

**Building Higher Education
Community Development Corporation Partnerships**

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Introduction

Many institutions of higher education are located in neighborhoods that have inadequate housing, high rates of unemployment and poverty, and growing levels of crime, drugs, and other social maladies. As more of these problems have reached their doorsteps, colleges and universities have increased their efforts to revitalize their surrounding neighborhoods. U.S. Department of Housing and Urban Development (HUD) Secretary Andrew Cuomo spoke of the need for universities to address urban conditions:

Very often universities are the greatest assets in their area. But for too long they have been isolated from the surrounding community. We are looking at how you open the gates of the university to literally bring in the community.¹

Beneath neighborhood troubles and struggles are valuable human, social, and physical assets that need to be recognized and developed as an essential strategy for community renewal. One form of these valuable resources is community-based organizations that have been created by neighborhood residents to plan and carry out a variety of development activities designed to improve housing, increase employment and income, combat crime and other social problems, and empower residents. These organizations, which often are collectively called community development corporations (CDCs), number in the thousands around the country and have played a key role in the restoration and development of many economically disadvantaged communities. While this handbook uses the term CDC to connote those organizations that are assisted by higher education institutions, the concepts apply equally to community-based groups not affiliated with higher education institutions that are working to improve neighborhoods.

Colleges and universities are joining forces with CDCs to turn their neighborhoods around, combining informational, political, and economic resources and connections with local knowledge, support, and organizing and development skills.

Neighborhood concerns have grown at a time when many community organizations and higher education institutions face tighter budgets. Each has fewer resources to improve their environments. In a period of scarce resources, partnerships and collaborations are essential to mobilize and stretch their means for neighborhood change.

The growing number of alliances between institutions of higher education and CDCs stems, in part, from the push of the economic and social realities that these different organizations face and the increased awareness of the mutual benefits provided by such relationships.

Successful partnerships can mean increased resources and economy in the use of existing resources. But the benefits of partnerships can go well beyond matters of efficiency to better serving the missions of both community and educational organizations.

Purpose of the Handbook

Since 1994, the process of forming higher education-community development partnerships has been facilitated by support from HUD's Office of University Partnerships (OUP) through its Community Outreach Partnership Centers (COPC) and Joint Community Development (JCD) programs. Between 1994 and 1997, these two programs have provided more than \$40 million to more than 70 colleges and universities in support of their outreach and collaborative work for community development.²

The community outreach efforts of institutions of higher education involve a wide range of partnerships with nonprofit, for-profit, and governmental agencies—public schools, social service agencies, business associations, public housing authorities, neighborhood crime watches, and hospitals—to pursue a variety of goals from better public education to improved community health and safety to securing homes for the homeless.³

This handbook documents COPC and JCD initiatives to build partnerships with CDCs to more effectively plan and carry out projects to improve the neighborhoods they share. It draws primarily on the experience of the COPCs, JCDs, and other higher education and community initiatives. The handbook:

- Describes the ways in which colleges and universities have partnered or collaborated with CDCs to do community development, providing numerous examples.
- Suggests other areas and methods of collaborating for more effective community development.
- Draws lessons from this experience about building strong partnerships and collaborating on successful development projects.
- Serves as a guide for higher education institutions considering entering or expanding collaborative relations with CDCs.

Of these many important collaborations, this handbook focuses on higher education partnerships with CDCs designed to strengthen the human, organizational, economic, and physical capacity of the neighborhood and its residents. It highlights partnerships that strengthen the capacity of individuals to achieve economic self-sufficiency by securing better employment; of organizations to grow and provide better services and more opportunities for community building; of the neighborhood to provide more affordable housing; and of the physical infrastructure to offer more recreation, better transportation, and more opportunities for community building.

Information and Organization

Information for this handbook came from a variety of sources. First, in 1997 a survey of 58 colleges and universities participating in HUD's COPC or JCD programs from 1994-96 identified those colleges and universities that were working with CDCs. Information on a total of 32 schools, of which 18 completed surveys, was collected. Based on this information, at least 21 schools that work with CDCs were identified. In addition, 10 CDCs were interviewed in person or by phone. Site visits to Clark University, Trinity College, Yale University, and Portland State University provided opportunities to gather more detailed information on different types of partnerships and projects.

