Comprehensive Community-Building Initiatives: A Strategy to Strengthen Family Capital

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Comprehensive Community-Building Initiatives: A Strategy to Strengthen Family Capital

Background Briefing Report

by Elena Cohen, Theodora Ooms, and John Hutchins

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Introduction

American families living in distressed inner-city communities face dishearteningly severe problems that undermine their often tenuous ability to successfully provide for their members' basic needs. According to the Committee for Economic Development (1995), half of all residents of distressed urban neighborhoods live below the poverty level, with 36 percent of households receiving public assistance. Six out of ten households with children are headed by single women. Dropout rates approach 80 percent in some central city high schools, and the jobless rate among adult men in some communities exceeds 40 percent. The violent crime rate in inner cities increased an average of 33 percent between 1979 and 1989. These problems are compounded by inadequate housing in run-down neighborhoods with little economic or recreation opportunities. In 1989, among nearly 2.5 million inner-city, low-income renters nationwide, 60 percent lived in substandard housing or paid more than half their income for rent. Studies have shown that these interrelated problems reinforce each other, creating a climate of hopelessness and despair and making it harder for families to manage their lives.

Since the 1960s, community development initiatives have sought to improve the economic and environmental conditions of these inner-city neighborhoods. The hope was that by improving the infrastructure of urban neighborhoods — investing in physical and economic capital — poor families would gain the resources to improve their lives. Despite some successes, the failure of these programs to significantly change inner cities led to the realization that a "bricks and mortar" or "place" strategy was not sufficient. Consequently, a new approach emerged: comprehensive community-building initiatives that link "place" strategies with comprehensive "people" strategies to strengthen the social capital — the "communal glue" that holds society together through relationships among individuals, families, and organizations — of distressed communities. The recent report on these new initiatives by the Committee for Economic Development, *Rebuilding Inner-City Communities: A New Approach to the Nation's Urban Crisis,* attests to the interest this new approach is evoking in the corporate sector.

In this seminar and background briefing report, we move one step forward to explore the need to develop "family capital" in inner-city neighborhoods - that is, the attributes and skills that enable families to carry out their economic, social, and nurturing functions. Professionals in community development and family social services agree that strong communities are dependent on strong families and vice versa. Unfortunately, too often these two fields do not define the attributes of strong families or coordinate their efforts on behalf of the families and communities they both serve.

Part I of this background briefing report describes the characteristics and causes of distressed communities and their impact on families, and defines the concept of "family capital." In Part II, we offer a brief history of more than 30 years of policies and programs to revitalize inner-city communities. Part III recounts the effort to reform services for low-income children and families and make them more community-based. In Part IV, we detail the new community-building initiatives in the public and private sectors and point to some continuing issues of debate in the community-building field. Part V describes how the family services field is rediscovering a focus on community. Finally, in Part VI, we offer suggestions for building a stronger partnership between the community-building and family services fields around the idea of investing in family capital.

As the nation prepares for an expected reduction of the federal role in community development and social programs, collaboration among all who serve inner-city families will be critical. We hope that this seminar and accompanying report will contribute to a more deliberate and active dialogue between the community-building field and family service professionals.

I. The Community as a Context for Families

What Are Distressed Inner-City Communities?

(Sources: Bolton, 1994; CED, 1995; Kettner, et al.,1982)

The defining characteristic of distressed inner-city communities[1] is the simultaneous presence of multiple economic and social problems: poverty and joblessness, crime and violence, family instability and welfare dependency, and depressed property values and physical blight (CED, 1995). The Committee for Economic Development, in its recent report, *Rebuilding Inner-City Communities: A New Approach to the Nation's Urban Crisis,* described the situation this way:

> In these neighborhoods, the prevailing environment is often one of fear and despair. The sound of gunshots and the threat of violent victimization are everyday realities. Children aspire not to be doctors or lawyers but only to live to adulthood. Unemployment regularly surpasses 40 percent, and high school drop out rates may approach 80 percent. Less than 20 percent of households include two parents, a third are dependent on public assistance, and half live below the poverty line. Daily life is consumed by mere survival, and opportunities for a better future appear inaccessible (CED, 1995, p. 1).

These neighborhoods are qualitatively different from other (middle and upper income) urban and suburban communities where most of the residents have jobs, enjoy decent and stable housing, and have access to reliable transportation, and where businesses, banks, and other commercial institutions are available and eager to satisfy their customers.

The CED report offers the following statistical definition for distressed neighborhoods: those census tracks that are substantially above the national average simultaneously on the proportion of households headed by female single parents, the proportion of households receiving public assistance, and the prevalence of joblessness among adult males. According to this definition, in the 100 largest cities in the nation, distressed neighborhood are home to, on average, only 11.1 percent of urban populations. However, the proportion living in distressed neighborhoods exceeds 25 percent in eight cities: Detroit (47 percent), Flint (38 percent), Buffalo (33 percent), Cleveland (31 percent), New Orleans (29 percent), Newark (28 percent), Shreveport (27 percent), and St. Louis (25 percent). Nationwide, about 5.7 million persons — or 2.3 percent of the U.S. population reside in these neighborhoods. Research suggests, however, that for each neighborhood defined as distressed, two additional neighborhoods exhibit many of the same problems to a lesser degree, affecting an additional 17 million persons.

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[1]The term communities refers to "a locality or space, people or members, shared institutions and values interaction, distribution of power, and a social system" (Kettner, et al., 1985, p. 15). Usually the meaning of community is primarily geographic - that is, a local area, sometimes a local political division, such as municipality or a county, and sometimes a subdivision, such as neighborhood.

Causes of Urban Decay

(Sources: Ards & Mincy, 1995; Jenks & Peterson, 1991; Lipman & Seuser, 1995; Murray, 1984; Peterson, 1991; Skocpol, 1991; Wilson, 1987)

The relationship between community disintegration and poverty has been the subject of considerable debate. Many poor people live in communities that do not meet the criteria of "distressed." Similarly, many people who engage in activities endemic in distressed communities — like substance abuse, drug dealing, or child maltreatment — are not poor. A range of explanations for the causes of urban community decay have been offered, each implying different intervention strategies.

- Theda Skocpol (1991) argues that although the "deserving poor" — defined as the blind, deaf, and disabled — have a safety net program that provides for their welfare, the government has been reluctant to address the needs of the "undeserving poor" — those whom people believe could and should earn a living for themselves — and to incorporate marginal groups into the social and political mainstream. Inner-city community residents may be viewed as largely undeserving.

- Perverse government incentives. This theory, propounded chiefly by Charles Murray, suggests that the Great Society programs are the most important structural factor affecting inner-city culture. Murray claims that residents in distressed communities are reacting rationally to increased cash assistance, disability insurance, food stamps, housing subsidies, and other government aid to the poor, which all provide incentives to not work.

- Changes in the international and national economy. Scholar William Julius Wilson's studies have resulted in a highly influential thesis on the effects of the international and national economies on urban neighborhoods: The U.S. has moved from a unionized manufacturing economy to a more competitive service economy in which hourly earnings are falling while skill requirements are rising. Manufacturing as a portion of the economy has dropped from one-third to 14 percent today, even as its productivity is increasing. Today, more than three-fourths of the workforce is involved in other sectors of the economy, including the service, government, and education sectors. This fundamental realignment of the economy has had a disproportionate effect on urban minorities because of the loss of manufacturing jobs located in or near inner-city neighborhoods. As a result, the percentage of urban, working-age minority men who are employed in stable, reasonably well-paying jobs has fallen dramatically. Without decent jobs, men have little to offer as marriage partners, and, thus, the number of female-headed households has increased. These changes have been aggravated by the increasing social isolation of the inner-city poor caused by the outward migration of middle-class whites and blacks, who move to the suburbs in pursuit of better jobs, homes, and schools. This leaves a growing concentration of low-income minorities in inner cities without local places of employment, adequate public services, community institutions that support traditional family values, and successful adult role models - making them havens for crime, violence, drug addiction, and sexual promiscuity.

- David Rusk (1995), former mayor of Albuquerque, identifies three conditions responsible for the decay of certain urban communities: (1) urban sprawl, (2) concentration of poverty, and (3) the economic transformation of the U.S. economy from manufacturing to service industries. Rusk notes that since 1950 the U.S. has been transformed from a nation in which 60 percent of the citizens lived in central cities to almost exactly the opposite - today, 55 percent of Americans live in suburbs. As a consequence of this urban sprawl, Americans are increasingly segregated by class. The greater the rate of sprawl, the greater the rate of abandonment of core communities in both the central cities and the older, blue-collar suburbs. At the same time, an increased concentration of poverty has developed, particularly from the perspective of race. Because of tax policies, housing subsidies, and other economic factors, three out of four poor whites live in middle-class neighborhoods scattered around the metropolitan areas. However, two out of three Hispanics and three out of four blacks live in neighborhoods with high rates of poverty. Poor minorities are heavily concentrated in neighborhoods where poverty is a community condition.

What is the Impact of Distressed Communities on Families?

(Sources: CED,1995; Coleman, 1990; Crane, 1991; Gephart, et al.,1993; Jarrett, n.d.; Ooms 1991; Wilson, 1987)

Most scholars agree that living in homogeneously poor neighborhoods has negative effects on individual residents. Research confirms that many — but by no means most — high-poverty areas have high levels of welfare dependency, female-headed households, male unemployment, and school dropout rates.

Spurred by evidence of the growth of concentrated poverty in many cities and by William J. Wilson's (1987) conceptualization of the effects of concentrated poverty and disadvantage, scholars have tried to clarify the causes, effects, and relationships among a set of social conditions that have been associated with the term "urban underclass," including declining labor force participation, neighborhood deterioration, the spatial concentration of poverty and social dislocation, and the spread of crime and drugs.

The Social Science Research Council (SSRC) Program for Research on Persistent Urban Poverty, funded by a group of private foundations, established a research program to improve the knowledge base needed to design better policies and programs for the persistently poor in urban areas. In 1989, the Committee for Research of the Underclass of SSRC charged its Working Group on Communities and Neighborhoods, Family Processes and Individual Development with two primary tasks: (1) to conduct new analyses of existing quantitative and qualitative data to test hypotheses concerning the effects of poor neighborhoods on families and individuals, and (2) to develop new theory concepts and methods to improve future research on the effects of neighborhoods on human development. The following is a brief summary of the results of studies conducted by the SSRC Working Group that have linked both the geographic concentration of socioeconomic disadvantage and features of neighborhood social disorganization to negative outcomes for individuals and families (Aber, 1993; Chase-Landsdale, 1993; Gephart et al., 1993; Sampson, 1993):

- For adults, neighborhood impoverishment and social disorganization have been associated with increased male joblessness, lower earning potential for black males, and higher rates of adult crime.

- For infants and young children, neighborhood impoverishment and social disorganization have been associated with higher rates of infant mortality, low birth weight, and physical abuse — as well as lower IQs, poor school achievement, and increased behavior problems.

- For adolescents, risk factors associated with neighborhood disadvantage and disorganization include lower school achievement, more school dropout, higher rates of teen birth, and higher rates of delinquency.

- Several features of neighborhood socioeconomic composition have been found to affect family life negatively: neighborhood instability, high residential mobility, the absence of job-holding neighbors, and family disruption (which increases the risk of child abuse, cognitive impairment, school failure, and delinquent behavior). In addition, lower quality services and programs available in distressed communities increases the rates of health and developmental problems among children, teen births, delinquency, poor school reading performance, and high school dropout.

- The links between persistent urban poverty and crime still remain unclear. Some studies find direct links between poverty and crime, but poverty rates alone are not sufficient to explain the incidence of crime. Many studies indicate that the link is more complex, specifically that persistent urban poverty is linked to crime through its association with family disruption and community disorganization.

- The impact of poverty on family life is consistent throughout the life cycle and has intergenerational effects. The lack of access to health and educational programs exacerbates these problems, leading to low productivity by adults and increasing the likelihood of poverty and dependency in the next generation.

- Lack of access to jobs diminishes legitimate earning opportunities for youth and families and contributes to the attractiveness of gang activity as an alternative source of income. In distressed communities, few intergenerational job networks exist to help young people into stable employment. Diminished job opportunities mean fewer employed adult males in poor communities, which has affected family formation and removed an important source of social stability and supervision. Joblessness also increases family disruption, which is a contributing factor in predicting rates of criminal behavior and violence.

The relationship between distressed communities and poor outcomes for families can be examined from economic, social, and developmental perspectives — each with important implications for policies, research, intervention, and evaluation.

Economic: This perspective focuses on the role of financial resources and incentives in human capital formation. Poor neighborhoods provide fewer jobs and lower paying jobs, as well as few well-run and financed educational and service institutions. Because of the lack of economic opportunities and the declining price of low-skill labor, youth in poor neighborhoods come to believe that work does not pay. Economists speculate that distressed neighborhoods are not developing adequate “human capital” — that is, each individual’s level of educational attainment, which like financial or physical capital, is an asset that can be used to produce a desired outcome.

Sociological: A sociological perspective uses the concept of "social capital" to explaining the effects of poor neighborhoods on children and families. Social capital, a term first coined by James Coleman (1990), refers to the network of social relations that provides individuals with access to individual and organizational resources. Coleman shows how social capital helps create human capital, defined by economists as education and training inputs that result in individuals' increased productivity and earnings. For example, parent investment of time and attention in their children — helping them with homework, for example — pays off later in the child's graduation from high school. He argues that such parental investment is more likely to occur when families are embedded in a network of close personal relationships with other individuals and families in the community with similar values and norms. The concept of social capital, therefore, links together family and community relationships. With high residential mobility, ethnic heterogeneity, and family disorganization and instability, poor neighborhoods inhibit the development of dense networks of friends and parents of children and involvement with formal and voluntary organizations. The CED report (1995) also highlighted the lack of social capital in distressed communities, which it defined as the "attitudinal, behavioral, and communal glue that holds society together through relationships among individual families and organizations" (p. 3).

Developmental: Informed by Bronfenbrenner's ecological approach to understanding child development, developmental psychologists offer this explanation for the negative impact of poor neighborhoods on children: children develop in a nested set of relations, from microsystems that directly influence the child's development (e.g., family, peers, school) to mesosystems that indirectly influence the child's development via effects on the child's microsystems (e.g., parents' workplaces, peers' parents) to exosystems (institutions) to macrosystems (broad societal and cultural forces). Community impacts on children potentially operate at any of the four systemic levels and through a variety of processes that vary with children's stages of development.

