place. For instance, OIC trained Philadelphia's first black plumbers and electricians by allowing them to gain practical experience on the Zion Gardens housing project.

Over the years, OIC has expanded into a large network of branches across the country. OIC of America, which is headquartered in Philadelphia and currently directed by Arthur Taylor, has prepared over one million people for the job market during its thirty years of operation. The OIC model has also been transported abroad. OIC International now has branches in Africa, the Caribbean, and Eastern and Western Europe.

THE BUILDING OF PROGRESS PLAZA

After establishing the OIC in the mid-1960s, Zion's next major undertaking was the fulfillment of Rev. Sullivan's dream of building the nation's first black-owned and developed shopping center. In addition to addressing his concern about the lack of black ownership of major businesses in America, the project would deal with the problem of unemployment in North Philadelphia by generating a substantial number of jobs. After convincing the city's Redevelopment Authority to donate land for the project, Rev. Sullivan set out to raise the capital needed to build the shopping center. "So I went to the chairman of the bank and I said, I want a construction loan," he recounts. "He said, well Reverend, you need some equity for something like this. Think about it and come back later in two, three or four years, and let's see what we can do." Rev. Sullivan was already prepared for that challenge, however. "Give me the sack," he told Zion's treasurer, William Downes. "I opened it up and \$400,000 worth of equities came out," he describes. "The man's eye glasses fell off his eyes. He came around the table and took my hand and said, Reverend, we can work together." Rev. Sullivan's theory about the power of money to deal with persistent racial inequalities was proving to be correct. As he concludes, "I found that \$400,000 makes a difference in race relations in America!"

Progress Plaza, which is located on Broad Street, one of Philadelphia's main thoroughfares, was dedicated in 1968 before a crowd of 10,000 well-wishers. In some sense, the shopping center was the culmination of the Progress Movement's multiple goals. Because it was a major construction project, it created a large number of construction jobs for participants in the OIC program. Through an agreement negotiated with Progress Plaza's chain store tenants, the shopping center also made numerous management job opportunities available to African Americans. To fulfill another one of the Progress Movement's primary goals — to encourage the development of black-owned businesses — ZNPCT created an Entrepreneurial Training Center at Progress Plaza. With major funding from the Ford Foundation, the center was able to offer managerial and entrepreneurial skills training to hundreds of area residents. Today, over half of the 16 stores in Progress Plaza are black-owned businesses.

Another one of the Progress Movement's major goals was to address the social needs of North Philadelphia's community residents. To this end, ZNPCT built a comprehensive Human Services Center that centralizes essential services so that they are easily accessible to area residents. Zion's role was to develop the property and lease it at below-market rent to nonprofit and governmental entities whose programs fulfill ZNPCT's charitable mission. Located adjacent to Progress Plaza, the Center currently houses a Social Security Administration office, an unemployment compensation office, a police training academy, and a health service center run by Temple University.

EXPANDING THE PROGRESS MOVEMENT'S ECONOMIC BASE

In 1968, Zion Baptist Church broadened the base of the 10-36 Plan by making it available to investors from the wider black community, and another 3,300 people subscribed. With this expanded source of equity, ZNPCT was able to acquire and lease property and invest in numerous minority-owned enterprises to further Zion's mission of economic development and job training and placement. With technical assistance from the General Electric Company, a training contract with the U.S. Department of Labor and a \$680,000 bank loan, Progress Investment Associates launched the nation's first black-owned aerospace enterprise. Over the next few years, Zion also went on to purchase and develop an industrial park, to create a construction company to enter into joint ventures with major contractors, to invest in a garment manufacturing enterprise, and to build a second shopping center in West Philadelphia. While some of these businesses eventually folded, a number of Zion's economic development ventures flourished, particularly its shopping centers.

CREATING DECENT, AFFORDABLE HOUSING

During the 1970s, ZNPCT continued to invest in real estate and serve as a catalyst in the creation of various Progress Movement-related entities. For instance, in 1974 Zion helped create a housing development company to save 120 HUD-assisted rental town houses that were in default on their loans. In keeping with the Progress Movement's belief in the importance of self-help and ownership, Zion came up with a plan to help the tenants of the Mill Creek housing complex to purchase and rehabilitate their homes. Zion's role was to manage the transition and help the homeowners to secure loans to rehabilitate their property. Today, Rev. Sullivan points to Mill Creek as a model of success in creating neighborhood stability and pride through homeownership. He also cites the creation of Opportunities Towers, a housing complex for the elderly and handicapped, as a major success in addressing the need for decent, affordable housing in North Philadelphia. So far, two towers have been built, and a third is in the pipeline.

ORGANIZATIONAL TRANSFORMATIONS

Since its early days as an active CDC with a direct hand in launching the Progress Movement's various community development initiatives, ZNPCT's role has diminished. Nevertheless, other entities created as part of the Progress Movement, particularly OIC of America, have continued to grow and play a critical role in advancing Rev. Sullivan's original idea of self-help through community investment. Recently, the long-term fruits of this concept have become very evident to the original investors in the 10-36 Plan. In 1991, these stockholders received their first dividend. What has been more important than this individual gain, however, has been the Progress Movement's ability to build a sense of community pride in ownership among its participants.

In 1988, after 38 years of service at Zion Baptist Church, Rev. Sullivan retired and was named Pastor Emeritus, thus allowing him to further his goal of building bridges between African Americans and the people of Africa. Today, he remains optimistic about the possibility of realizing his vision of a future in which all blacks around the world have the opportunity to benefit from the fruits of the Progress Movement. Despite his official retirement from Zion, he remains a tireless, active champion of that cause across America and throughout Africa.