Second, information came directly from OUP, including access to COPC/JCD files, publications of case studies and current practices in community partnerships, and personal feedback. Third, information came from university Internet Web sites and conference papers and articles, especially from the journal *Metropolitan Universities* and from *Starting a CDC: A Handbook for Historically Black Colleges and Universities*.

This handbook has seven principal sections. The first section defines and discusses community development and CDCs. The second section identifies the nature and complexities of higher education—community development partnerships and the lessons learned from these partnerships. The third section considers the role and experience of colleges and universities in creating new CDCs. The fourth section identifies ways in which universities can support and strengthen new or existing CDCs. The fifth section discusses university-CDC partnerships for affordable housing, commercial real estate, and other forms of physical development in neighborhoods. The sixth section examines the role of higher education institutions for working with CDCs in community economic development, focusing on ways to work together to increase

employment of residents in sustainable jobs that pay family-supporting wages. The final section presents conclusions. The appendix provides definitions, an explanation of the procedures involved in incorporating a CDC, and a list of board responsibilities.

Although this handbook focuses on the community development roles of institutions of higher education, much of the information is relevant to other large institutions, such as healthcare systems, whose considerable economic, intellectual, and community leadership resources can aid community-based development.

Community Development and CDCs

In general, community development is a process of improving low- and moderate-income neighborhoods for the benefit of, and under the direction of, the residents of that neighborhood. This process strives to be sustainable, socially just, and comprehensive, encompassing a variety of activities such as neighborhood planning, affordable housing, commercial and real estate development, physical revitalization, industrial development, employment and training, job creation, education, leadership development, and community building.

The community development process is characterized by concerns about capacity, community, and control:

Capacity. Community development organizations seek to develop the human, economic, organizational, physical, and environmental capacity or assets of a neighborhood. This capacity includes individual skills, knowledge, health, and well-being; the ability of businesses to produce and share needed goods and services; the strength of community social and civic organizations that serve residents; and the condition of the housing, infrastructure, and built and natural environments of a neighborhood.

Community. Community includes an existing network of personal and institutional connections and relationships by which residents develop relationships, a common sense of identification, and support of and from others in their neighborhood.

Control. The community development process is planned, designed, implemented, and evaluated by residents, either directly or through their participation in development organizations that are accountable to them.

Community Development Corporations

The CDC is a critical player in the community development process. CDCs and similar organizations are:

- Place-based, nonprofit organizations that bring together concerned citizens, businesses, and government, as well as other institutions to direct improvement in a geographically defined low- and moderate-income neighborhood or other area for the benefit of the residents.
- Community-controlled through resident membership in the organization or on the governing board, which emphasizes self-help and promotes self-reliance, offering residents opportunities to exercise greater control over the local economy and to improve the quality of life in their neighborhood.
- Holistic entities that recognize the comprehensive nature of community development and engage in interrelated activities, such as neighborhood planning, physical development and revitalization, community economic development, leadership development, and community building.

CDC activities help to channel investment into neighborhoods in which traditional development financing has been severely limited and to link neighborhood residents with employment opportunities outside the neighborhood. CDC programs emphasize self-help and promote self-reliance by offering their constituents opportunities to exercise greater control over the economy and improve the quality of life in the neighborhood. Community development organizations that

have these characteristics and engage in the following types of activities, whether called CDCs or not, have grown in importance in this country since their formal introduction in the 1960s. CDCs undertake a wide range of activities, such as:

- Initiation and review of neighborhood planning
- Rehabilitation and construction of affordable housing
- Renovation and development of commercial and industrial properties
- Assistance to small businesses, local entrepreneurs, and microbusinesses
- Creation and retention of jobs
- Job training and job referrals for area residents
- Neighborhood beautification and enhancement of amenities
- Educational and recreational programs for youth
- Community arts and cultural events
- Advocacy for improved services and public and private investment
- Leadership development

Housing development and job creation are the most typical and visible CDC activities. Many CDCs are engaged in the rehabilitation and construction of affordable housing to enable low- and moderate-income residents to own their own homes or to find safe, decent places to rent. Such residential development can reverse neighborhood decline and stabilize local property values. CDCs also undertake commercial and industrial real estate development to encourage reinvestment in low- and moderate-income areas and to provide facilities for job-generating enterprises. To ensure that local residents benefit from reinvestment efforts, CDCs may offer assistance to local businesses and entrepreneurs and/or provide job training.