The Concept of "Family Capital"

(Sources: Aries, 1962; Coleman, 1988; Connell & Aber, 1995; Dollahite & Rommel, 1993; Family Impact Seminar, 1995; Furstenberg & Hughes, 1995; Krysan, et al., 1990; Ooms & Preister, 1988; United Nations, 1992; Walsh, 1992, 1995)

Increased investment in physical, economic, human, and social capital will not be sufficient to improve distressed neighborhoods. Community-building initiatives must resolve to invest specifically in "family capital," that is, in the resources and relationships needed to create and sustain strong families. Individuals in the community should also be seen as members of families whose relationships (and rights, roles, and responsibilities) are validated, encouraged, and supported — rather than only as residents who need improved housing, potential workers who need jobs, consumers who need markets and loans, or citizens who need to become actively engaged in bettering their community.

Family capital represents the resources that a family develops to help its members function effectively: the capacity to master its developmental tasks, meet its social functions and responsibilities, and mobilize the formal and informal resources in the community. Family capital, which is in our view an important component of social capital, establishes the link between human capital (the resources of individuals) and the social resources of the community.

Several scholars have recently explored the role of family in the development of social capital as defined by Coleman. Furstenberg and Hughes (1995), for example, have studied the degree to which social capital within the family - in the forms of communication, trust, and a sense of shared responsibility — is related to families' access to available resources within the community, and how this, in turn, is related to various indicators of success in adulthood. Dollahite and Rommel (1993) distinguish between investments in individual capital (human capital), which can be made by the family itself or by persons or institutions in a family's environment, and relationship capital (social capital), which includes marital and familial capital. Drawing upon the family sciences to develop a model of the relationship between these concepts, they note that an additional outcome of investment in familial capital is increased satisfaction for individuals.

The Family Impact Seminar believes that investment in family capital achieves both economic and social goals: it increases individual productivity and builds stronger, more effective families. Strong, healthy, well-functioning families constitute the core component of strong communities and of a civil society. Society's primary interest in families rests on their ability to fulfill key social functions. When families falter or fail in their responsibilities, others must intervene at considerable social and economic cost. The primary business of families then can be described under the following four broad categories (Ooms & Preister, 1988):

1. Families provide individuals with their basic personal and social identity and capacity for love and intimacy.

2. Families are responsible for providing economic support to meet their dependents' basic needs for food, shelter, and clothing.

3. Families rear and nurture the next generation to be productive and socially responsible members of society. This includes promoting and safeguarding the health, education, and safety of children and instilling moral and social values in them.

4. Families provide protective care and support for their disabled, frail, ill, and vulnerable members of all ages who cannot care for themselves.

To create "strong" families, individuals must (a) acknowledge their family responsibilities, (b) have certain capacities, skills, and resources to fulfill them, and (c) be able to take advantage of the necessary supports and services available in their community. As they work to fulfill their responsibilities, families mediate the interactions among individual family members, their informal and formal systems of supports, and the larger social, economic, and physical milieu (including schools, health care systems, social agencies, and employers). The problem-solving skills families bring to these interactions are one component of their family capital.

Chart I, "Factors that Impact on Family Capital: An Ecological Framework," (see page 54) illustrates the relationship between families and family capital and the different environmental levels within which they are nested, including social capital, physical capital, community-based service systems, formal public institutions and services, and federal and state policies and programs. The chart also identifies the key elements of family and social capital.

For more than two decades, family scholars have conducted research to define the attributes of strong, effective families. Strong families are neither self-sufficient (in the sense of not needing assistance from others) nor are they problem-free. Rather, they have the skills to access resources they need to do their jobs and to resolve problems as they occur. Research shows that the key characteristics of an effective family — most of which are independent of race, class, and income — include (see Walsh, 1990):

- commitment and connectedness to each other,
- adaptability and flexibility,
- effective communication,
- a shared belief system,
- strong support networks,
- adequate basic resources,
- a religious or spiritual orientation,
- clear role definitions,

- mutual respect and sharing of responsibilities,
- and spending enjoyable time together.

Community-building initiatives should recognize that families are continually evolving. Families adapt and change over time as they master a predictable series of developmental tasks across the family life cycle, including the birth of the first child, onset of adolescence, or separation by divorce or death. If inadequate investments in individual, marital, and family capital are made at one stage of the life cycle, families may have inadequate social and economic productivity at future stages (Dollahite and Rommel, 1993). Indeed, family crises typically occur during the stress of major life cycle transitions. For instance, when a child reaches adolescence, all family members must be flexible enough to renegotiate roles, expectations, and responsibilities to help the teenager make a successful transition to adulthood. This flexibility is an example of family capital.

While the literature on social capital stresses the importance of the number of activities and the quantity of time spent with family members, the issue of quality of these interactions must also be addressed. Just as interactions among family members can promote growth, development, and personal satisfaction, they may also lead to stress, depression, violence, and despair. Similarly, the literature describes how a family's interactions with its community (including school, employment, social service, and health care systems) can foster success for its members, but it ignores the fact that these systems can also exacerbate stress and dysfunctional family relationships. Delinquency, child abuse, school failure, and homelessness, for example, may be the result of inadequate interactions between families and the resources or organizations in their environment.

Families in distressed communities who lack sufficient family capital are at high risk; the very characteristics of these communities — physical danger, economic instability, poor social networks, fragmented or nonexistent services — make the task of developing family capital all the more difficult. For instance, consider the case of Ms. M. and her children, a family confronting a not atypical situation in a distressed, inner-city community:

> Ms. M., an unmarried mother of two with good parenting skills, struggles to care for her children, often with the support of public assistance, but without the consistent help of her parents, friends, or other relatives. Her current boyfriend beats her on those days when he is high on drugs. Social services are inadequate. Money problems are constant, but she is unlikely to find steady work in her neighborhood. Ms. M. is depressed and suffers from low self-esteem because she dropped out of school, her relationship with her family is rife with conflict, and she's in danger of being evicted. Her children's father lives a marginal life on the edges of the community, alienated from her and disconnected from his children. He never established legal paternity and has long since stopped giving her any money or diapers for his kids.

Besides her good parenting skills and her deep love and concern for her children, Ms. M. and her family have little that could be defined as family capital currently available to them.

Just as simply engendering social capital cannot turn around inner-city neighborhoods, family capital is no magic bullet. Community-building initiatives are founded on the belief that resident families have unrecognized resources and strengths that can be mobilized to contribute to community betterment activities. However, without first strengthening family capital, family members will not be empowered to participate more actively in the community development activities needed to increase social capital.

A community with extensive family capital is one in which families set standards of behavior for their members and adults are available to each other for support as they carry out their family responsibilities, such as participating in children's learning or caring for vulnerable older relatives. The development of strong family capital can be a first step in confronting some of the barriers affecting the development of social and human capital.

II. Evolution of Policies and Programs to Rebuild Communities

The 30-year history of policy and program initiatives designed to address the crime, poverty, and physical and social deterioration of the inner cities is characterized by shifting perceptions about the causes and remedies of urban poverty. Traditional interventions to improve distressed neighborhoods involved education, counseling, improvement of the housing stock, and crime control, but, in more recent decades, such strategies of “social uplift” have lost favor among both the poor (who see them as patronizing) and the not-poor (who see them as expensive and ineffective).

Community Organizing Strategies

(Sources: Eichler, 1995; Kettner, et al., 1985)

These four models of community organizing (and various combinations of them) have guided interventions to address the problems of distressed communities:

- **Locality or community development.** Stresses self-help and the strengthening of an indigenous capacity to deal with community problems and needs. Broad community participation in identifying and solving problems and meeting needs is facilitated by a professional enabler. Community members work cooperatively to reach consensus about community problems and responses to them. Common interests of diverse groups are stressed, using educational strategies and leadership development.

- **Social planning.** Expert professionals guide a process of rational problem solving, influential members of the community have central policy roles, and consumers are relegated to client and recipient roles. Social planners gather and analyze data and projections, functioning as program planners and evaluators. Planners usually conduct studies, write reports, and offer recommendations.

- **Social action.** Seeks to restructure power relationships and change basic institutional arrangements. Working with oppressed or disadvantaged populations, the advocate /partisan organizer addresses issues of social, economic, and political inequity and injustice. Confrontation and negotiation are used to resolve issues that have been identified during the process of organizing the groups. This approach, first systematized by Saul Allinsky in Chicago, is reflected in today’s consensus organizing (see LISC, pp. 18, 27). Although the social action approach was confrontational, Eichler (1995) argues that traditional adversarial organizing is no longer effective for two main reasons: (1) the building blocks of neighborhood and work life — unions, social clubs, friendship networks, and civic associations — have declined or are disorganized, leaving impoverished communities without sufficient social capital to mobilize, and (2) there are few, if any, identifiable local “enemies” responsible for the array of problems confronting neighborhoods. Whom can communities rally against as responsible for concentrated poverty, low-wage jobs, and urban violence? Eichler proposes a consensus approach that emphasizes self-help and building linkages to public, private, and nonprofit organizations in the community. The priority becomes helping disadvantaged groups gain greater control over their lives by fortifying linkages with corporations, metropolitan area development agencies, and federal, state, and local governments.

- **Social reform.** Similar to the social action model except that decisions are made by persons outside the oppressed or disadvantaged group. Such advocacy on behalf of a disadvantaged group has historical roots — upper- or middle-class reformers have long sought to improve the conditions for the less fortunate. The current manifestation of this approach is the movement to reform publicly funded child and family services. However, these systems change initiatives — although conceived, led, and funded from the top -promote bottom-up change by building in community decisionmaking as the critical change agent.

Policies and Programs to Revitalize Communities, 1950s-1980s

Federal and private sector housing and community development policies during the last four decades can be divided into three types: urban renewal, community development, and economic development. (See Chart II, "Selected Landmarks in Community Development History," p. 55.)

Urban Renewal

(Sources: Halpern, 1995; Lemann, 1994; Newman, 1993; Rich, 1995)

Efforts to redress poverty during the 1950s adopted two primary strategies. The first was the careful administration of public relief in the form of monetary assistance. Limiting the availability, amount, and duration of relief was thought to be the best way to force people to seek and hold jobs. The second strategy was urban renewal, which came to mean clearing, rebuilding, and reviving central city business districts and building massive public housing projects in poor and working-class African American (and, to a lesser extent, Hispanic) neighborhoods. Urban renewal and public housing policies resulted in two unintended consequences, however: (1) territorial segregation and (2) the destruction of hundreds of viable neighborhoods with their webs of relationships, institutions, and social support built up over decades.

Two major top-down, neighborhood-based urban renewal initiatives provided the impetus for later community development initiatives: the Ford Foundation's Gray Areas Program (in Boston, Oakland, New Haven, Philadelphia, and Washington, DC) and Mobilization for Youth, originating at the Henry Street Settlement in New York, with funding from the National Institute of Mental Health and other federal agencies, the Ford Foundation and the City of New York. Both included a focus on social services. The New Haven Community Progress, Inc., for example, pioneered the Community School concept, in which schools are kept open in the afternoons and weekends for community programs and activities.

Assumptions of urban renewal programs: (1) Substandard housing and blighted conditions are linked to a range of poverty-related conditions (like health problems, for instance), and (2) removal of slums and blight would create conditions for urban real estate market regeneration and provide an important boost to local property tax receipts.

Lessons learned: (1) Low-income housing is unlikely to be built without either program requirements, incentives, or both; (2) the dual goals of commercial development and low-income housing development are difficult to achieve; and (3) strategies designed by city bureaucracies minimize the participation of neighborhood residents in program planning and governance.

Community Development

(Sources: Cuomo, n.d.; Halpern, 1995; HUD, 1995; Gittell & Vidal, 1995; GAO, 1995; Lemann, 1994; Sullivan, 1993; Vidal, 1992, 1994)

In the early 1960s, the responses to the multidimensional problems of poor communities was categorical or problem-specific. For example, housing agencies funded housing production, managed a portion of the stock and provided rental assistance; police departments fought crime; and welfare departments provided income maintenance. Increasingly, as the problems confronted by low-income families were recognized by policymakers as multidimensional, community development strategies developed to impose better coordination on an otherwise fragmented public service system.

The initiatives of the 1960s were also shaped by the larger social movements of the era: the federal War on Poverty, the civil rights movement, and the growing sense of militancy among ghetto residents themselves. Renewing deteriorating neighborhoods and opening up routes into the mainstream for ghetto residents had strong appeal in this social and political context.

Community Action Programs (CAP)

Established as part of President Lyndon Johnson's War on Poverty, CAP provided federal funding to local community action agencies (CAA) to redirect a wide range of federal, state, local, and private resources in a comprehensive attack on poverty. Services were not aimed at arresting the fiscal decline of cities; instead, the focus was on social services and job training. By including preschool education, compensatory education at the elementary level, and various youth programs, the program sought to disrupt what was presumed to be a self-perpetuating cycle of poverty.

Specific programs included under the CAP umbrella included Head Start, neighborhood health centers (later renamed community health centers), neighborhood service centers (later called multiservice centers), and community mental health centers. These neighborhood-based services served all community residents rather than selecting individuals out according to special diagnoses or labels; employed community residents in direct service and auxiliary roles and as partners or advisors in policy setting; reached out to isolated, overwhelmed, or distrustful families to bring them into community life; defined their role as mediator between families and the large public bureaucracies; and provided an array of services within one program.

Assumptions of community action programs: (1) The voices of the neighborhood poor were not being heard in city government, and (2) CAAs can effectively represent the views of the poor.

Lessons learned: (1) "Bottom-up" approach may not be the most effective method for coordination, and (2) despite the rhetoric about "maximum" feasible participation of the poor, their participation occurred only on the periphery as "advocates" and "advisors" or as operators of optional programs outside the primary health, education and welfare systems.

Model Cities Program

This program, created by federal legislation in 1966, channeled federal aid to neighborhoods through specialized city agencies. The program's goal was to attack all city problems comprehensively and simultaneously. The program sought to rebuild deteriorated neighborhoods in selected cities by coordinating the array of resources from assistance programs at all levels of government, particularly in housing, education, health, and transportation. Model Cities attempted to unify these services into an interrelated system. The program was administered by city demonstration agencies as an integral part of city administrations.

Assumption of the Model Cities program: It is possible — and necessary — to attack all of a neighborhood's problems simultaneously.

Lessons learned: (1) Where city demonstration agencies cooperated with CAAs, citizen participation in neighborhood planning appeared to work well, and (2) the example of local flexibility exercised in accordance with overall national objectives offered a workable alternative to categorical approaches.

Community Development Block Grant Program (CDBG)

In 1974, Congress consolidated seven community development categorical grant programs into the CDBG. CDBG departed from the previous Urban Renewal and Model Cities programs by "entitling" cities and counties to a block of community development funds to be spent at local option within broad guidelines established by Congress.

