COMMUNITY DEVELOPMENT: CURRENT ISSUES AND EMERGING CHALLENGES

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Poverty and disinvestment continue to undermine the quality of life in many inner city neighborhoods, and their ill effects have begun to affect some older suburbs as well. These conditions affect not only current living conditions in those neighborhoods, but also the life chances of community residents and the overall economic and social health of the cities and metropolitan regions they inhabit.

Since its inception, the *Journal of Urban Affairs* has focused attention on disadvantaged urban communities and efforts to improve them. In keeping with this record, this special issue focuses on emerging issues in the community development movement with an emphasis on the work of community development corporations (CDCs). CDCs have grown in number, proficiency, and accomplishments over the past four decades, attracting and drawing strength from an expanding circle of political and financial supporters. They constitute a rare example of a sustained approach to addressing the issues confronting poor neighborhoods that has steadily extended its reach. This issue highlights some of the emerging issues that will affect the movement's ability to continue this remarkable record in the years ahead.

Committed, thoughtful leadership has always been critical to effective community development, and seasoned practitioners who share their reflections on practice have made important contributions to the development of the programs, strategies, and institutions that have made the field's growth possible. Following that model, this special issue incorporates a novel element: a section called "Voices from the Field" in which four community development veterans with diverse perspectives and experiences reflect on community development from their distinctive points of view. Their commentaries are intended to complement the scholarly articles, providing a texture that research seeking to reach generalized findings often cannot capture, but that is essential to a solid understanding of what makes community development distinctive.

This introduction puts the research and commentaries into context in three ways. First, it briefly summarizes the history and current state of the CDC movement and positions

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the work of CDCs within the rubric of major interventions targeted to poor communities. Second, it describes the current economic and public policy context for community development with an emphasis on the critical influence of the national economy and federal policies and programs. Finally, it identifies some major current issues and developments that could not be included as the subject of full articles but that will, nevertheless, affect the evolution of community development in the coming years.

COMMUNITY DEVELOPMENT: A PLACE-BASED APPROACH

Community development is asset creation that improves the quality of life of residents of low- and moderate-income neighborhoods (Ferguson & Dickens, 1999). Assets may be of many kinds, e.g., physical, economic, political, social, or cultural. They can be either individual or collective. For example, new owner-occupied homes provide benefits mainly to the owner occupants, but may also strengthen the neighborhood; a new park benefits the broader community, although it will likely not benefit all residents equally. Both are community assets. Many assets are created through private market investments (say, in real estate or business establishments), but public sector and nonprofit investments, either top-down or bottom-up, also generate significant community assets. Regardless of the source of the investments, community development is a place-based approach: it concentrates on creating assets that benefit people in poor neighborhoods, largely by building and tapping links to external resources.

A variety of place-based approaches to addressing the problems associated with concentrated urban poverty and disinvestment have been attempted as the nation's cities have grown and changed (Halpern, 1995; Keating, 1999; O'Conner, 1999). Three major sets of such initiatives stand out.

First, when waves of European immigrants poured into US cities in the late nineteenth and early twentieth centuries, settlement houses like Hull House in Chicago, founded by Jane Addams, sought to provide a broad array of services to help them adapt to American life and to improve life in their neighborhoods. In this same era, the tenement house reform movement began in an effort to improve substandard housing conditions, ultimately leading to the adoption of municipal housing and sanitary codes (Friedman, 1968).

Second, beginning in 1949 and continuing into the 1960s, the federal urban renewal program gave cities matching funds for the removal of blighted neighborhoods and their redevelopment. Unlike the earlier efforts, which assisted the poor in their communities, urban renewal cleared deteriorated neighborhoods and dispersed the existing residents, destroying their communities. The redeveloped neighborhoods looked much better than the original ones (i.e., the physical and economic assets were of higher quality), but they served more affluent people and often included significant commercial development intended to strengthen the municipal tax base.

Finally, starting in the mid-1960s the federal government launched the War on Poverty. Largely targeted to central cities and their poorest neighborhoods, it gained notoriety for efforts to empower the poor in order to improve their circumstances, requiring "maximum feasible participation" by community residents in program development and channeling federal dollars directly to neighborhood Community Action Programs rather than through city hall. The resulting political backlash led to new rules and reduced funding; most of the War's anti-poverty programs soon disappeared. The ensuing Model Cities program, a response to the urban riots and civil rights protests of the period, also aimed at revitalizing urban neighborhoods; it also failed to overcome organizational and funding problems and was short-lived (Frieden & Kaplan, 1975). By the early 1970s, place-based approaches to urban problems had largely faded from the federal scene.