CDC work goes beyond bricks and mortar to develop human capacity in poor neighborhoods. By increasing people's skills and know-how through leadership development, CDCs help their neighborhoods become vital and better able to respond to challenges. They also work to create a stronger sense of community identity and inclusion through a variety of social and educational programs that they may offer directly to residents or broker services of other organizations.

The structure of each CDC may be uniquely adapted to local circumstances. Nevertheless, CDCs share common principles:

- Comprehensive visions for community renewal by enlisting the support of other organizations and institutions in collective solutions
- A focus on building and investing in a community's assets-both physical and human
- Empowerment of neighborhood residents by developing their skills and leadership and by offering opportunities for participation in community self-determination
- An emphasis on self-help

The CDC Track Record⁴

By 1995 more than 2,000 CDCs were operating in the United States. The data show that 95 percent of cities with more than 100,000 population have one or more CDCs, and CDCs operate in smaller cities and rural areas as well. Due to a number of factors, there is considerable variation in the number and capacity of CDCs by location. For example, "Boston and Chicago are well-known for their strong neighborhoods and active CDCs; more common are cities like New Orleans and Detroit where community-based development has only recently begun to take hold."⁵

Most CDCs (90 percent) engage in the development of affordable housing. From 1960 to 1990, CDCs produced an estimated 14 percent of all federally subsidized housing units (excluding public housing). By 1993 CDCs had produced a total of 400,000 units.⁶

CDCs also engage in community improvement and community-building activities. Two-thirds of them do some advocacy and organizing; more than 60 percent provide some types of human services; 18 percent are involved in commercial and industrial real estate development; and 23 percent provide small-business lending or engage in other business development and support activities.⁷

An institutional support system is evolving for CDCs. Specific groups assisting any individual CDC may vary substantially in number and in the level and type of support they provide. At the local level, this support most often comes from local government, other community nonprofits, community foundations, and major institutions such as universities, hospitals, and corporations. In several cities, collaboratives exist that bring together local foundations, financial institutions, corporations, and local government to build CDC capacity more systematically and provide it operating support, training, and technical assistance.⁸ State government agencies for community, economic, and human development also provide support to CDCs, as do Federal agencies such as HUD, U.S. Health and Human Services' (HHS') Office of Community Services, U.S. Department of Agriculture (USDA), and others.

National nonprofit intermediary organizations, including the Neighborhood Reinvestment Corporation, Local Initiatives Support Corporation, the Enterprise Foundation,⁹ and Seedco play key roles in the CDC support system. These organizations have helped raise public awareness about CDCs, enabled CDCs to tap greater levels of corporate and philanthropic support, and influenced public policy to increase the involvement of CDCs in neighborhood development.

CDCs are important vehicles for neighborhood development and as such are obvious partners for institutions of higher education that seek to participate in the revitalization of their communities. Likewise, institutions of higher education offer unique resources that can enhance the capacity and potential of CDCs to undertake the daunting challenges of rebuilding distressed neighborhoods. The following section describes some of the lessons of successful university-CDC partnerships.

Partnership Lessons

CDCs seek to build networks of neighborhood stakeholders and to develop partnerships to affect positive change. Partnerships between CDCs and colleges and universities are one type of partnership—one that is growing in importance. This section presents the benefits of higher education-CDC partnerships and, from the characteristics of successful partnerships, describes some of the lessons of these experiences, primarily in COPC/JCD sites.

What Is a Successful Partnership?

Successful higher education-CDC partnerships make important contributions to community development, meet the organizational needs of all partners in the process, and promote institutional change.¹⁰

Successful partnerships provide positive community outcomes—be they improved health, education, housing, infrastructure, or incomes of local residents—with the particular outcomes depending on the purpose of the partnership. Many community outcomes sought by higher education-CDC partnerships are discussed in later sections of this manual.

Successful partnerships provide positive organizational returns to all partners in addition to receiving direct benefits from improvements in the larger community. These organizational benefits include strengthened financial, human, and organizational capacity of community groups and educational institutions and support for goals other than community development, such as enhanced education and research in participating colleges or universities.