CDBG became the federal government's largest community and regional development program.

The programs funded from CDBG tend to emphasize small scale activities: housing rehabilitation subsidies support renovation at relatively modest levels, and business assistance overwhelmingly supports small businesses, particularly minority-owned. Programs funded from CDBG tend toward "bricks-and-mortar" programs — that is, building or reconstructing housing stock.

Lessons learned: (1) CDBG has played a critical role in local housing and community development efforts and has had a measurable impact on cities and neighborhoods. Block grant funding mobilized other resources to support housing investments, public facilities and services, and business assistance programs that probably would not have occurred in the absence of the CDBG program. (2) CDBG funded investments have been successful in stabilizing and revitalizing urban neighborhoods, given sustained and targeted spending at significant levels over time. (3) An ongoing tension exists between the popularity of homeowner assistance programs and the less popular anti-poverty programs serving very low-income populations in some cities.

Economic Development

(Sources: CED,1995; CRS, 1993; Halpern, 1995, Lemann, 1994,1995; NCCED, 1991; Rich, 1995; Sullivan, 1993; Vidal, 1992)

The strategy of community economic development emerged out of the growing conviction among inner-city community leaders that the economic renewal of their communities was of little concern to the private sector or to the government. In a number of communities, community economic development was also motivated by an immediate concern that the anger being expressed in urban riots — as often turned inward as outward — had to be redirected into constructive activity if inner-city communities were to survive.

To some leaders in inner-city communities, economic development was viewed as an end unto itself: strong communities would strengthen their residents' pride of place and create a kind of parallel opportunity structure as well. To others, the economic development of their communities was a necessary step in their journey toward entering the mainstream from a position of strength. Regardless, the goal was to take the economic and social redevelopment of their communities into their own hands. The major problems that these leaders confronted were redlining by banks and insurance companies, loss of thousands of manufacturing jobs, the outmigration of the middle class, and the resulting spatial concentration of poor minorities with few skills.

Community Development Corporations (CDC)

Community Development Corporations (CRCs), the principal vehicle for community economic development, grew out of community organizing in the latter half of the 1960s. CDCs are private nonprofit organizations that focus their efforts on specific distressed geographic areas. As originally envisioned, these groups emphasized economic and physical development as well as social service delivery. Their boards of directors were composed of local residents and representatives of concerned businesses and institutions.

The Office of Economic Opportunity of the Department of Health, Education and Welfare (DHEW) began funding CDCs in the late 1960s through Title I-D of the Economic Opportunity Act, the Special Impact Program (SIP). SIP was designed to spur business development in inner cities as well as to support local infrastructure renewal. The first generation of CDCs (about 150) focused on the development and the management of large and small commercial projects, including creating the physical infrastructure for business enterprises and small- to medium-size manufacturing operations. They also developed and rehabilitated housing. The boards of these early CDCs tended to view their mission broadly as addressing not just the lack of affordable housing but a range of community problems from deteriorated physical infrastructure to lack of access to health care, from poor schools to the decline in youth-serving organizations in the ghetto. Many CDCs pressed city governments to reinvest in "public goods" — sidewalks, street lights, garbage collection, police protection. Most CDCs provided at least some social services.

The viability of the first CDCs was uneven, depending on their community and corporate support and the strength of their management. CDCs became an unprecedented mechanism to provide minorities the opportunity to control and manage investment capital. In the area of housing, which soon became the principal CDC activity nationwide, CDCs learned the hard-won lesson that it is fruitless to build or improve housing if the arrangements and supports necessary for maintaining new and improved housing are not developed.

The second generation of CDCs (from the 1970s to mid-1980s) emphasized progress of individuals — especially minority entrepreneurs — versus the community as a whole. The assumption was that individual success would spill over into the community at large. During this same period, CDCs experienced a precipitous decline in federal support for core operating expenses, which meant fewer staff and an even greater tendency to play only a 'brokering" role in their various projects. Housing rehabilitation became the central activity of most CDCs (and the only one for several of them), followed by commercial real estate development and business enterprise development.

In recent years, community economic development has meant ideals and strategies that build on lessons learned from CDCs. The use of zoning exceptions, business and building code waivers, and tax breaks to stimulate investment in inner cities has been spreading. CDCs have sponsored a variety of alternative forms of financial organization. For example, the Community Loan Funds (CLFs) — also called revolving loan funds — are lent money (capitalized) at very low rates by individuals, church organizations, foundations, and others. These CLF organizations lend the money, in turn, to carefully screened projects within a defined community area. Technical assistance is usually provided with each loan.

By the early 1990s, the number of CDCs nationwide had grown to an estimated 2,0002,500, operating in every state and region of the country, although heavily concentrated in the older, industrialized cities of the Northeast and Midwest. CDCs vary considerably in size and resources. One of the largest and best-known is the New Community Corporation in Newark, New Jersey, which controls $200 million in assets and has more than 1,200 employees. But the typical CDC has an annual budget of around $700,000 and a staff of about seven (Vidal, 1992). About 80 percent of CDC activity focuses on developing low-cost housing; by 1990, CDCs had developed over 300,000 units of affordable housing.

Lessons learned: CDCs have proven to be both a fragile and a vital strategy. While their achievements in creating low-cost housing have been substantial, CDCs have not been able to reverse the basic process of economic decline in the most isolated and disadvantaged inner-city communities. It is difficult to create even a few jobs and businesses in communities that have lost thousands of businesses and hundreds of thousands of jobs — just as it is nearly impossible to sustain private housing markets in the poorest and most isolated neighborhoods.

The CDC experience has served to illuminate the interconnectedness of different spheres of community life — the physical, economic, social, and educational. At the same time, the implementation of CDCs has illustrated how difficult it is to figure out what to do about interconnectedness. Finding ways to get individual initiatives - like social services, housing, and business development — to reinforce each other in an additive fashion is a challenge.

Most CDCs remain inadequately supported and underutilized community development resources, with only modest institutional stability. Most also have low visibility — especially in the private sector — although they enjoy strong support in their neighborhoods. In the absence of an identifiable federal program to support CDCs as institutions, intermediaries like the Local Initiatives Support Corporation (LISC), the Enterprise Foundation, and the National Community Development Initiative have had to fill the void. There remain too few states and communities in which governors, mayors, and private sector leaders understand how CDCs can be integrated into comprehensive economic and human development. In particular, city governments must view CDCs as catalysts for community economic development as well as providers of services.

Intermediary Organizations Supporting Community Development

As federal involvement in community development declined and private participation grew, entities known as intermediaries evolved to provide CDCs with financial and technical assistance. In 1979, the Ford Foundation created the Local Initiatives Support Corporation (LISC), a national intermediary set up to provide grants, loans, and technical assistance to nonprofit community development organizations. The Enterprise Foundation — another prominent national intermediary, funded by the Ford and Casey Foundations, among others — has focused on strengthening nonprofit housing development groups and local housing development groups, forging local housing partnerships, and helping local groups link needed services with housing. Enterprise also promotes creative approaches to community development.

National intermediaries possess advantages of scale that allow them to give local groups access to tax credits, corporate equity investments, secondary mortgage markets, and lenders' commitments. For example, the National Equity Fund — a subsidiary of LISC — and the Enterprise Foundation (through the Enterprise Social Investment Corporation) use the federal low-income housing tax credit to raise capital for community organizations. Local intermediaries also support community organizations by creating support systems, helping to arrange financing, and providing training and other technical assistance.

Another smaller organization functioning as an intermediary is the National Puerto Rican Coalition, Inc. (NPRC). NPRC's Community Development and Training Department coordinates a variety of assessment, training, technical assistance, and pass-through funding activities to support community development initiatives serving Puerto Rican and other Latino populations in Puerto Rico, the U.S. mainland, and the U.S. Virgin Islands. Their initiatives include HUD Consolidated Technical Assistance funds to provide technical assistance for the Supportive Housing, HOME, Community Housing Development, and Community Development Block Grant programs. LISC has supported NPRC linking their community development and training activities in Connecticut, Philadelphia, Newark, New York, and Washington, DC. The Fleet Banking Corporation has begun to access capital for Puerto Rican/Latino nonprofits in New England, New York, the District of Columbia, and Maryland.

Enterprise Zones

Enterprise zones are an example of a low-cost, revitalize-the-ghetto approach using tax incentives. During the 1980s, enterprise zones were the dominant new anti-poverty program; economically distressed areas were given special tax breaks to encourage business, job creation, and economic growth. Part of popularity of the concept undoubtedly came from the fact that it required no new expensive federal programs.

Most enterprise zone programs feature tax incentives, usually state income tax credits. For example, in Ohio, localities were authorized to provide a local property tax abatement of up to 100 percent to zone businesses. Businesses in the Watts zone can qualify for a 25 percent discount from the Los Angeles water and power utility. However, state and local policymakers and administrators slowly began to look at enterprise zones as a useful targeting mechanism for a wide variety of economic development measures.

Proponents of enterprise zones argue that they allow resources to be targeted into particular areas rather than having them spread thinly to obtain political support, as is more commonly the practice with other community development initiatives. They unite business, local government, and neighborhood activities together in pursuit of the same goals - a modest achievement perhaps, and difficult to measure in dollars and cents, but some believe the single most important result that enterprise zones have achieved.

The first federal program of enterprise zones was technically created by Title VII of the Housing and Community Development Act of 1987 (P.L. 100-242), but it was never implemented. However, after the 1992 riots in Los Angeles, this type of program appeared to be the fresh approach needed, and it was strongly promoted by then-Secretary of HUD Jack Kemp. The Administration and Congress quickly put together legislation, but, afraid that he would be accused of breaking his "no new taxes" pledge, President Bush vetoed the bill. (The strategy was to re-emerge, however, in 1993 as part of the Empowerment Zones and Enterprise Communities program, see p. 31.)

Lessons learned: The enterprise zone concept elicits considerable debate around the following issues:

- Whether tax incentives really motivate business location decisions. Business location decisions are based on many economic and social factors and effective tax rates are only one variable businesses evaluate in making location decisions — and probably not the most important.

- Whether the zones promote new economic activity or merely encourage the migration of existing economic resources from one area to another. If businesses are locating in enterprise zones that otherwise would have operated elsewhere, there is no net economic gain or business investment from a macroeconomic perspective.

- The extent to which any economic activity that does take place actually benefits zone residents and the community.

III. Reforming Services for Low-Income Children and Families

(Sources: Bolton, 1995; Dunst, 1995; Hara & Ooms, 1995; Kusserow, 1991; Marzke, et al., n.d.; National Commission on Children, 1993; Ooms & Owen, 1991; Schorr, 1989)

By the early 1980s, local social service programs began confronting large-scale changes in the demographics of the low-income, inner-city populations they served — including increasing rates of female-headed households and growing racial and ethnic diversity — and responding to new social problems — including cocaine-addicted babies, AIDS, and increased rates of youth violence, child abuse and neglect, and child and family poverty. As the existing patchwork of categorical service programs were quickly overwhelmed, a growing consensus formed among providers about the need to reform service delivery systems. In a wide range of fields — maternal and child health, child welfare, mental health, juvenile justice, and early childhood — more comprehensive and coordinated service approaches began to develop. These efforts sought to strengthen families and improve the level of family capital available to distressed communities.

Lee Schorr's influential book, *Within Our Reach: Breaking the Cycle of Disadvantage* (1989), summarized the lessons learned from innovative, comprehensive, community-based service demonstration programs she visited around the country. Observing that many of these programs shared certain features in common, Schorr concluded that interventions targeting poor children are successful only when: (1) they offer a broad spectrum of services that cross professional and bureaucratic boundaries, (2) staff members and program structures and rules are flexible, (3) children are viewed in the context of their families and families in the context of their surroundings, (4) staff are skilled and committed, (5) programs are coherent and easy-to-use, and (6) professionals working in the programs are able to redefine their roles to respond to severe, often unarticulated needs.

While many of the service reform initiatives owed their impetus to the vision of several key private foundations, several new innovative federal programs were moving state and local systems in the same general direction — most notably the Center for Mental Health Services' Child and Adolescent Service System Program (see Hara & Ooms, 1995) and the Administration for Children and Families' Family Preservation and Support Services Program. While each reform initiative adopted different approaches, strategies, and tools depending on the service sector they represented and their reform goals, all were guided by the same reform mantra: "community-based, family-centered service coordination and integration" (Ooms & Owen, 1991).

The following are the central features of the new services paradigm being promoted within the systems reform movement:

- Services are offered to a broad geographic population rather than only for specific diseases, needs, or conditions.
- A comprehensive array of services is available from community-based family support networks to intensive services for families in crises.
- Services are co-located (a single point of entry) whenever possible in or near the community.

- Programs focus accountability on results achieved rather than on the number of activities performed.

- New governance mechanisms are developed (at federal, state, city, or local levels) that consolidate leadership and decisionmaking across program areas, negotiate new roles among service providers, and reexamine whether services are improving outcomes. Citizens and consumers are involved in these governance mechanisms.

- Services provided to individuals or families are coordinated so that they reinforce and complement each other.

- Services are family-centered and family-friendly: families are partners in the services delivery; services build on family strengths and resources and respect family choices, responsibilities, and diversity; and the family unit is empowered and strengthened to preserve its integrity.

While service system reforms are aimed at broad populations, many are targeted to low-income, urban neighborhoods. Typically, poor, inner-city families are rendered powerless by their entanglement with various private and public agencies. In the growing literature on family-based sources for the poor, empowerment is the most important goal (Minuchin, 1995).

Service Reform Technical Assistance Intermediaries

While the philosophical components of the new service reform vision have achieved wide consensus, implementing the reform requires many changes in the financing, governance, rulemaking, administration, data systems management, and training of managers and front-line staff. Several private and public sector organizations have received federal and foundation funding to promote reform, and provide monitoring and evaluation services and other technical assistance to community-based efforts. They include the National Center for Services Integration, Family Resource Coalition, Center for the Study of Social Policy, the Head Start Bureau, Harvard Family Research Center, and many others.

Assumptions of service reform intermediaries: If service systems and practices are redesigned, child and family outcomes will improve, services will be more cost-effective, staff will be more productive and satisfied with their work, families will be empowered, and communities will be strengthened.

Lessons learned: In general, those involved in these reforms remain convinced that the overall goals remain sound, but they have become more realistic about the complexity and magnitude of the challenges involved in building on the lessons of small demonstrations to institutionalize radical change on a larger scale. Since many of these reforms are still being implemented, it is premature to come to any final judgment about what their effects will be. However, early lessons have been reported:

- While federal service integration initiatives have succeeded in making services more accessible and responsive to clients in the designated communities, they had little institutional impact on a fragmented system (Kusserow, 1991).