One lasting legacy of the War on Poverty was the beginning of the community development movement. CDCs, then very few in number, received federal funding under the Special Impact Program (later Title VII) of the Equal Opportunity Act of 1966 (Zdenek, 1987). Their numbers grew slowly during the 1970s (mostly without federal support), then increased dramatically during the 1980s and especially during the 1990s. Strong enough that it is sometimes referred to as an industry, the movement now includes an estimated 3,600 organizations, compared to 2,200 groups in the late 1980s (NCCED, 1989, 1999). Rapid expansion, sustained over a period of more than 20 years and yielding a growing stream of acknowledged accomplishments, distinguishes the CDC approach to community development from other contemporary approaches and is one of the reasons that CDCs and their work are the focus of this special issue.

CDCs are nonprofit community-based organizations whose distinctive feature is their focus on fostering physical and economic assets in their communities. They typically have broad community betterment missions and engage in a wide variety of activities, but their signature accomplishment is the production of affordable housing. The vast majority of CDCs have housing programs, and collectively they have developed or rehabilitated more than 550,000 affordable housing units, many of which they manage. Other common types of CDC activity include developing other types of real estate, including commercial buildings, industrial properties, and, most recently, community facilities such as day care and community centers, promoting business development, and advocacy and organizing (NCCED, 1999).

CDCs vary greatly in size, from groups with annual operating budgets of less than $100,000 a year to multi-million dollar a year organizations. On average, they remain small (median staff size is six) and undercapitalized (NCCED, 1999). Not surprisingly, then, their capacity to undertake revitalization projects varies greatly, although the number of high-producing CDCs has been growing (Walker & Weinheimer, 1998).

Fifteen years ago, CDCs, especially urban ones, were strongly concentrated in the Northeast and Midwest, their historic base (NCCED, 1989). As the movement has grown, they have become rather more evenly distributed, with each major region having at least 20% of the nation's CDCs. Slightly more than half of all CDCs work in cities, and an additional one-fifth of them serve communities that include both urban and rural areas (NCCED, 1999).

CDCs working in different types of places and grounded in distinct histories have adopted somewhat diverse approaches to practice. For example, as the sustained strong economy of the 1990s buoyed housing markets in cities like Boston and Denver, CDCs there began to face a different set of problems than their peers in cities where the housing market remained weak. Lynette Lee discusses some of these problems in her commentary. More recently, faith-based development has received considerable attention, especially after the current Bush administration began promoting greater reliance on faith-based organizations to address difficult social problems. Although no new federal spending for these groups has yet been authorized, this spotlight called attention to the contributions of the numerous faith-based CDCs and has stimulated the creation of additional faith-based organizations.

To be effective, CDCs must attract resources from outside their neighborhoods. Their accomplishments are thus the product of the combination of their effort and of the resources and support of a sizeable cadre of other organizations, including foundations, financial institutions, corporations, and public agencies at all levels of government. Like the CDCs, these supporters have grown in number and sophistication over the past two decades—drawn to invest in a community development approach with real promise and accomplishments, and in turn supporting the field's expansion (Vidal, 1996).

Many of these institutions have channeled their support through national and local intermediaries. The best known of these are the large national financial and technical assistance intermediaries: Enterprise Foundation, Local Initiatives Support Corporation (LISC), and Neighborhood Reinvestment Corporation. These organizations have made distinctive contributions to the growth of the CDC movement—by expanding CDC access to capital, crafting new programs and approaches, and fostering an increasingly robust array of local support collaboratives in cities across the country (Vidal, 2002). When a group of large national foundations decided in 1991 to make joint investments designed to expand CDCs' activity, they elected to channel their funds through LISC and the Enterprise Foundation. Their collaboration, now formally organized as Living Cities, represents a significant new step in broadening reliable support for CDCs. Mark Willis's essay in this issue provides an overview of the field and its challenges from their perspective.

While the CDC movement is the longest-lived of the current place-based revitalization approaches, it is not alone. The work of CDCs is best understood in the context of three contemporaneous efforts with kindred goals. Each has distinctive roots and characteristics, and often operates quite independently of CDCs. However, in varying degrees each of these parallel efforts has incorporated and supported the work of particular CDCs when their geographic target areas have overlapped.