Finally, **successful partnerships change and strengthen the partnership** itself, increasing the capacity for the parties to work together effectively in the future with greater trust and mutual respect among partners and more sharing of resources and project ownership.

Benefits of Partnership

Why be in a partnership? What do partnerships provide to the participants? While the benefits gained by each partner vary, the types of assistance can be described in general as information; **human, physical, and financial resources; and political support, influence, and protection.**

Information. Information is seen, especially by higher education personnel, as the principal benefit to CDCs from their partnerships with universities. Pete Saunders of DePaul University's Egan Urban Center suggests that a university outreach center's research is the most valuable tool it can offer a CDC. Feasibility studies and other applied research, which a CDC often lacks the capacity to generate, can provide crucial support for a community's recommendations and add validity to community economic development initiatives.

The information provided can meet a variety of specific needs of CDCs. For example, Cleveland State/Case Western University's COPC's Phil Star writes that CDCs "often have great ideas but need information on best practices, model programs, or data for proposals" and that "[CDC] staff and the organizations are often called upon to take on new challenges and need training and assistance with organizational development," so that developing training programs and identifying people who have special expertise can also be a very important contribution of universities. Victor Rubin of the University of California at Berkeley (Bay Area COPC) adds that "CDCs are taking a greater interest in community planning and revitalization, not just project development, and therefore need many of the types of skills the university can assist with."

The following describes each of these lessons in more detail.

A Shared Underlying Philosophy of Community Development

Higher education partnerships with CDCs aim to enhance the quality of life of the residents in a specific neighborhood or other geographic area. Consequently, partnership success requires that both partners share essentially the same philosophy of the nature of community development. That philosophy defines broadly what they are trying to achieve together for that community and the principles of how they will work together in pursuit of those outcomes. An essential principle is that communities exercise self-determination for planning their futures.

Institutions collaborating with CDCs need to understand how these organizations define community development and be prepared to engage with them in developing a shared view of development goals and process. Even if the partnership only encompasses a single project, the planning, design, implementation, and evaluation of that project needs to be done in a way that supports the larger vision and process of community development.

Steve Teasdale, executive director of Main South CDC in Worcester, Massachusetts, puts it this way: "An essential step in any partnership is to establish a dialogue that includes broad community participation. This dialogue should establish what the shared goals and vision for the community are. It is vital that the university approach this dialogue from the perspective that the university is part of the community rather than the community."

It is clear that Clark University has embraced this approach to its partnership and shares a vision of community development with its partners. Speaking for the university, Jack Foley says, "It has to be a neighborhood-based strategy, from the bottom up as opposed to the top down. I think that we've seen in the past that top-down strategies have not worked. This is really coming from the community and the community is Clark, our neighbors, and the business people along here. If it really comes from, and is supported by, the community, then it more likely will have support from the business community and the government community."

An example of where the college or university and CDC visions of community development can merge is in the interpretation given to the idea of "community service learning." A university that shares the CDC view of community development, stressing the development of local capacity and valuing the community's say in the process, would work with the CDC to determine what types of student learning activities would be most consistent with those goals. Rather than assuming that the provision of any services to the community would be seen as beneficial and seeing the community principally as a laboratory to enhance the education of students, this university would pay more attention to the nature of the services provided, how they were agreed to, whom they benefited, and whether or not they contributed to the overall development of capacity or assets in the community.

If the educational institution and a CDC operate with a shared philosophy of community development, it is much more likely that the partnership they fashion together will be successful. This vision should shape all elements of the partnership.

An Approach to Collaboration That Reflects a Shared Philosophy

A characteristic of successful partnerships is a collaborative process that is consistent with their shared philosophy of community development. The most common feature of this understanding is what it says about the relationship between the partners (and their constituencies). This is a particularly important understanding to have worked out when there are significant power or resource differences between the parties, as commonly found in institution of higher education-CDC partnerships. It also is a test of the commitment of partners to their shared vision of community development goals and process.

Having a key faculty member or members who are motivated and committed to the community is also very important to successful partnerships. They make the links to the courses, design field studies, conduct research, inspire students, and offer training that is relevant and sensitive to community needs. Faculty leadership was essential, for example, for the original concept and sustaining of the East St. Louis Action Research Project by the University of Illinois at Urbana-Champaign.