- Most collaborative arrangements preserve the control and authority of different agencies. Bringing several weak programs closer together may be progress, but is not likely to produce systems change (Bolton, 1995).

- Community based programs are relatively powerless in reducing fragmentation within the large public service system other than through informal brokering, coaching, and advocacy. Institution-based programs remain constrained because eligibility requirements and funding streams remain attached to individual services, and staff remain accountable to their home agencies rather than to the effort as a whole (Marzke, et al., n.d.).

- The recent evaluation of the New Futures Program funded by the Annie E. Casey Foundation concludes that some low-income communities cannot by themselves transform poor educational, social, and health outcomes for vulnerable children and families. As a result, Casey's executive director has declared that the foundation's "change strategies" will now include social capital and economic development initiatives that target entire low-income neighborhoods (CSSP, 1995).

IV. Emerging Strategies of Comprehensive Community Revitalization

Based on the lessons learned during the implementation of community development programs described above, a number of more ambitious and comprehensive community-building initiatives were launched in the early 1990s. They seek to move beyond rebuilding the economic and physical infrastructure of distressed communities to create a stronger network of primary neighborhood-based services and supports for children, youth, and families, particularly to combat social problems like violence and drug abuse. These initiatives generally emphasize a combination of the following:

- Regardless of their origins — whether foundation, private, federal, local, or university sectors — they strive to form collaborations between the public, private, and community stakeholders.

- Their goal is to meet the needs of families holistically — that is, they focus simultaneously on a variety of problems (for instance, housing, education, economic development, social services, and public safety).

- They take a strategic approach, emphasizing long-range planning and resource mobilization within and without the community, as opposed to responding to a preconceived national intervention model.

- They are community-based and often promote community "empowerment" and "self-sufficiency" as stated goals or means of operation.

This section briefly identifies a number of these major new initiatives and trends, grouped by type of sponsor or funder: national and local foundations, national intermediary organizations, community development corporations, and the federal government.

National and Local Foundation Initiatives

(Sources: Chaskin, 1992; Connell, et al., 1995; Gittell & Vidal, 1995; Gore, 1993; Jenny, 1993; Leiterman & Stillman, 1993; Rich, 1995; Sviridoff & Ryan, 1996; Wynn et al., 1994)

Rebuilding Communities Initiative (Annie E. Casey Foundation)

In the late 1980s, Casey launched the New Futures initiative in Dayton, Little Rock, Pittsburgh, and Savannah to help these cities discover new ways to improve existing service systems. Casey believed that, to more effectively meet the most pressing needs of youth, cities should develop guiding collaboratives — new partnerships among government, business, nonprofit service providers, and teenagers themselves.

Recognizing that child and family-centered service approaches were insufficient by themselves to turn distressed communities around, in 1993 Casey expanded its community-based approach to launch its Rebuilding Communities Initiative, which targeted the community environment within which families function. This seven-year initiative helps community-based organizations in Boston, Philadelphia, Washington, Denver, and Detroit transform their troubled neighborhoods into safe and livable communities through a comprehensive array of programs addressing physical, economic, and social issues. Driven by a community-based strategic planning and decisionmaking process, neighborhood residents assume the central role and responsibility for community building.

Contact: Sandra Brock Jibrell, Annie E. Casey Foundation, Baltimore, (800) 222-1089.

Neighborhood and Family Initiative (NFI) (Ford Foundation)

Through a partnership with community foundations in four cities (Detroit, Hartford, Memphis, and Milwaukee), the Ford Foundation's goal in NFI is to achieve comprehensive neighborhood revitalization that targets whole families, the physical environment, and community leadership simultaneously. In each city, the community foundation chooses a neighborhood and oversees a local collaborative that manages the project planning and implementation.

Contact: Robert Chaskin, Chapin Hall Center for Children, Chicago, (312) 753-5966.

Comprehensive Community Revitalization Program (CCRP) (Surdna Foundation)

This large-scale national demonstration program targets five South Bronx communities. Launched by over a dozen local and national funders in 1992, CCRP became part of New York State's Neighborhood-Based Alliance Program a year later. CCRP relies upon five community-based development corporations (CDCs) that act as organizers, catalysts, and implementers of strategies designed to fully recreate the five neighborhoods. Each participating organization develops a "Quality of Life Physical Plan." Developing the plans pulled together a large amount of people who live and work in these neighborhoods. CCRP's first three years have proved highly productive; among the outcomes so far: establishment of resident and youth councils, primary health care services, a new school, Head Start and other child care programs, a comprehensive employment initiative, a neighborhood safety program, and several economic development ventures — as well as the creation of 276 new jobs.

By November 1995, CCRP-related projects and programs had attracted over $30 million of public and private support for creating jobs for community residents. Examples of CCRP's accomplishments include the construction of a $21 million shopping center with the support of federal grants, the LISC Retail Initiative, and a Bankers Trust loan grant; a $1 million grant for its "Hands that Build the Future" initiative, which will provide training and educational opportunities for young people and new child care programs, and will transform vacant lots into parks, gardens, and playgrounds.

Contact: Anita Miller, CCRP, (212) 557-2929.

Children, Youth, and Families Initiative (Chicago Community Trust)

The ten-year, $30 million Children, Youth, and Families Initiative, sponsored by the Chicago Community Trust, supports the development of local infrastructure to redefine social services in communities. The Chapin Hall Center for Children at the University of Chicago designed and is evaluating this initiative. The initiative includes an innovative collaboration among service providers to establish community-based children's services. Agencies receive support to develop more effective primary services, to enhance access to services, to help communities plan and direct services or recruit and train staff. In 1993, the Trust targeted six clusters of city neighborhoods and two suburban clusters. Each cluster establishes a local governance structure.

The Trust defines principles and parameters while yielding a great deal of control to communities because they believe communities have to build a governance capacity and effective collaborative processes to make services responsive. The Initiative has proven extremely challenging to implement. Each community plan is unique, developing against particular realities and time frames. While some communities achieved citizen representation in their governance groups, others focused more on the service provider level. In some places, efforts were organized around churches. Where the civic and religious infrastructure was deteriorated, getting in touch with the citizens and civic leadership was more difficult.

Contact: Marvin Cohen, The Chicago Community Trust, (312) 372-3356.

The Atlanta Project (Carter Collaboration Center)

Created by former President Jimmy Carter, this project, which works with twenty neighborhood clusters in three counties in metropolitan Atlanta, is based on a holistic approach to ameliorating poverty-related problems, such as teen pregnancy, drug abuse, crime, school dropout, homelessness, unemployment, lack of community and economic development, and inadequate housing. It relies on a volunteer-based effort to build neighborhood coalitions to empower residents to design solutions for the most pressing problems they can identify. Each neighborhood cluster has one or more corporate partners (including Coca Cola, Delta Air Lines, and United Parcel Service) that provide technical assistance and, in some cases, financial support for specific projects.

TAP has a five-year operating budget of $32.8 million, which comes solely from foundations and corporations. TAP works to create conditions that are conducive to economic development, entrepreneurship, and job creation. It seeks to help housing providers keep residents in safe and affordable housing and works to involve youth in all its programs.

Contact: The Carter Collaboration Center, 675 Ponce de Leon Avenue, NE, Atlanta, GA 30307-5317, (404) 881-3400.

National Intermediary Initiatives

(Sources: Giloth, 1995; Gittell & Vidal, 1995)

National intermediaries, such as LISC, the Enterprise Foundation, and the National Community Development Association, have also been at the forefront of promoting community-based strategic planning and collaborative problem solving.

Community Building Initiative (LISC)

The Community Building Initiative (CBI) helps CDCs respond to the breakdown of informal and institutional support structures in the neighborhoods they serve. CBI encourages CDCs not to become human service providers, but to foster relationships between CDCs and the range of public and private providers to improve human service delivery.

CBI builds the capacity of CDCs to organize residents and institutions around a broad range of social programs to improve the lives of neighborhood residents and foster the larger goal of community stability. Local CBI programs may address health care, children and youth, drugs/guns/crime, employment, housing resident participation, public services, and community facilities.

The Local Initiative Support Corporation (LISC) provides financial assistance to groups of CDCs in a given city (to help them build local institutional capacity and leverage greater resources) and makes planning and implementation grants to individual CDCs with especially promising initiatives.

Contact: Carey Shea, CBI Program Director, (212) 455-9800.

Consensus Approach to Build Community-Based Capacity

In many metropolitan areas, potential partners for local development efforts have been willing to fund community groups but have found a lack of capacity among community development organizations (CBOs) and community residents. To enhance local capabilities, LISC initiated a demonstration program in Florida, Arkansas, and Louisiana to test the efficacy of the “consensus organizing” method in developing community-based capacity and organizing CDCs.

Traditional organizing efforts, like those of the Industrial Areas Foundation (IAF), the Association of Community Organizations for Reform Now (ACORN), and the black power movement, are based on political action. The consensus organizing approach, developed by Michael Eichler and used in the LISC demonstration program, helps disadvantaged groups gain greater control over their lives by fortifying linkages with established metropolitan area development actors, including multi-national corporations, metropolitan area development agencies, and federal, state, and local governments. Relationships are built on common needs, objectives, and opportunities for mutual gains.

The experiences in the LISC demonstration sites highlight how complex the process of gaining local commitment for community development efforts is in both targeted communities and the private sector. The ongoing process must include providing information and changing behaviors that have been obstacles to progress. Creating a sense of progress is central to building confidence in the consensus organizing approach and to eliciting further commitment and engagement. Mistakes are inevitable but will do no permanent damage if they are acknowledged and corrected with a view toward strengthening local practices.

In addition, realistic expectations must be established at the beginning of the process. The time required to build durable, trusting relationships that support difficult, risky work is usually under-appreciated — especially where effective partnerships among different institutions are unfamiliar.

Contact: Mike Eichler, President, Consensus Organizing Institute, (617) 723-4711.

Community Building in Partnership (CBP) (Enterprise Foundation)

This "neighborhood transformation" initiative was launched in 1990 by the residents of the Sandtown-Winchester neighborhood in West Baltimore, Baltimore City government, and the Enterprise Foundation. Sandtown-Winchester ranks among the worst neighborhoods in rates of poverty, unemployment, school performance, teen pregnancy, chronic illness, violent crime and HIV/AIDS infection. Three-quarters of resident families live in substandard housing; nearly a quarter of working-age residents are officially unemployed and many others are under-employed.

Because the initiative recognizes that the conditions in this distressed neighborhood are all interrelated, intervention strategies aim to reform all of the neighborhood's systems at the same time: housing, education, health, employment, human services, public safety, commercial/retail development, and community building. The initiative has two distinguishing features: (1) it seeks to use existing government funds more effectively and does not rely entirely on new funding, and (2) neighborhood residents are full partners in designing, operating, and evaluating the initiative.

The Enterprise Foundation plans to report lessons learned from this project to policymakers, funders, and community and private sector leaders nationwide in early 1996.

Contact: Barbara Bostick-Hunt, (410) 728-8607.

The National Community Building Network (NCBN)

The National Community Building Network is an alliance of locally-driven urban initiatives working to reduce poverty and create social and economic opportunity through comprehensive community-building strategies. Founded in March 1993, NCBN members currently represent organizations in more than 25 cities. NCBN has two broad goals: 1) share experiences and disseminate local lessons to enhance the work of its members and other urban initiatives, and 2) use its collective expertise to shape and develop comprehensive, community-building state, local, and federal policies. Staffing and coordination for the NCBN is provided by the Urban Strategies Council in Oakland, California.

Contact: Ed Ferran, NCBN, Urban Strategies Council, Oakland, CA, (510) 893-2404.

Community Development Corporation Initiatives

Increasingly, Community Development Corporations (CDCs) are designing their activities to build the social stability of inner-city communities — which LISC has termed “community building.” Besides their role in physically building communities, more than two-thirds of CDCs are engaged in a wide variety of efforts to promote social stability (Leiterman & Stillman, 1993). The most common activities include community and resident organizing, advocacy, delivery of social services, crime prevention, education, community pride and cohesion development, health and mental health services, employment and training, and economic development.

These activities respond to the increasing social disorganization in inner-city communities — the fraying of the social fabric of people and institutions that make a neighborhood a community. Social disorganization is both seen as a cause and consequence of problems like crime and joblessness, but rather than attacking such abstract concepts, CDCs focus on more tangible components, like substance abuse prevention and treatment, to strengthen the community itself.

Chicanos Por La Causa in Phoenix and Marshall Heights Community Development Organization in Washington, DC, are good examples of CDCs that provide social services to their residents.

Chicanos Por La Causa (CPLC), Phoenix, Arizona

Chicanos Por La Causa (CPLC), a community development corporation, was formed in 1969 to improve the educational, health, economic development, employment, and housing status of the Hispanic community in Phoenix, Arizona. It has grown to be the nation’s largest CDC, providing services, programs, and economic development planning for people from all social and economic groups throughout Arizona. CPLC seeks to encourage self-sufficiency and a strong sense of dignity among the communities it serves.

Among its economic development programs, CPLC has developed a series of low-interest loan programs (including rural development loan funds, urban loan funds, micro loan programs, and peer group lending) to meet the needs of small and emerging businesses and to improve overall economic conditions. CPLC has a long-term strategy of assisting people secure affordable rental and purchase property. It builds and operates affordable multi-family and single-family housing and offers low-interest loan programs, housing search and relocation programs, and housing counseling.

In addition, CPLC provides social services to the elderly, veterans, the physically and mentally challenged, displaced homemakers, ex-offenders, people with substance abuse problems, victims of domestic violence, pregnant and parenting teens, and other high-risk youth and adults. Its success in maintaining such diverse programs has given CPLC the ability to influence policy on local, state, and federal levels.

Contact: Pete Garcia, President, CPLC, (602) 253-0838.

Marshall Heights Community Development Organization, Washington, DC

Marshall Heights Community Development Organization (MHCDO), a CDC located in Washington, DC, acquired a substantial social service portfolio when a local agency that operated two senior centers, an employment and training program, and a crisis intervention program went out of business. Because of its successful development and homeownership counseling and its active participation in community affairs, MHCDO was lobbied by residents to take over the operation. Although initially reluctant because of its lack of experience delivering services, the CDC ultimately agreed to take on the programs. Managing the effects of this rapid diversification tops its agenda.

Addressing safety and security issues is the first step in social community development. MHCDO works with the DC Orange Hats to train residents to participate in nightly patrols of their neighborhood, backed up by the DC Police Department's community patrolling program. The patrollers wear orange hats to distinguish themselves as an organized group as they photograph drug purchasers and take down their license plate numbers. Marshall Heights' open air drug market has closed down because of their work, and residents feel safer. (The former DC police chief has said that the only thing that gives him any hope of reducing street violence is the growth of community-based initiatives.)