The primary federal urban initiative of the past decade was the Empowerment Zones and Enterprise Communities (EZ/EC) program, a flagship program of the Clinton administration. A 10-year program launched in 1995, it awarded significant funding and tax credits for businesses to a small number of Empowerment Zones and modest funding to a larger number of Enterprise Communities. Framed very holistically, the program called for strong citizen participation and allowed localities great discretion in program design, but its principal thrust in most places was to strengthen zone economies and improve economic opportunities for residents. Midway through the program, Empowerment Zones had registered increases in jobs and in resident employment and business ownership, although these gains were modest relative to community needs (Hebert, Vidal, Mills, James, & Gruenstein, 2001).

Starting in the late 1980s and early 1990s, national and community foundations began investing in a variety of new endeavors to strengthen poor neighborhoods by reviving attention to comprehensive approaches. Like earlier efforts undertaken as part of the War on Poverty, these comprehensive community initiatives (CCIs) typically emphasize a wide variety of social services and the development of human capital (e.g., improved schools and children's services, youth development, job training). Nevertheless, many have included economic development and improved housing within their purview, and some have included CDCs or started new CDCs. Also like the War on Poverty, CCIs are strongly committed to democratic decision-making at the neighborhood level. They place heavy emphasis on approaches, collectively known as community building, designed to encourage residents and other stakeholders to participate in the community change effort and to support and prepare residents to do this well. The difficulties encountered in implementing these ambitious programs and the resulting slow pace of compelling accomplishments have been disappointing to funders, however, leading them to move toward more focused approaches (Kubisch et al., 2002).

Finally, the emphasis on community participation in the EZ/EC program and the commitment of CCIs to community building illustrate a broader phenomenon that has gained strength over the past decade. Several types of efforts seek to improve the circumstances of poor people and their communities by strengthening their ability to engage effectively in civic life, both individually and collectively, and thereby increase their influence over political and economic decisions that affect them. Organizing, in particular, is again demonstrating its ability to improve life for the urban poor in arenas as diverse as environmental justice and access to public transportation. For example, in many cities successful Living Wage campaigns have sought to raise the standard of living for underpaid workers through municipal minimum wage laws (Bernstein, 2002).

THE ECONOMIC AND PUBLIC POLICY CONTEXT AFFECTING THE COMMUNITY DEVELOPMENT MOVEMENT

Federal policy and the performance of the national economy profoundly influence both the problems community development seeks to address and the programmatic supports available for the work. Thus, these factors shed light on past achievements and help to shape current challenges facing CDCs. This section briefly reviews the broad pattern of adverse market forces and their impact on poor urban communities, and the ways in which key public policies have contributed to this pattern in the post-World War II era. The backdrop for this discussion is the debate, throughout this period, about the merits of "people versus place" policies to help the urban poor. On the one hand, we have witnessed intermittent efforts (discussed earlier) to revitalize poor neighborhoods, labeled by their detractors as attempts to "gild the ghetto;" on the other hand are contemporary programs to deconcentrate the poor, e.g., using Section 8 rental subsidies to give the poor greater housing and neighborhood choices.

Over the last half of the twentieth century, powerful forces worked against the well-being of many inner city communities. They included the suburbanization of jobs and people, racial discrimination in the housing market, the age and location of many of these neighborhoods, and the poverty of many of their residents. As a result, the market produced virtually no unsubsidized new housing in these neighborhoods over this period, and the private rental market was all too often characterized by substandard physical conditions and overcrowding. In minority neighborhoods, even those residents able to afford to buy a home typically found that due to racial discrimination and dual housing markets, they were unable to obtain conventional financing and home insurance from major lenders and insurers. The same was true for small and start-up businesses in these neighborhoods. Along with the population loss in these neighborhoods and changing consumer patterns, this helps to explain the empty storefronts in neighborhood commercial strips.