The promotion of the Orange Hat Patrol was the starting point for a broader response to substance abuse problems in the community. Marshall Heights' newly established "Fighting Back" Initiative, supported by the Robert Wood Johnson Foundation and the DC government, is a larger, more comprehensive effort to address drug usage and related crime. It includes drug abuse prevention, treatment referral, and after-care services; a school-based drug education program; organizing and planning efforts involving community residents, neighborhood organizations, and service providers; and broad public education and advocacy activities.

Contact: Lloyd Smith, President, MHCDO, (202) 396-4106.

Recent Federal Initiatives

(Source: Gore, 1993; Hornbeck, 1994; HUD 1995; Rich, 1995)

Reorganizing the Department of Housing and Urban Development

A number of federal agencies have established demonstration programs to foster community based collaborative problem-solving in the inner city, including maternal and child health (the Department of Health and Human Services' Healthy Start program), substance abuse (the Center for Substance Abuse Prevention's Neighborhood Empowerment for Prevention Program), and crime and juvenile delinquency (the Justice Department's Operation Weed and Seed Program). Most federal community-building efforts, however, have rested in HUD.

HUD has been consolidating planning across programs to decrease regulation, encourage comprehensiveness at the local level, and better address critical housing and community development issues. HUD's reorganization is focusing on six areas: reducing homelessness, improving public housing, expanding housing opportunities, opening housing markets, empowering communities, and improving management. HUD plans to consolidate its operations into 17 program areas and develop new tools to support and encourage innovative partnerships with local and state governments and the private sector, including nonprofit organizations. HUD has proposed a set of new initiatives to help local governments create jobs and bring new economic vitality to urban neighborhoods. As part of this effort, HUD produced a document to help communities conduct consolidated planning and learn from successful community-wide visioning and strategic planning efforts.

Vice President Gore's Reinventing Government

In 1993, Vice President Al Gore launched a government-wide review, Reinventing Government, designed to make government more cost-effective. The initiative was directed by the small National Performance Review, located in the Vice President's office. In September 1993, Gore released the report, *Creating a Government That Works Better and Costs Less: Report on the National Performance Review,* which offered ideas for streamlining government operations. This report includes a number of recommendations that would affect local and state community and economic development efforts, including the establishment of a Federal Coordinating Council for Economic Development. The council would be charged with developing a government-wide economic development strategy and unified budget to reduce fragmentation and duplication and to provide a central source of information for state and local governments. The report also calls for the establishment of Cabinet-level Community Enterprise Board to oversee and encourage new initiatives in community empowerment.

Empowerment Zones and Enterprise Communities

A new initiative to assist urban and rural communities in their revitalization efforts - the Empowerment Zones and Enterprise Communities (EZ/EC) program — was adopted under the Omnibus Budget Reconciliation Act of 1993. The EZ/EC program promotes the comprehensive revitalization of distressed communities by funding broad, community-based strategic plans. The bulk of the benefits under the program go to nine areas — six urban and three rural — designated as empowerment zones. Considerably fewer benefits are available to the 95 areas — 65 urban and 30 rural - designated as enterprise communities. According to the program guide issued by the Community Enterprise Board (CEB), the EZ/EC initiative is based on four key principles:

1. Creating economic opportunities — jobs and work — for all residents.
2. Fostering economic development opportunities by emphasizing community development (including physical, environmental, and human development).
3. Establishing partnerships and collaborations with government, businesses, nonprofits, community groups, and — most importantly — residents.
4. Developing a strategic vision for change.

The EC/EZ legislation provides: (1) flexible funding of $100 million via the Social Services Block Grants Program to each empowerment zone and $3 million to each enterprise community; (2) eligibility to apply for approximately $1 billion in tax-exempt facility bonds that can be used to support certain economic development initiatives that involve private business activities; (3) regulatory relief, through special provisions and waivers, to allow for more flexible use of existing federal programs and relief from selected federal mandates; and (4) special consideration in the competition for funding under numerous existing federal programs, including those featured in each community's strategic plan, as well as subsequent funding the community might apply for over the next ten years.

As a result of an extensive competitive proposal process, the following communities were selected to be empowerment zones: Atlanta, Baltimore, Chicago, Detroit, New York, and Philadelphia. Two additional cities were designated as supplemental Empowerment Zone communities: Los Angeles received $125 million and Cleveland $90 million in economic development assistance. Four cities (Boston, Houston, Kansas City, and Oakland) were named enhanced Enterprise Communities and received $25 million each. An additional 65 cities were designated as enterprise communities and received smaller block grants ($3 million each) to help carry out strategic plans for rebuilding their most distressed areas. Three rural empowerment zones received $40 million each; 30 of the enterprise communities were in rural areas.

Although this program frees up a lot of money for some communities, the really powerful part of the EZ/EC process is the strategic planning by local residents, which allows them to realize that they *are* the government and can determine the direction of their own communities.

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Continuing Issues of Debate About Community Building Initiatives

The following are some of the cross-cutting issues that policymakers and administrators are raising about community-building initiatives, particularly as they begin to establish new comprehensive community-building initiatives.

- **Geography of housing and jobs.** In successful programs, participants have moved beyond the discussion of "place" versus "people" strategies to design three approaches: (1) disperse residences of poor minorities to the periphery of the inner cities to move poor people closer to employment, (2) recentralize firms from the periphery (where the market locates them) to the urban core, and (3) overcome the barriers that separate the residents of inner cities from employment opportunities in suburban labor markets (for example, job placement services across a metropolitan area and other supportive services, like day care and transportation). The larger challenge for policy and research is to develop a mix of these policies that are likely to be effective for families in particular communities.

- **Community economic development.** Anyone interested in helping poor neighborhoods must primarily focus on economic development. In the past, policies to improve the labor market have taken a supply-side orientation - emphasizing skills training and job search assistance. However, research and experience underscores the fact that such supply-side programs will not reduce poverty unless well-paying jobs are available. Therefore, supply- and demand-side strategies must be integrated systematically and linked to policies to remove institutional barriers to employment. Ideally, these policies must take into account the labor market problems of low-skilled, urban minorities at several levels — in family life and the neighborhood environment, in local labor markets, and in the national economy.

- **Balancing economic security and self-sufficiency.** Family and welfare policies have historically been confounded by a conflict between the desire to provide economic security for families and the need to promote self-sufficiency — narrowly defined as moving off the welfare rolls. Yet the failure to raise income levels and provide other supporting benefits for poor families not only leads to poor outcomes for children, it also limits the ability of adults to achieve self-sufficiency through employment. Policymakers must develop more realistic notions of how self-sufficiency is achieved.

- **Evaluation of comprehensive, community-based initiatives.** Measuring the costs and benefits of community development programs requires the development of new methodologies for evaluating community-level interventions. Measuring gross changes in business formation, housing availability, jobs, and economic output does not provide information about whether families are faring better or how much progress would occur without intervention. Efforts have been initiated to design new evaluation models for these interventions (Connell, et al., 1995).

- **Going to scale.** How do policymakers apply the lessons from demonstration programs on a larger scale? Best practice in community development is hard to replicate because CD programs focus on the resources and problems of particular communities. Particularly committed, visionary leaders who can develop partnerships and build teams have been critical for success. By their very neighborhood-based nature, successful CD programs seem to be created anew each time.

V. The New Community Focus in Family Services

(Sources: Hara & Ooms, 1995; McKnight, 1995; Ooms & Owen, 1991; Sviridoff & Ryan, 1995; United Way, 1994; Weissbourd, 1987)

Just as the community development field focuses more on increasing social capital and stability by building networks of basic support services for families, the family services field is rediscovering that healthy families need healthy communities. As a result, social service reformers are exploring ways to strengthen communities as a key resource for families.

Social Work's Rediscovery of the Importance of Community

The roots of family social services can be found in the turn-of-the-century charitable organization and settlement house movements in low-income, urban neighborhoods. Settlement house workers conducted parent education classes for immigrants, undertook class advocacy to improve public services, provided practical assistance with child care, housing, legal, and other problems, and restored a sense of community in the rapidly growing urban slums. Young professionals worked in settlement houses, as Jane Adams said, "not to uplift the masses, but to be neighbors to the poor and restore communications between the various parts of society" (quoted in Weissbourd, 1987, p. 44).

However, in the 1920s, largely because of the influence of Freudian psychology, the social work profession became more highly professionalized and clinical in its focus. Most social workers shifted from providing basic services in homes and neighborhoods to functioning as clinical caseworkers, based in offices and clinics, who helped individuals deal with personal and relationship problems. Meanwhile, from the Depression onward, federal and state governments assumed more responsibility for the poor through an array of social security programs, including AFDC and, later, food stamps and Medicaid.

The family support movement of the late 1980s represents the most visible wave of a renewed interest among social workers and others in strengthening communities' social and family capital. Family support and resource programs share a philosophy with the comprehensive community-building initiatives of providing services in friendly, informal, neighborhood locations and involving program participants in designing and running programs. They both agree on two central tenets: services should be universally available and used on a voluntary basis.

However, many of the low-income families who reside in inner-city distressed communities experience a range of problems — teenage pregnancy, out-of-wedlock births and single parenthood, depression, poor health, substance abuse, child abuse, spouse abuse — which bring them into contact with many specialized, professionalized services and enforcement agencies, often on an involuntary basis. The community development movement appears uncertain about how to relate to specialized individual and family problems and needs. In a few comprehensive community initiatives, partnerships are being forged with the police and substance abuse treatment programs to tackle issues of crime and drug abuse (see, for example, Chicanos por la Causa and Marshall Heights Community Development Corporation, pp. 29-30). However, such programs are not yet widespread. Some leaders in the new community-building movement are not favorably disposed to specialized, professionalized services provided to poor families. In his recent book, John McKnight (1995), asserts that these services exist to meet the needs of professionals (for income and power) and do more harm than good. Although McKnight's point seems to be that citizens who need special help would be better served through the collective efforts of caring neighbors and voluntary associations in their community, he provides no specific examples of how these community networks would work. He also implies that if the economic and social fabric of communities were strengthened fewer people would have special needs.

In fact, human service professionals, themselves highly critical of the ineffectiveness of the fragmented system of categorical services, have developed new models of delivering services to poor families based on a very different theoretical and practice paradigm than the one McKnight criticizes (see pp. 20-22). Nevertheless, it is still true that these service reform initiatives have not, for the most part, deliberately sought to increase communities' physical and social capital, such as housing, recreation, jobs, or mutual help associations. Nor have they linked with community-building initiatives. Indeed, some human service professionals have been skeptical of community organizing efforts, citing the "failures" of the War on Poverty and the romanticization of community empowerment.

The situation is changing, however. Community-building initiatives are becoming better linked with child and family services reform initiatives. Several of the organized networks of formal social service agencies are assuming a more active role in community building. We describe three of a growing number of examples here:

Family Service America

Family Service America (FSA), founded in 1911, is an international nonprofit association dedicated to strengthening family life through services, education, and advocacy. The nearly 300 member agencies in North America provide counseling and support services to help families with such problems as parent-child and marital difficulties, family violence, teen pregnancy, substance abuse, child abuse and neglect, and work-related problems. In its 1995-1997 strategic plan, FSA redefined its organizational vision as "a healthy society built on strong families and communities" and committed itself and its member agencies to a new community-strengthening agenda.

A recent survey found that many FSA member agencies are moving from a perspective of traditional "clinical," client-centered approaches toward a new appreciation of the value of citizen and community resources (Sviridoff and Ryan, 1995). Most agencies are at one of three points on a continuum of views of the agency relationship to the community:

- Community as a place where clients live — the agencies continue to provide traditional services but are trying to coordinate them more effectively.

- Community as a new place to locate or co-locate services in homes, schools, or neighborhoods — traditionally, family services have been delivered in a central, often distant location from the neighborhoods where families live.

- Community as a rich resource of residents with ideas, commitment, and resources (usually time) that can be mobilized to enhance basic family support services, supplement specialized services, and thereby strengthen the community environment for families.

Examples of FSA member agencies that are developing initiatives in this third category are:

- In Atlanta, Families First is partnering with the developer of subsidized housing to organize tenants around social, civic, and recreation agendas.

- In Bridgeport, Connecticut, Family Services-Woodfield works with the police to organize youth recreation programs to complement enforcement and policing strategies. This agency is also recruiting and training welfare mothers through the Private Industry Council to work as home health aides with home-bound, elderly clients.

- In Kansas City, Heart of America Family Services partnered with the tenant management committee of a public housing project to create recreational, instructional, and mentoring after-school programs for pre-teen and teenage boys (Save our Sons) and girls (Heart to Heart) using staff, volunteers, and part-time paraprofessionals.

FSA is committed to defining an organizational strategy to help its members progress along the continuum of community-related activities. At a community strategies conference held in November 1995, FSA Executive Director Peter Goldberg said that the community-building activities must not be viewed as a new agency "program" but rather as a movement essential to agencies' capacity to be effective and relevant resources to the families and communities.

Community Partnerships for the Protection of Children/E. M. Clark Foundation

Individuals and agencies in the child abuse and neglect prevention network are also becoming more community-focused. The Clark Foundation, long a leader of service innovation in the child welfare field, has recently launched a four-site demonstration program to create partnerships between public child welfare agencies and community organizations to develop effective community systems of care that will safeguard children from abuse and neglect while also promoting the goals of family preservation and family support. This program represents a radically new approach to child protection. Currently, when parents have difficulty caring for their children, only one course of action is available: concerned individuals must report suspected cases of child abuse and neglect to the child welfare authorities who investigate, prosecute, punish, or treat the parents. As a result, the child protection system is in crisis: overstressed, underfunded and unable to cope with an increasing flood of reports. Both overreporting and underreporting are endemic, leaving some families exposed to excessive professional intervention and others to professional neglect. Meanwhile, thousands of children and families do not obtain appropriate services, or only get them when too late to adequately protect children from harm or to keep the family together.

The Community Partnerships program assumes that if the responsibility for child protection is shared by the state and local child welfare authorities with the community — including business, civic, and community leaders, parents, and other residents — new resources can be developed. With better resources, the community can offer a wider array of flexible responses to families who show signs of difficulty coping with parenting, thereby avoiding the necessity of public agency intervention in many cases. In 1995, the Clark Foundation awarded 15-month planning grants to two urban sites — Cedar Rapids, Iowa, and Jacksonville, Florida. Two additional grants are expected. Clark hopes that these demonstrations will show public child welfare authorities and communities how they can work together to improve child protection and preserve families.

United Way of America

During the 1980s, many local United Ways incorporated a "community problem solving" philosophy into their mission statements, but it was never very clear what the concept implied in operational terms. In 1994, the United Way of America headquarters office launched a strategic planning effort, FOCUS AMERICA!, which may be the organization's opportunity to define its unique role in community building. The working paper guiding this effort notes that "in order to achieve well-being, people must have essential physical, emotional, and economic supports. Unfortunately, the capacity of families and communities can fall short of adequately providing these supports" (United Way, 1994). The specific goals of the United Way community-building initiative are strengthening children and families, reducing crime and violence, increasing education and literacy, promoting health and wellness, and increasing housing and employment opportunities. The local United Ways will be encouraged to work with others in their communities to develop specific projects toward achieving these goals.

VI. Building a Partnership Linking Social and Family Capital

A new way of thinking about the interdependence of families and community in distressed urban neighborhoods is leading to promising collaborative strategies. This report provides ample evidence of the community-building movement's growing commitment to move beyond a "bricks-and-mortar" approach to implement more comprehensive strategies that repair the social fabric of the community and invest in family capital. Similarly, the family and child services field is rediscovering the importance of community, redesigning services to become more community-centered, and forging alliances to help improve the physical and social environment of distressed communities.

At the local level, partnerships are being created between community development organizations and human services agencies. A strong family focus strengthens the community-building mission. And community development initiatives offer a wealth of opportunities for connecting families to community networks of support to help mothers and fathers fulfill their parental responsibilities.

Even as foundations and other national organizations begin to build a stronger partnership between the community-building and family services fields, the shifting national political context makes collaboration all the more important.

The Current Political Context: The Need for Partnership

Political change at both the federal and state level is creating anxiety among community-building initiatives and family service programs; however, at the same time, devolution may open up new and welcome opportunities. Even before the 1994 Republican Revolution and the Contract with America, many community builders and service reformers pressed for less federal regulation and more flexibility for states and localities in their use of federal funds. They believed that devolution and decategorization — although not accompanied by the severe budget cuts currently proposed — would lead to effective and integrated use of resources, to greater service innovation, and to policies that more closely meet local needs.

At this writing, the legislative impasse between the Congress and the President makes the eventual extent of the devolution of federal social programs unclear. But whatever the outcome this legislative session, the pressure to reduce the federal budget deficit and the public's disillusionment with welfare programs will remain, creating predictable results. First, funds for many discretionary programs will be cut, meaning less money available for programs in low-income neighborhoods. Second, whether through federal or state legislation, work requirements for welfare mothers will increase, and income support and food assistance will decrease. Third, devolution of decisionmaking to state and local governments will continue, as the Clinton administration's Medicaid and welfare waivers demonstrate.

These expected developments worry many people who strive to improve the lives of families living in low-income neighborhoods. They fear that families will be deprived of desperately needed income, supports, and services. Social service agencies, particularly those in the voluntary sector, expect to be swamped with increased service demands. Community-building initiatives anticipate increasing pressure to divert from community improvement to community survival strategies. On the other hand, some advocates see these trends as an opportunity to rethink current assumptions about the way society responds to poverty, dependency, and distressed urban communities. Whatever one's view of the political situation, the creation of partnerships between community-building initiatives and the family services field seems essential. Both camps must engage in a deliberate, active dialogue at the national, state, and local levels to develop joint approaches to meet the following challenges:

- Targeting increasingly scarce resources to the most vulnerable families and most needy communities.
- Identifying the duplicative efforts and serious service gaps that resulted from categorical funding.
- Assuring that investment in physical and human capital is linked with investment in family capital so that existing resources are used effectively.
- Developing capacity at local levels to respond in more cost-effective ways to the needs of low-income families.

Barriers to Partnership

Two principle barriers may make a collaborative partnership difficult to develop between the community-building and family service fields. First and most importantly, they have developed parallel to each other with little interaction. Each field has its own assumptions and language about individual, family, and social change. Each is unfamiliar with the other's knowledge base, achievements, and promising strategies. Second, as we suggested in the last section, each field clings to outdated stereotypes of the other. However, the growing number of examples described in this report of the two fields working together suggests that these barriers can be overcome. Community-building initiatives and child and family services have a lot to learn from each other.

Agenda for a Dialogue

Partnerships between the community-building and family services fields will take different forms depending on the communities in which they occur. Much is still to be learned about how these two fields can enrich each other's work. However, drawing upon several successful collaborations, we suggest some of the key issues that should be addressed:

- **Vision of the Relationship between Family and Community**

  We know that strong communities need strong families and vice versa, but how do these two concepts relate to each other conceptually? How do community builders and family service providers define strong communities and family capital? What is the relationship of family capital to social capital? How can these concepts be operationalized so that measurable outcomes can be achieved?

- **Needs and Strengths Assessment**

  Community builders and family service professionals share a commitment to identify and build on strengths and existing resources rather than focusing exclusively on problems and deficits. How do community-building initiatives assess the strengths, capacities, and resources of inner-city communities? How do family services identify the strengths and resources of families — both in terms of internal relationships within families and of the relationship between families and communities? How do families in the community define their own needs, strengths, and resources? What are the implications of structural, racial, and ethnic differences among families for designing strategies to build social and family capital?

- **Goal Setting: Investing in Family Capital**

  Community-building initiatives that commit to investing in family capital must choose specific components of family capital on which to focus their efforts. Three examples are given here:

  1. A community focusing on a serious family capital deficit endemic in inner-city distressed neighborhoods — disconnected fathers — might establish the goal of promoting responsible fatherhood. The community could tap into the expertise of the new National Practitioners Network for Fathers and Families to get technical assistance on developing action plans to: mobilize community organizations and resources around prevention of out-of-wedlock births, help child care agencies and schools connect fathers to their children, or work with welfare and employment agencies to provide training and employment services to fathers to help them pay child support.

  2. A community may decide to invest in family capital to improve children's school performance by focusing on strengthening parent involvement in the education of their children. In this case, the community could work with parents and local educators to implement the best models and most promising practices available to build successful school-family partnerships.

  3. A community might choose to invest in family capital to prevent child abuse and neglect by mobilizing informal networks in the community to identify young families under stress and offer them supportive, prevention-oriented services.

- **Community and Family Empowerment and Engagement**

  A central tenet of community building is community involvement in assessing, planning, and implementing community change activities. What approaches are used to obtain the views and perspectives of all families in the community, not just those who are able to become actively involved? What are the lessons learned in the family and child services community about how to involve, empower, and engage families as planners and advisors — and as resources to help other families?

- **Specific Action Plans**

  How does the community development field set priorities and develop action plans to improve the physical and/or social environment in distressed communities? How does the family services field identify the vulnerable families for whom it is most critical to offer support and assistance?

- **Building on Each Field's Expertise and Perspective**

  Each of the two fields has specific areas of knowledge and expertise that can benefit the other. For example, the family services field is learning how to create a continuum of effective, coordinated, community-based family supports and services focused on prevention. Family service professionals know how to redesign basic services, such as schools, preschool programs, and health care services, to make them more family-centered and effective. This knowledge can be tapped by community-building initiatives seeking to improve social and family capital.

  Similarly, the community development field understands how the informal resources available within communities can be mobilized to provide support and assistance to the troubled families who come to the door of family service agencies. In addition, as family service agencies recognize the importance of becoming stronger advocates for community improvements, they can learn much about effective community organizing from those who are already doing it.

  The family perspective focuses on community residents' family responsibilities: men and women are seen in their roles as fathers, mothers, adult children, and so forth. The community perspective focuses on residents' capacity to improve their communities. Both perspectives are needed if comprehensive community-building efforts are to be successful. The central challenge is to determine how best to mobilize and connect the expertise and perspectives of both at the national, intermediary, and community levels.

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Appendix: Resources for Financing and Supporting Comprehensive Community Initatives

(Sources: CRS, 1994; HUD, 1995; Pell, 1995; Roberts, 1995; Wilke, 1996)

Community and economic development initiatives rely on a patchwork of funding and technical support sources from both the public and the private sectors. Federal funds flow through state and local governments as block grants or go directly to community organizations in categorical or program-specific funding. Additional funding - often to support specific programs or projects - is available directly from state and local governments. Private funding and technical assistance come from a myriad of sources including intermediaries and foundations.

Foundations provide funding and assistance in a variety of ways. Several national and local foundations have formed direct partnerships with community development organizations to provide funding and technical assistance for planning and executing projects. Other foundations provide grants for specific projects or as “glue” money to leverage additional financing for projects already underway.

Several federal block grant funding sources are available to community development organizations through state and local governments. Beside the Community Development Block Grant (CDBG) program, a wide range of neighborhood revitalization activities can be funded through HUD. The Department of Health and Human Services (HHS) makes funds available through the Community Services Block Grant (CSBG) and the Social Services Block Grant (SSBG). The CSBG funds can be used for social services, such as emergency assistance, employment assistance, and elder care. The SSBG funds can also be used for social services, including preventing and treating drug and alcohol abuse and training disadvantaged adults and youth in housing construction and rehabilitation.

Community Development Block Grant

CDBG is a flexible tool for state and local governments to finance revitalization activities, including the development of affordable housing, infrastructure repair, economic development initiatives, and job creation. Approximately 40 percent of CDBG funds are spent on housing activities. Congress requires that jurisdictions spend 70 percent of their CDBG funds to benefit low- and moderate-income people; however, this requirement is typically exceeded. To maximize the low-income investment, state and local governments often provide CDBG funds to community-based nonprofits to assist in their community development activities.

Community Reinvestment Act (CRA)

Requires depository institutions to serve the credit needs of the communities in which they are chartered, including low- and moderate-income neighborhoods. The obligation that a bank must respond to the credit needs of an entire community is an essential building block of any community development strategy. CRA often spurs investment in Local Income Housing Tax Credit projects, bank participation in lending consortia, and bank lending for affordable multifamily housing developments.

CRA is a component of the broad government regulation of the banking system, which includes federal deposit insurance, federal regulatory examinations and enforcement, Federal Reserve "lender of last resort" authority, and state bank regulation. CRA has been instrumental in demonstrating that community reinvestment is compatible with a safety and sound financial system and has encouraged the investment of about $60 billion in low- and moderate-income neighborhoods. In fact, a recent *Wall Street Journal* study (Wilke, 1996) credited the CRA with encouraging record mortgage lending to African Americans and Hispanics in hard-hit inner-city and rural areas in 1994.

Despite the successes of CRA, bankers, community groups, and regulators agree that its implementation has focused too much on process and paperwork and not enough on performance. The result has been unproductive documentation by banks of meetings with community groups, board of directors discussions, and other processes rather than work to make loans. The paperwork has been especially burdensome on small banks. Regulators have also lacked a clear yet flexible framework for evaluating performance; thus, CRA exam ratings have lacked a strong basis for evaluation. When nearly 85 percent of all CRA banks/thrifts receive a satisfactory rating, only the unusually strong or weak performers receive meaningful ratings. Opportunities for public input have been too limited. Actually, the only formal opportunity for public comment has been at the time a bank applies for a charter, branch, merger, or acquisition.

Besides CRA, commercial banks, businesses, and insurance companies also provide assistance to community-based development organizations. Some banks offer loan programs to promote housing, small business, and property development or make below-market rate mortgage loans for low- and moderate-income housing. Other banks invest in development projects and local businesses. Businesses and insurance companies contribute to community-based organizations through donations to foundations and intermediaries. Other businesses invest by locating their stores or plants in shopping centers or industrial parks within distressed communities.

Enterprise Foundation

Enterprise works to increase the availability of affordable housing to low-income people. As a national intermediary, it works with over 500 nonprofit lending groups in over 150 cities. Enterprise provides capital, construction, and technical assistance, as well as financial packaging services. It also operates the Enterprise Social Investment Corporation (ESIC), comparable to the NEF (see p. 53).

Federal Home Loan Bank's Affordable Housing Program (AHP)

In 1989, AHP was established to subsidize interest rates on loans and provide direct subsidies to Federal Home Loan Bank System member financial institutions engaged in lending for affordable housing activities. The program encourages lenders to undertake creative efforts to allow fund recipients the flexibility to meet local needs.

HOME Investment Partnerships Program

Created in 1990, HOME is a partnership between the federal, state, and local governments and nonprofit housing developers. HOME allows communities to choose which mix of housing activities — rehabilitation, new construction, or rental assistance — best meets local needs. In order to encourage community based solutions that address local needs, the HOME program requires state and local governments to set aside 15 percent of their funds for neighborhood-based nonprofit organizations. This flexibility and dedication to local initiative is crucial to effective community development.

Local Initiatives Support Corporation (LISC)

LISC focuses on developing affordable housing by providing financial and technical assistance to resident-led CDCs. Other LISC initiatives provide support for social community development programs, such as child care, health care, crime prevention, and education. LISC's value of grants, loans, and equity has grown to make it the nation's largest private, nonprofit community development organization.

Low Income Housing Tax Credit

Enacted by Congress in 1986 and permanently extended in 1993, the Low Income Housing Tax Credit is one of the federal government's most important tools for the development of low-income rental housing. While tax credits provide a way for corporations to make a social contribution to their own community, the investments also provide sound return on equity invested. Qualified low-income housing developers are awarded a dollar-for-dollar tax credit for money used to acquire, develop, or rehabilitate affordable housing.

Multifamily Housing Disposition

In 1994, Congress passed the Multifamily Housing Disposition Reform Act (P.L. 103-233), which authorizes funding for Economic Development Grants. This legislation provides for the disposition of multifamily property owned by HUD and for other reforms in HUD programs. The program would combine grant funds with Section 108 loan guarantees to be used to carry out CDBG-eligible economic development activities.

National Community Building Network (NCBN)

NCBN is an alliance of locally-driven urban initiatives and local and national foundations working to reduce poverty and create social and economic opportunity through comprehensive community building initiatives. The network focuses on two primary goals: (1) influencing public policy and urban affairs, especially national policy, and (2) providing a forum for urban community planners and activists to learn from each other and exchange ideas. The Urban Strategies Council in Oakland, California provides staffing and coordination for the NCBN.

National Community Development Initiative

LISC and Enterprise administer this initiative under which seven private foundations and the Prudential Insurance Company provide grants and loans to assist CDCs in developing affordable new homes. In 1993, Congress appropriated $20 million for HUD to contribute to a second phase of NCDI, which will unfold over a three-year period. The federal participation has attracted about $67 million in grants and low-interest loans from 10 national foundations and corporations. LISC and Enterprise are passing every federal dollar through CDCs, primarily for capacity-building activities.