The neglect of poor neighborhoods by homebuilders, realtors, lending institutions, insurers, and major retail chains was influenced by public policies. Certainly, bank redlining was largely a result of similar policies practiced by the Federal Housing Administration (FHA) that dated from its inception in the 1930s. Until the 1960s, the FHA refused to lend in allegedly risky neighborhoods characterized by their age and significant or majority minority populations, regardless of the income of the mortgage applicants or the quality of the housing that they sought to purchase. It took the community investment movement and the enactment, implementation, and strengthening of the Home Mortgage Disclosure Act (HMDA) and the Community Reinvestment Act (CRA), both enacted in the mid-1970s, to begin to allow CDCs and residents and businesses in their neighborhoods to gain access to capital (Squires, 2003).

Despite gains, including CRA-related commitments by lenders and the support of intermediaries for CDC-sponsored housing and commercial projects, minorities still experience more subtle forms of discrimination and many lenders, often after mergers and acquisitions, have withdrawn conventional services and branch offices in poor, declining neighborhoods. Within the past few years, predatory lending made its appearance in many of these neighborhoods. Mortgage brokers, often capitalized by major conventional lenders, have misled homeowners and homebuyers, especially the elderly, into taking out usurious loans through deceptive practices, which have threatened many with foreclosure and loss of their credit ratings or even their homes (Hurd & Kest, 2003). Legislative reform efforts to outlaw these practices have been limited by pre-emptive federal legislation supported by conservative politicians favorable to the interests of lenders and opposed to stronger regulatory policies. Community reinvestment advocates hope to expand CRA coverage amidst continuing changes in the structure of the financial services industry that have encouraged the formation of regional and national lenders, replacing the local lending institutions that formerly were much more tied to their service areas. Meanwhile, emerging alternatives, including community development financial institutions (CDFIs) and community foundations, as well as publicly funded economic development programs, have provided (on more favorable terms) capital essential to the revitalization of these neighborhoods. These emerging sources of support are analyzed in this issue in articles by Jeffrey Lowe and by Leah Benjamin, Julia Sass Rubin, and Sean Zielenbach.

Despite evidence that lenders have done well financially when CRA-related investments have been made in these neighborhoods (Board of Governors of the Federal Reserve System, 2000), many poor neighborhoods still lack essential services that characterize suburban neighborhoods. Often national retail chains are reluctant to enter these markets despite evidence that the buying power of central city residents, including their poorer neighborhoods, will support these businesses (Initiative for a Competitive Inner City, n.d.). In many cities, it is only through the persuasive efforts of CDCs and supportive governmental agencies that these types of businesses agree to open in newly developed inner city shopping centers. Some of these centers have replaced the old commercial strips and are now competitive with suburban shopping malls.

In the economic boom of the 1990s, central cities and many of their neighborhoods saw better times (Grogan & Proscio, 2000). Cities not only spent large sums on downtown redevelopment but also on neighborhood revitalization, although support for the former typically far exceeded expenditures on poorer neighborhoods. While most older, formerly industrialized cities continued to lose population, mostly to their suburbs, those cities with an influx of immigrants grew. This was not a phenomenon limited to Sunbelt cities. New immigrant populations presented both positive gains and challenges to the cities where they arrived. In many urban neighborhoods, there is a rich mix of older residents and several immigrants groups, paralleling previous waves of immigration to cities. CDCs serving such communities face special challenges in adapting to changing constituencies, as Lynette Lee's essay in this issue describes.

The 1990s image of central cities with decreasing crime rates and reviving downtowns featuring new sports stadia, office buildings, hotels, casinos, and other tourist attractions temporarily masked underlying adverse trends that again became apparent with the economic downtown of the first years of the twenty-first century. Older industrial cities continued to lose manufacturing jobs, which were not replaced in kind by new employment in the service sector. Jobs in the latter category paid less and often were without basic benefits (Ehrenreich, 2001). A growing income inequality between the rich and the poor in the United States was well illustrated by the difference in household income between the residents of central cities and those of the surrounding suburbs, especially the poorest urban neighborhoods contrasted with the wealthiest suburban enclaves (Dreier, Mollenkopf, & Swanstrom, 2001). Politically, central cities that lost population saw their already weak influence with the federal and state governments decline further with re-apportionment following the 2000 census.

More immediately, the early success of the 1996 welfare reform that forced those on public assistance to seek employment ran up against the weakening economy, especially for those with little education and personal problems that severely limited their job opportunities. While existing levels of racial and ethnic residential segregation did show some decline in the 1990s, central cities and many of their neighborhoods remain highly segregated, although they were generally far less segregated racially than those of their suburbs (Iceland & Weinberg, 2002). Highly concentrated poverty (defined as census tracts with poverty rates of 40% or more) also declined from 17% of metropolitan tracts in 1990 to 12% in 2000. In contrast to suburban school systems, public education in our big cities continued to struggle with the burdens of the social problems of much of their student bodies. Public school systems were also resegregating during this period, despite court ordered desegregation (Orfield & Lee, 2004).