National Equity Fund (NEF)

NEF is a non-profit community development support organization. The partnership between NEF and traditional lenders has driven the financing for thousands of housing units. Since its creation in 1986, NEF has received a total of $291.8 million in financing from 37 contributing banks. During this same time period, savings and loans institutions have contributed $5 million.

Neighborhood Reinvestment Corporation (NRC)

NRC is a public, nonprofit corporation that was chartered by Congress to revitalize America's neighborhoods in cooperation with local financial institutions. NRC's activities include housing revitalization, loan counseling, and other projects to encourage home ownership. NRC is composed of 182 organizations in 360 neighborhoods.

Section 8 Rental Assistance

Section 8 rental assistance is a critical source of funds for the development of service-enriched supportive housing for special needs populations, such as the mentally ill, the disabled, and low-income people with AIDS. Supportive housing is permanent rental housing linked to a variety of support services, including primary health care and job placement, allowing otherwise limited residents to function independently. Project-based Section 8 allows for a 15-year, dependable rent stream, which aids in obtaining conventional debt financing. Additionally, Section 8 subsidies reduce residents' rent burden, so that they do not have to pay more than 30 percent of their incomes for a place to live.

Chart I Factors that Impact Family Capital: An Ecological Framework

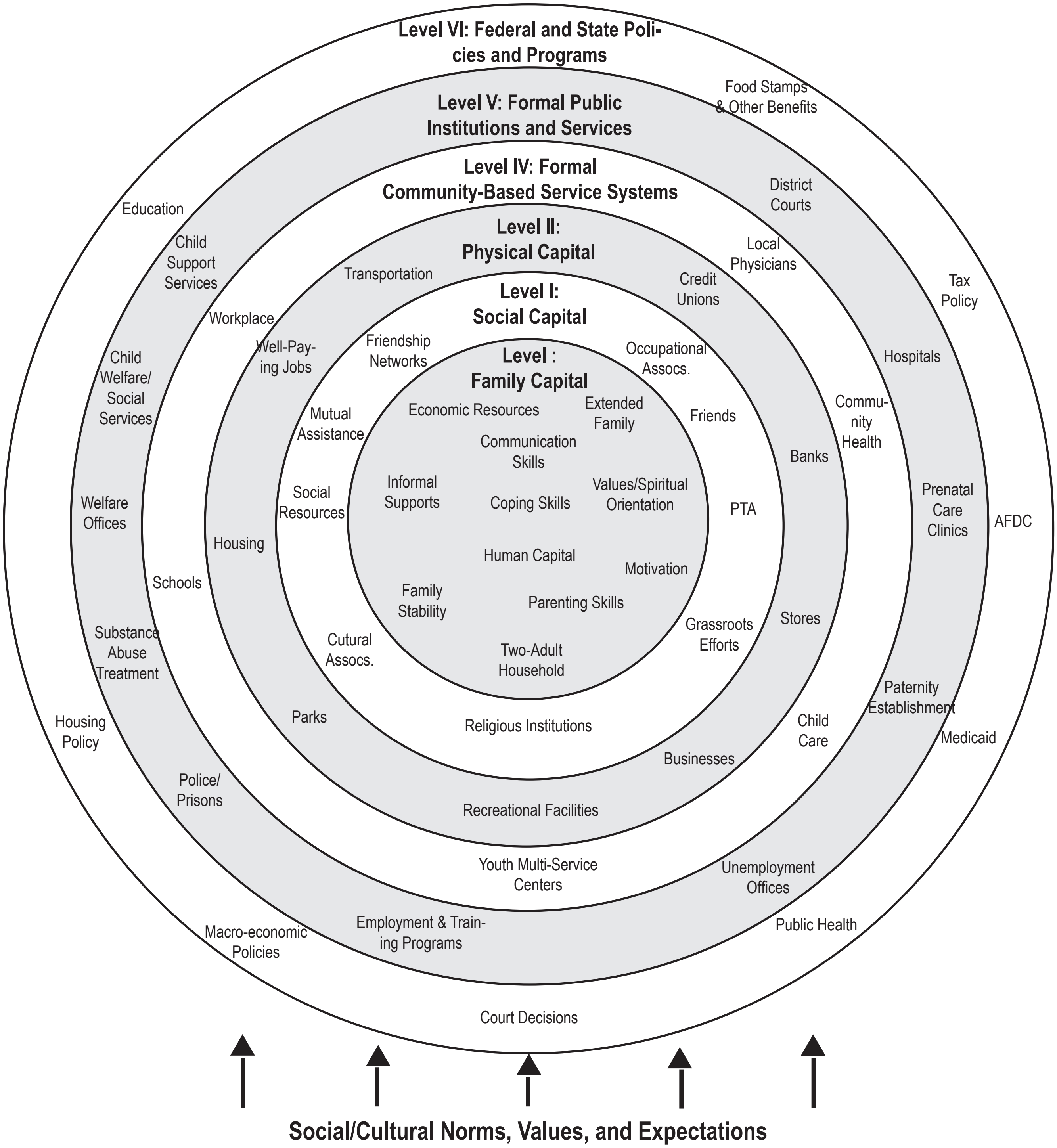

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Chart II Selected Landmarks in the History of Community-Building Initiatives

Urban Renewal	
1949	New Housing Act emphasizes urban redevelopment
1954	Housing Act amended to focus on urban renewal
Community Development	
1960	Gray Areas Program
1965	Economic Opportunity Act with provisions for Community Action Agencies, Head Start, Community Health Centers, Community Mental Health Centers
1966	Demonstration Cities and Metropolitan Development Act creates Model Cities
1974	Seven programs merged into Community Development Block Grant (CDBG)
Physical and Economic Revitalization JCDCs	
1965	Community Development Corporations (CDCs)
1977	Urban Development Action Grant
	Community Reinvestment Act
1979	LISC founded (Enterprise Foundation created in 1980-81)
1986	Federal tax reform: low-income tax credit program for low-income housing
Comprehensive Community Initiatives	
1990	National Affordable Housing Act creates HOME Investment Partnership Program
	National and local foundations and intermediaries create community-building initiatives
1991	National Community Development Initiative (T/A and financial support) — a partnership of corporations, foundations, HUD, and local organizations
1993	Empowerment Zones/Enterprise Communities legislation
1994	Multifamily Housing Disposition Reform Act funds development grants and community development banks
	Selection of EVECs

Highlights of the Seminar

Held Friday, December 1, 1995, 902 Hart Senate Office Building, Washington, DC.

Introduction

Elena Cohen, deputy director of the Family Impact Seminar, welcomed the panelists and seminar attendees to the second of three seminars on housing, community development, and homelessness issues, funded by the Annie E. Casey Foundation. The first seminar, Housing Policy and Family Self-Sufficiency, explored how housing policy is moving beyond a "bricks-and-mortar" approach to link with social services for housing assistance recipients. This seminar focuses on innovative community development initiatives.

Cohen noted that community development efforts, which began during the 1960s, are moving from a concentration on improving the economic and physical aspects of communities into a new wave of community-building or community revitalization initiatives, which seek to invest in social capital — the relationship resources of a community. The business sector is interested in the development of social capital, as the recent report by the Committee on Economic Development, ***Rebuilding Inner-City Communities: A New Approach to the Nation's Urban Crisis,*** demonstrates, according to Cohen. In the *Background Briefing Report* prepared for this seminar, the Family Impact Seminar introduces the concept of "family capital" (see pp. 8-11). Communities with extensive family capital, according to Cohen, are those where families set standards of behavior for their members and where adults support each other as they carry out their family responsibilities. Cohen invited the seminar attendees to offer their feedback on the concept of family capital.

Avis Vidal

The first presenter, Avis Vidal, director of the Community Development Research Center at the New School for Social Research, has worked as a research consultant, taught at the Kennedy School, and served at the Department of Housing and Urban Development during the Carter administration. She offered a broad overview of the field of community development.

Although some people define community development as "whatever the community development block grant pays for," Vidal thinks a more comprehensive definition is change at the neighborhood level that is not purely consumption-based, improves the ability of the community to produce a decent quality of life for its members, and in which development can occur in many functional areas — physical, social, economic, political, or psychological. The most innovative work in community development — the kind that seeks to alter patterns of behavior among residents, businesses, and service providers — is happening in the nonprofit sector. These initiatives share a philosophy of engaging local residents in the process of improving their communities.

Besides the public housing self-sufficiency programs discussed in the first seminar, community-building initiatives have been developed under two types of sponsorship: Community Development Corporations (CDCs), many of which got their start from a "bricks-and-mortar" approach, and so-called comprehensive community change initiatives, which are largely foundation-initiated and grew out of the failure of social services focused solely on individual children or families to make any headway because negative neighborhood influences overwhelmed help given to individuals. Vidal believes the convergence of these two streams results from three things: (i) each field mastered its core competency, realized that the problems weren't solved, and began to think more broadly, (ii) each became frustrated with how difficult it is to effect lasting constructive change, and (iii) the recognition that the social problems in these inner-city communities are more pressing than the physical or housing problems. When the community development movement began, many of the problems of inner cities were defined as being principally physical in nature. Even in 1980, the Local Initiative Support Corporation's initial program in the South Bronx focused on physical construction, according to Vidal.

To make progress in this field we need to think about community development as a system, said Vidal. She used a metaphor of a partially submerged rock in the water to describe the system: the part of the rock above the water represents that which receives public attention — namely, the people in the CBOs and CDCs, doing the work in the communities. Under the water, much less visible but nevertheless terribly important for keeping the rock above water, is an increasingly complex and sophisticated support system that includes foundations and corporations, whose financial participation has expanded greatly since 1980. It also includes in some parts of the country increasingly sophisticated local governments, which have come to rely on community-based organizations as delivery agents, not only for housing but for a growing range of social services, and for maintaining a connectedness with the neighborhood.

Federal funds funneled through cities and counties continue to be a critical to support this work. Because these communities need real investment to rebuild their depleted resources and institutions, readily available external resources are necessary, no matter how engaged the community is itself in investing in its own well-being, she said. Finally, the national intermediaries — LISC, Enterprise, Neighborhood Reinvestment — and a variety of local ones are another important part of the system, she added.

According to Vidal, the community development system accomplishes a number of important objectives: (1) it helps to aggregate resources from federal, state, local, and private sources — all of which have their own particular requirements — into a useable whole; (2) by getting various actors to collaborate, it creates a mechanism for sharing of the financial risk, an insurance policy which is critical because community building is a difficult and risky business; and (3) it creates networks among not only "the power structure" — that is, the corporate people, the foundations, and so on — but also between communities and external resources; these include not just funds, but also information, political influence, and access to a variety of avenues of opportunity. Ideally, community development initiatives need the support of a rich, redundant system at the community level; but when investment capital is short, one doesn't want to build more redundancy than is needed, she cautioned.

Vidal concluded with a recitation of some lessons learned from her study of community development initiatives:

- Community development is inordinately time-consuming and labor-intensive. While consumption is quick and easy, capital-building is slow with returns coming over time. Patient capital — in terms of money, leadership, and organizational strength — is critical.

- Be careful what kind of capacity you build. "McDonald's makes terrific french fries, quickly, inexpensively; they cannot boil water for pasta," she said. Decide up front whether the organization will build housing or whether it will serve as a broker of resources. Not only is such planning important when making long-term investments, but it makes evaluating success or failure much easier, according to Vidal. Design interventions that can be evaluated at interim stages, so that after three or five years, an evaluation can tell if the project is on the right track or needs mid-course corrections.

- In an era of increased block-granting, Vidal reminded the audience that capacity at the local level — in both the nonprofit sector and in local government — is very unevenly distributed across the country. Where the nonprofit community is well-developed, active, and well-supported, block grant dollars are more likely to get allocated well both programmatically and geographically. But in areas where local government does not know how to deal with nonprofits, or where the nonprofit sector is very poorly articulated, resources that are block-granted are more likely to be diffused broadly and to not end up in the poor neighborhoods for which they are targeted.

Marc Bendick

Marc Bendick, Jr., a principal in Bendick and Egan Economic Consultants, Inc., in Washington, DC, is an economist who served as project director for the Committee on Economic Development's *Rebuilding Inner-City Communities: A New Approach to the Nation's Urban Crisis.*

Bendick reminded the audience that the conventional wisdom on urban programs is "nothing works, and nothing is worth doing." That is why he believes it is particularly remarkable that the Committee for Economic Development, a group of 250 corporate CEOs that sets its own agenda, selected the subject of inner-city distressed neighborhoods as the focus of their study. Even more surprising to Bendick was that they came back with the finding: "something works."

In the course of researching the report, Bendick took 30 CED trustees on field visits to inner-city communities — including the Robert Taylor public housing projects in Chicago, the riot area in Los Angeles, and the Central Ward in Newark — and they were surprised to learn that not all inner-city areas are a vast wasteland of distress. In fact, only about 11 percent of all urban neighborhoods met the CED criteria for distressed communities — that is, neighborhoods affected by the simultaneous presence of multiple problems, including dilapidated housing, retail distress, and high crime and school dropout rates. According to Bendick, the simultaneity of problems indicates that they interact synergistically, making any single, narrowly-focused problem-solving initiative difficult to sustain and ultimately ineffective. “In other words, the definition of a distressed neighborhood is not just that there are poor people there or rotten buildings there, but that there has been a collapse of the neighborhood’s ability to address those problems,” he said. The term for this ability is “social capital,” the norms and the networks that are the glue that holds society together. These distressed neighborhoods have come “unglued.”

In these neighborhoods, the CED trustees discovered “America’s best-kept secret,” the kinds of community-building initiatives described by the next two speakers. According to Bendick, all successful initiative share common characteristics: they are not top-down and not designed in Washington, DC, nor in city hall; they have extensive community participation in defining problems and implementing solutions.

No matter the particular issue it seeks to address, community-building initiatives must emphasize their role as part of a broader strategy for community development. In the process of working on a particular problem, people come together, institutions are strengthened, networks are built, confidence is restored, and support can be given for other initiatives addressing other problems in the community, he said. The indirect effect — this building of social capital — creates momentum for future improvement in the community.

Finding an institutional repository for the social capital is key to continued success. Whether community development corporations, church groups, boys’ and girls’ clubs, or health care centers, they can become leadership institutions, rallying points, and ongoing sources of expertise, connections, and political representation, said Bendick. The most important lesson that the CED trustees learned could be summed up by Bendick’s mantra: “Avoid the lone wolf programs.” Otherwise, the program will be overwhelmed by the other problems in the community. It may be a slower, more time-consuming, and frustrating process, but comprehensive community development initiatives are the only hope for success, concluded Bendick.