All of the above economic and social developments, both long-term and short-term, are beyond the reach of CDCs to influence. Rather, they must deal with their impacts on their communities as best they can. Their ability to do so was influenced by the 2000 victory of the conservative Bush administration, which has not identified the community development movement as an important actor. Nor has it shown much interest in urban policy issues. This has left it to the states and central cities to address the needs of poor urban communities. With the rise of federal deficits and the poor economy that has led most states and many cities into fiscal crises and spending cuts, CDCs and the social agencies with which they collaborate are facing growing needs with reduced resources (Jenny, 2004).

Nowhere is this better illustrated than in affordable housing. This has long been a primary concern of CDCs, which have created new and rehabilitated housing in areas deemed uneconomic by the private market. Using a variety of local, state, and federal programs, augmented by private funds, they have had significant impacts on their local housing markets–when they have been able to fund significant, sustained investments (Galster, Levy, Sawyer, Temkin, & Walker, 2004). If there are funding cuts in available housing programs and if corporate interest in the LIHTC suffers due to proposed tax reforms, the ability of CDCs to continue production of affordable housing at current levels will be seriously jeopardized. A proposal to create a national housing trust fund to support their efforts so far has not received serious consideration in Congress. None of this bodes well for the future for CDC-sponsored housing, particularly in cities where CDCs are relatively new, few in number, poorly funded already, or without supporting intermediaries.

Even amidst the problems cited above, there are still hopeful signs for the community development movement and CDCs. For example, state and local housing trust funds have expanded over the past decade, complementing federal funding and corporate investment in affordable housing. Supported by institutions like the Federal National Mortgage Association (FNMA), home ownership among minority households has somewhat increased, a trend encouraged by many CDCs and now a stated priority of the second Bush administration (FNMA, 2004).

In responding to policies and programs promoting home ownership, CDCs may face a dilemma. The production cost of single-family housing almost always exceeds that for rental apartments. In those central cities promoting new single-family housing in order to compete with surrounding suburbs, this housing may be directed more toward middle-income households rather than the low-to-moderate-income households whom CDCs have usually served. In cities where gentrification has occurred, CDCs serving neighborhoods that are gentrifying face the additional problem of rapidly rising land costs that push the cost of building new housing ever higher, exceeding the ability of available subsidies to make it affordable. This does not have to be an either/or choice between tenure types. In Cleveland, for example, CDCs and the Cleveland Housing Network have managed to provide new housing for ownership by both middle and moderate-income buyers as well as continuing a unique lease-purchase program for lower-income renters, thus serving both needs. Overall, however, the forces and funding promoting home ownership have been stronger than those for affordable rental housing, which remains a pressing concern.

CURRENT DEVELOPMENTS IN THE FIELD

The growth of the CDC movement in the face of a difficult macro economic and political environment immediately raises the question of how to identify adequate resources to sustain and build upon the foundation that has been laid. Resources have always been a pressing issue. CDCs are almost totally dependent on external support for their activities; the core community development task is creating assets, and in poor communities this requires steady access to dollars from outside the community. As the number of CDCs and the volume of activity grow, capital markets continue to evolve rapidly, and the federal deficit grows, the question of whether the resource base can keep pace remains an on-going concern.

However, the interaction of the external environment and rapid CDC growth has also produced important developments and challenges that concern how the field adapts to the need for increasing complexity and sophistication in pursuing its work. These fall into three broad categories, discussed below in turn: structural change, expanding program focus, and greater reliance on partnerships and collaboration.

Structural Change

Resource scarcity has made development projects increasingly complex to finance, requiring the CDCs to increase both their technical skills and management capacity. As CDCs have become more aware of the importance of stimulating and taking advantage of markets to heighten the impact of their work, the skills and sophistication CDC leaders (both staff and board) need to do the work well have increased. And at the same time, the fact that many CDCs are small, undercapitalized, and, therefore, engaged in very modest levels of development activity fuels a desire to strengthen CDC capacity. In some places, these factors also raise concerns about whether there are too many CDCs that are too small to have a real impact and prompt interest in the possibility of CDC mergers (an issue discussed in the Bratt and Rohe article in this issue) or in the possibility of urging some CDCs to pursue roles other than real estate development (Stoecker, 1997).