The bad news about community-building initiatives is that they are usually small — for example, typical community development corporations average a staff of seven people, an annual budget of $700,000, and 21 housing units rehabbed per year — and often idiosyncratic, therefore challenging to replicate elsewhere. “There is no match between the scale of the resources, the scale of initiative, and the scale of the problems,” Bendick concluded. The challenge is to make these model initiatives more common all across the country. “If you go to Chicago, you’ll trip over a community development corporation on every corner,” he noted. “If you go to Dallas, you won’t find any.”

Ironically, another barrier to the successful growth of community-building initiatives is the political rhetoric that grassroots innovation is a substitute for public initiatives. Every grassroots initiative needs support systems and three crucial resources — money, expertise, and credibility — which primarily come from outside the neighborhood, according to Bendick. Communities cannot sustain such initiatives without support from the federal, state, and local governments and the business and philanthropic sectors.

For instance, without four key federal programs — the Community Reinvestment Act, the

Community Development Block Grant Program, the HOME Program, and the Low-Income Housing Tax Credit — community-building initiatives will die, Bendick contended. Despite legislative proposals to reduce these programs, the first three are slated for level funding next year. However, the Low-Income Housing Tax Credit is in danger of being sunsetted in 1996, he complained.

As for the federal Enterprise Communities and Empowerment Zones program, which offers substantial grants to 15 communities and smaller grants to 90 others, Bendick questioned whether the funded initiatives are really the kind of community development described in this seminar. Most are the "lone wolf" programs he warned to avoid. For example, in Baltimore, the enterprise zone proposal tries to patch together a distressed neighborhood with employment in the Downtown Inner Harbor, which is not closely related to the community. Local capacity-building must include enlightening local governments about linking empowerment zones with comprehensive community development, he concluded.

If the federal government is serious about "reinventing government" and rebuilding inner-city institutions through comprehensive community development, then it should be more aggressive in contracting out social service delivery, housing development, and other programs through neighborhood organizations. This would give them the opportunity to become strong and meaningful rallying points for their communities, according to Bendick.

Bendick concluded by saying that whether a CDC starts with housing development or a service agency begins with teen pregnancy prevention, the important thing is that such an initiative is just an opening wedge into what must become a more comprehensive, community-building effort to be effective.

Arturo Portillo

Portillo is vice president of community support for Chicanos Por La Causa (CPLC), a community development corporation in Phoenix, Arizona. He joined CPLC in 1972 as a housing specialist. Much of CPLC's success has come because it has developed "community clout," which politicians and government bureaucracies understand, according to Portillo.

CPLC grew out of a student boycott of secondary schools in 1968 to protest racial violence between African Americans and Hispanics. CPLC has had four major program areas since 1969: housing, education, social services, and economic development. In 1975, CPLC actually became a Community Development Corporation with elected board members. They expanded their housing program by creating a real estate development company, Tiempo; their economic development work by establishing Inner Spice and Foods, a tortilla and spice manufacturing concern, and the Mercado, a marketplace for small businesses. Although in some respects these early efforts failed, CPLC learned a lot about the pitfalls of economic development in the process, said Portillo. Inner Spice and Foods taught them to concentrate on public relations with the business community to avoid being seen as competitors. The experience with Mercado, in which CPLC funds were mixed with private investments, taught them that maintaining management control is crucial.

Tiempo, the real estate development corporation, is still going strong, however. It has developed Section 202 elderly and handicapped units, purchased RTC properties, and currently manages over 1,000 units of affordable housing, making it a major property management company in Arizona.

Over the years, CPLC staff have become, by necessity, experts in housing counseling. In order to have credibility with the financial and business communities, they got real estate licenses. According to Portillo, CPLC has developed 12 sales people, five of whom have become real estate brokers and one has an appraiser's license. Former CPLC staff who have moved on to the private housing and finance industries have changed their institutions because of the philosophy they learned at CPLC. Currently, CPLC is building 40 homes, turning them over to low-income families at approximately 10 to 20 per year.

Portillo briefly described a range of other CPLC programs and services, beside housing, including:

- The Local Initiative Support Corporation (LISC) is supporting a CPLC program targeted around a neighborhood school. By bringing in lenders, the school, the local homeowners association, tenants, and other nonprofits, CPLC hopes to get all of the players to identify what the community needs.

- Social services and mental health counseling.

- Corazon, a residential abuse center.

- Advocacy on behalf of families. CPLC will intervene on families' behalf with employers, the industrial commission, doctors, or the local business community, for example. They get results because they've developed a reputation as a fair and reasonable representative of the community, according to Portillo.

- A very active economic development loan program for small businesses with loans ranging from $500 to $250,000.

- Employment and training programs, serving approximately 300 adults and 100 youth per year. However, anticipating cuts in the youth program, they are looking at other funding sources. One of their innovative youth employment programs is creating a silk-screening business that would employ at-risk youth to design and sell the product.

- Barrio outreach — Led by a staffer who is a former DJ, CPLC, with a partnership of business and nonprofit groups, is going into neighborhood parks to offer programs that reach at-risk youth, including car shows, karate and break dancing demonstrations, and free refreshments. The underlying message is: Stop the violence.

- De Colores serves battered women and abused children. CPLC stepped in to rescue a shelter that was going under and transformed it into De Colores, the first Phoenix shelter for Spanish-speaking women. It offers transitional housing, mental health counseling, abuse counseling, and child development counseling. The experience with the shelter has shown Chicanos Por La Causa and its board of directors that it needs to do more for women. Traditionally, CPLC programs have targeted young males, said Portillo.

Lloyd Smith

Smith, President of the Marshall Heights Community Development Corporation in Washington, DC, described the history of the CDC and the main features of its programs. Incorporated in 1979 by a small committee of residents in the discrete area of Marshall Heights east of the Anacostia river, Marshall Heights CDC has grown to serve the entire area of Ward 7. The population of Ward 7 has declined from 102,000 in 1970 to less than 70,000 today. Most of that loss is due to migration of middle-class African Americans to the nearby Prince George's County, MD, suburbs. "The problem is that when you lose your black middle class, you lose your volunteers," according to Smith. Ward 7 has one-third of the city's multi-family public housing.

On the plus side, Marshall Heights has the largest board of directors of any CDC in the United States — a 74-member authorized board representing the religious, business, and public housing communities, the civic associations and the advisory neighborhood councils — attesting to the community's investment in its success. The board meetings have been open to the community for 15 years.

Besides the loss of population, Marshall Heights has had to contend with a precipitous decline in city services. "We have become the government in Ward 7," he contended. Even worse, Smith is unable to get reliable data from the city with which to measure the current situation and to evaluate whether their programs improve peoples' lives. "So when people ask me how are you doing, I try to answer, 'We hope we have bottomed out now, and then we can rebuild,"' he said.

In 1980 when Smith joined Marshall Heights, it had three employees and a $115,000 annual budget; today, Smith employs 65 people with a $5.5 million annual budget. "However, don't get excited," he laughed. "Pass the word: We are not rich." Even with a multi-million dollar budget, Marshall Heights has trouble getting by because foundations offer categorical program grants with little overhead, complained Smith. "If you give me half a million dollars a year for a categorical program, and you refuse to give me my audited indirect, which is 22.5 percent, and you only give me 4 percent, I have got to make up 18 percent of a half a million dollar grant." That means that Smith spends much of his time trying to raise general operating money from other sources.

Marshall Heights has expanded its economic development activities to include active partnerships in commercial retail. In 1982-83, it became the managing general partner in a $3.2 million shopping center, which is now worth over $11.5 million. Although Smith relinquished the CDC's role as managing partner, Marshall Heights maintains a 40 percent ownership interest, which Smith uses as leverage to buy other buildings and secure other financing arrangements. Recently, they brought in the first Chesapeake Bagel Bakery restaurant in Ward 7, which includes an innovative employee stock option program. Marshall Heights acts as a "business incubators," arranging micro loan programs with two banks. Smith serves as an organizing board member for the soon-to-be-opened Community 1st Bank in Anacostia.

Smith described Marshall Heights' comprehensive housing efforts, which include single-family housing, rehab houses, HUD foreclosures, modular houses, townhouses, transitional houses, much of it supported by HUD grants. Recently, they opened a 60-unit, single-room occupancy project with a live-in manager and a case manager for young people transitioning to independence. Marshall Heights is also a HUD-certified housing counseling agency, offering credit repair and housing counseling, among other services.

Marshall Heights provides a range of services, including social services, job development, employment services, training referrals, a life skills program. With a $1.5 million grant from the Commerce Department, they have developed a computer training program. Smith is working with the receiver for the DC child welfare system, Jerry Miller, to station a child welfare worker in the Marshall Heights office, creating the first model neighborhood child and family service delivery system in the country. Marshall Heights is seeking a planning grant to develop a health and wellness delivery system, because Ward 7 does not have a hospital, a "doc-in-the-box," or even an "unsophisticated" health center.

Since 1981, Marshall Heights has had an overall economic development plan with has five objectives: physical development, business development, human resource development, institutional development, and organizational development. "We have grown, as has Chicanos Por La Causa, because the community comes and says you have got to do this," said Smith. They have acquired new programs along the way as other initiatives — like the Anti-Poverty Program — have failed.

Smith said they operate with a holistic approach and a philosophy embracing democratic capitalism: economic integration, self-sufficiency, and public/private partnerships. Most recently, that spirit has attracted a $3 million grant from the Robert Wood Johnson Foundation for the Fighting Back Program, a successful alcohol and drug abuse program, as well as one of five Rebuilding Communities grants from the Annie E. Casey Foundation.

Discussion

A housing and public policy consultant asked if these community-building initiatives chose housing as their first target because it offered a visible, tangible result. Smith said that when he was hired in 1980, he suggested that Marshall Heights concentrate on economic development and “back into” housing because he anticipated that the incoming Reagan administration would gut HUD. With the success of the shopping center, they were able to demonstrate their credibility for housing money. Portillo agreed that tangible housing makes it much easier to sell services programs. “The “bricks-and-mortar” opens the doors for all the rest of the services to follow,” he noted. Bendick said that while housing is “a good opening wedge” for community building, the key is to have the local residents identify their own opening wedge — whether it is jobs, crime, or housing. Whatever the community chooses, the goal should be to show some progress quickly, he added. Vidal noted that from an institution-building or system-building perspective, housing has often been the lead because the public sector and the national intermediaries know how to finance and replicate housing to show substantial growth in a relatively short period of time. And, because the private sector recognizes housing as a disciplined and businesslike endeavor, initiatives with housing programs gain some credibility with private funding sources.

One seminar attendee asked for the panelists to expand on the issue of availability of funds for administrative expenses. Portillo noted that while CPLC’s administrative costs are 18 percent, their average administrative line in a program grant is only 10 percent, meaning they have to raise the balance elsewhere.

A staffer with the Office of Management and Budget asked what the panelists would recommend the federal role in community-building be, particularly if less than level funding is anticipated. Bendick suggested that the federal government look at community development organizations as a site for service delivery. “This would not require more total Federal money, but just a reallocation and channeling of some very large existing dollars,” he contended. Vidal agreed and added that the feds need to be more energetic about enforcing anti-discrimination legislation. Smith agreed with Bendick that CDCs could provide more services for the same amount of money. However, community development organizations need help to compete in the marketplace, to gain access to lines of credit and not have to scrounge for money all the time. Redirect money spent on defense into the communities, he suggested. For instance, Portillo noted, most federal contracts work on a cost reimbursement basis, meaning that the community organization must advance the start-up money. Often, CPLC has to wait 30-120 days for the government to reimburse expenses.

An attendee asked how these community-building initiatives would pick up the slack once federal spending is cut. Portillo contended that they’re in no financial condition to offer more services, particularly without more administrative funds. Smith agreed, noting that as the District considers closing DC General, the only public hospital in the city, Marshall Heights will need help to create a “health and wellness delivery system” that can pick up some of the lost services. He has started having discussions with managed care corporations. The feds are not making things any easier, he added, describing how they’ve been waiting for the FHA to process a fast-track application since August.

A representative from the United Way of America asked for examples of private sector involvement in these community development initiatives, besides the traditional lending role. Smith, noting that Nations Bank recruited a Marshall Heights vice president, joked that he is training people for the private sector. The private sector must "step up to the plate" because they will need a future work force with the right training, skills, and attitude, he added. Through his experience with the Committee for Economic Development, Bendick argued that the nonprofit community must stop "negative marketing" — that is, trying to entice private sector involvement by describing their problems as "the worst in the world." Instead, nonprofits can attract business interest by promoting their successes, showing how effective CPLC or Marshall Heights can be, for instance. Portillo noted that the private sector can also offer non-cash assistance — including management skills and in-kind material contributions. CPLC has also engaged retirees and business people as volunteers. Smith described Marshall Heights' Casey-funded asset mapping project, in which they are creating an inventory of community resources. This effort has taken the form of a community treasure hunt. LISC, Enterprise, and the other national intermediaries have educated very senior CEOs about what community development can accomplish, broadening the political constituency for community building, said Vidal. And corporations have been attracted by the Low-Income Housing Tax Credit, she added.

An attendee from the Council of Governors' Policy Advisors asked about the effect of federal devolution, especially as the states consider transferring responsibility down to the community level. Smith believes each state must set up a block grant panel to begin the planning for block grants. Bendick suggested that the current block grant legislation should include set-asides so that states have incentives to begin the process of contracting with successful nonprofit organizations. Vidal said she found it quite frightening that the states, many of which have limited capacity, might dump huge amounts of money and responsibility on small community organizations. While it would be one thing to engage large, stable groups like CPLC and Marshall Heights, most CDCs average a staff of seven and a budget of less than $1 million - and many have much less capacity. "To just throw the money out there and see what happens, I think will in many places be a prescription for disaster," she concluded.

A representative from the Center on Effective Services for Children asked what it would take to build the capacity of community-based organizations to provide more services. Bendick stressed the need for stable operational funding to pay for administrative overhead, including accounting systems, computer systems, and rent for office space — exactly the kinds of things foundations hate to pay for. He agreed with Vidal that these initiatives cannot be expected to double in size overnight; 25 percent per year growth is more reasonable than 50 or 100 percent per year, he believes. Vidal added that these programs must be encouraged to help build social and family capital — the kinds of personal and family supports that historically were handled by communities and families — otherwise the other outside resources will never be enough. Smith added that we must be willing to try interim, noncategorical strategies — that is, pilot devolution. Portillo illustrated the wisdom of this with the example of a recent JTPA grant for $140,000 worth of computer education equipment that he can only use with his 200 JTPA-eligible clients because of strict funding regulations.