Perhaps the most significant response to these pressures has been the development in a growing number of cities of local systems of support for CDCs (i.e., networks of city-level organizations, commonly working with one of the national intermediaries) that enable the CDCs to produce affordable housing effectively. CDCs have always had important local sources of funding. Long-term relationships among local supporters that provide reliable access for the CDCs to programmatic and political support, financing, technical assistance, and core operating support have increasingly developed over the past decade (Keyes & Vidal, 2004; Walker, 2002; Walker, Gustafson, & Snow, 2002). A few cities (such as Cleveland, discussed in the commentary by Mark McDermott) where CDCs have a long history have had CDC support collaboratives for many years, but in most places they are relatively new.

With the increase in dependable support, particularly critical core operating funds (always the most difficult type of funding for CDCs to raise), funders' interest in making sure they are getting good value for their money (e.g., investments at scale that have significant neighborhood impact) has also increased. Local support collaboratives often require the CDCs to commit to mutually agreed-upon capacity-building targets or production targets in exchange for multi-year operating support commitments. This approach, embedded in a broader local CDC support system, does appear to improve the capacity of participating CDCs to produce affordable housing and related activities (Glickman & Servon, 2003; Walker & Weinheimer, 1998). This makes it likely the approach will gradually be adopted in more localities, although it does raise questions about how to evaluate CDC performance fairly when they are buffeted by so many forces beyond their control. But it is worth noting that the number of cities with effective programs of this sort is still modest, that in most places these operating support programs do not include all of the local CDCs, and that funder interest in productivity and neighborhood impact is going up even in places where such programs are not in place.

Longer term, the growing sophistication of community development work, coupled with broad agreement that CDCs needed to be firmly rooted in their communities, raises issues about whether the field can continue to attract the talented people it needs to be successful. Many CDCs are or will be facing leadership succession challenges when key staffers either leave or retire after lengthy service. Few have engaged in succession planning for management, usually being consumed with daily survival issues. Individuals with the skills senior CDC staff need can typically earn more competitive salaries elsewhere, and committed young people who enter the field face hard choices when they start families and face the financial demands and responsibilities that entails. "Where will the next generation of leaders come from?" is a common question among thoughtful practitioners. Attracting and retaining people of color is of particular concern.

Expanding Program Focus

As noted earlier, CDCs typically have very broad community improvement missions and many of them engage in a wide variety of activities to strengthen their neighborhoods. There is widespread interest among CDCs in working on a broader array of community issues. Younger and smaller CDCs with a strong housing focus commonly want to expand into arenas where more mature CDCs already have experience, while more mature and diversified CDCs express interest in becoming involved in activities that have not generally been part of the CDC agenda, e.g., public safety, education, and child care. Moves of both types occur regularly as individual CDCs find ways to piece together resources and partners to facilitate expansion, and the number of groups reporting that they do such activities as commercial development and child care has risen (NCCED, 1999).

The national intermediaries and local CDC support systems have made numerous efforts to help CDCs expand their programming. For example, at the national level, The Retail Initiative, created by LISC, helps CDCs across the country develop neighborhood shopping centers anchored by chain supermarkets. At the local level, systems of support that enable numerous CDCs to expand into new lines of endeavor (particularly commercial development, business development and community organizing) have begun to emerge, although none approach the depth and consistency of supports for housing. In most cities, especially those where community development is still relatively new, system development efforts remain focused on housing (even though one or more local CDCs may have broader portfolios). Progress toward building systems of support for other activities remains concentrated in places (such as Boston, Chicago, and Cleveland) with strong CDCs and a strong housing development track record (Keyes & Vidal, 2004).

Taking a different tack, some of the larger foundations participating in Living Cities have initiated broad community change initiatives in one or more target neighborhoods in their respective home cities. For example, the Annie E. Casey Foundation is part of a significant partnership with the city of Baltimore, the Enterprise Foundation, Johns Hopkins University, and others intended to transform a target community in east Baltimore. The MacArthur Foundation's New Communities Program, fielded in partnership with LISC, has selected 16 neighborhoods to participate in a 10-year comprehensive revitalization effort. In these CCI-type interventions, CDCs are sometimes the lead community agency, sometimes not, and in either case the process involves a wider group of neighborhood-level participants than the typical CDC program.

Greater Reliance on Partnerships and Collaboration

Such efforts to broaden the CDCs' agenda to increase their impact underscore the growing importance of collaborations to successful community development work. Virtually all require building new or fuller relationships among stakeholders already within the CDC system and/or reaching out to forge ties with new partners. Sometimes progress hinges on CDCs developing new relationships among themselves, as in Boston, Seattle and Cleveland. In these cities new institutional arrangements through which CDCs share access to specialized technical expertise enables all of them to offer assistance to neighborhood businesses that none of them could provide individually. In other cases, entering a new area of activity entails crafting working ties to nonprofits with different types of expertise. In Chicago, for example, CDCs have been able to enter the workforce development field more readily than in many other places because they already had links to agencies engaged in that work and expanded on that organizational base (Keyes & Vidal, 2004). In yet other instances, the key to greater community impact lies in bringing institutions with new types of resources to the table, as when CDCs become involved in education reform, or when they collaborate with universities to increase their access to information and political clout as discussed in the article by Barbara Ferman and T. L. Hill.

Stronger community roots can often be very helpful in expanding what CDCs can accomplish. Jim Capraro's commentary in this issue illustrates the power that a well-organized community–pulled together by a strong network of churches, social service agencies, block clubs and other community organizations–can exert to help a CDC gain traction on an otherwise impossible problem, or gain access to external development resources that would be otherwise unavailable.

Community development can also benefit by finding common cause with broader organizing efforts. There are emerging signs that CDCs are beginning to engage in city-wide or regional organizing coalitions to address concerns that are not neighborhood issues, per se, but that have significant effects on neighborhood residents and, hence, the environments in which the CDCs work. Living Wage campaigns, discussed above, are the most widespread example. High levels of CDC interest in such issues as public transportation access and smart growth suggest that if resources can be identified, these types of coalitions may attract growing CDC participation.

CONTRIBUTIONS IN THIS ISSUE

This issue cannot address all of the policy dilemmas identified, but the contributors do speak to many of the significant concerns facing CDCs in the years to come. In the first section of the issue, "Voices From the Field", Mark Willis, co-chair of Living Cities and head of J. P. Morgan Chase Bank's Community Development Group, looks back at the growth of the community development field and shares lessons learned by Living Cities: the National Community Development Initiative through its distinctive partnership approach. He also discusses requirements for future success in community development.

The opening statement by Willis is followed by commentaries by three other practitioners based upon their experiences. Jim Capraro, Executive Director of Chicago's Greater Southwest Development Corporation (GSDC), shares the experience of GSDC over almost three decades in the Chicago Lawn community, tying its redevelopment successes together with the community organizing efforts of the Southwest Organizing Project (SWOP), an Alinksy-style organization in the same area. Lynette Lee, Executive Director of the East Bay Asian Local Development Corporation in Oakland, California, recounts the growth of a multi-cultural CDC and its efforts to foster lively neighborhood economies and provide affordable housing in gentrifying neighborhoods in an already high-cost housing market. Mark McDermott, Director of the Enterprise Foundation's Midwest operations, discusses the collaboration between national intermediaries and local CDCs and their network organizations, using Cleveland, Ohio as an example.

The remainder of the issue, "Voices from the Academy", is comprised of the following articles. Leah Benjamin, Julia Sass Rubin, and Sean Zielenbach assess the emergence of a variety of community development financial institutions, their potential to provide needed capital for community development, and the challenges that they face. Rachel Bratt and Bill Rohe, while acknowledging the overall strength of the CDC movement, consider some of its key potential vulnerabilities. They analyze mergers and notable failures of six CDCs and offer recommendations to help CDCs and their financial supporters avoid future organizational problems. Jeffrey Lowe calls attention to the growing role of community foundations as sources of financial and programmatic support for CDCs. His case studies highlight the role that national foundations with a long history of supporting CDCs have played in fostering this expansion and illustrate some of the local political and financial dynamics that it entails. Barbara Ferman and T. L. Hill examine research-driven partnerships between universities and community organizations from the perspective of the community groups. They identify strategies that researchers engaged in these collaborations can use to make them more valuable to the community.

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