The commitment of individuals alone, regardless of their level in the organization, is not enough. University support for community development has to be real and comprehensive and go beyond the values and commitment of individuals. To work effectively in community development partnerships, universities need to create and implement mission statements, educational policies, organizational structures, and reward systems that support faculty, staff, and student involvement in interdisciplinary applied research and community service.

This commitment to community development needs to be embodied in the educational mission of the university. For example, Judith Ramaley, past president of Portland State University (PSU) in Oregon, worked to build a university commitment to community development directly into the curriculum. PSU instituted a community-based curriculum with an educational program that requires all students to spend time working in the community as part of their education.

This commitment also needs to shape, for example, faculty, staff, and student reward systems. Without a clear priority for community service and applied research in the guidelines that are used in tenure and promotion decisions, nontenured faculty would be ill-advised to stray from their conventional classroom teaching and research for publication in academic journals. Similarly, students, with a variety of demands on their time, might not get involved with local community organizations unless it is part of the college's educational requirements and supported with appropriate faculty teaching and research incentives.

Tim Barnekov, director of the Center for Community Development at the University of Delaware, writes about their Professional Career Model which has encouraged and supported faculty and staff involvement in a wide range of community educational, service, and research activities:

- It applies to all of our degree programs.
- It provides a mechanism to reward professionals who are helping to integrate research, service, and graduate education—the professional staff has the largest responsibility for maintaining continuity in our outreach work.
- Professionals with a secondary faculty appointment play a major role in our academic program both in formal teaching and supervising graduate research.
- Everyone is on an 11-month contract, including tenure line faculty—this type of contract reflects participation on applied research and service projects.
- The promotion and tenure guidelines for faculty reward participation in public service, even making it possible to reach full professor with public service as the area of distinction.
- The applied research and service centers provide platforms that encourage and support faculty, staff, and students working on projects in the community.
- Our budgetary system, called a clearinghouse account, allows us great flexibility in our use of resources and creates advantages with regard to our ability to leverage a variety of external sources of support.

Barnekov concludes that "these mechanisms, which we have developed over the past 30 years, have enabled us to integrate [applied] research and [community and professional] service into the educational mission of the university perhaps more than any other university unit in the country."

Role of Colleges and Universities in Creating New Community Development Corporations

Many institutions of higher education active in community outreach and renewal have sought out CDCs as partners in their activities and supported CDCs to accomplish their goals for the neighborhood. However, some communities have no organization or mechanism for ensuring resident involvement in economic and physical redevelopment. In some places, existing social service agencies or neighborhood associations may have an interest in community development but do not have the capacity or geographic scope to undertake comprehensive development activities. In these cases, institutions concerned with community revitalization have assisted in the formation of new CDCs.

This section describes a process for creating new CDCs. It draws on a Seedco handbook developed specifically for Historically Black Colleges and Universities (HBCUs), although its content is applicable to all higher education institutions.²⁹ More than 24 HBCUs in three States and the District of Columbia have worked with Seedco and community residents to create or strengthen CDCs in their surrounding neighborhoods. With support from Seedco since 1990 and HUD since 1994, many of these HBCUs helped to organize CDCs where there were no CDCs. The process of establishing a CDC can be a time-consuming and demanding organizing effort that cannot be undertaken effectively without the active participation and agreement of community residents. Universities can play effective roles in supporting and facilitating the organizing process and providing technical support and advice in the formative stages.

A CDC organizing effort involves identifying neighborhood leaders who have the trust and confidence of local residents, determining the key issues of concern in the neighborhood, and showing how a CDC could be an effective response. Extensive outreach to the neighborhood through informal consultations, discussions, and community meetings is needed to generate ideas and enthusiasm. An inclusive community process is needed to articulate a vision for the neighborhood and a mission for the CDC. CDCs express a comprehensive vision of a vital neighborhood—not to pursue it all themselves, but to coordinate and complement the activities of other institutions to achieve a better quality of life for area residents.

Universities can support this effort in many ways: by providing leadership and vision and technical assistance in organizational development; by offering meeting space and office support; by paying for materials and graphics; by identifying outside speakers; by convening the relevant players; and by involving students in knocking on doors to talk to community residents and organization members.

The Process for Organizing a CDC

People organize a CDC to respond to problems in the community that they want to change. Sometimes CDCs are formed in response to a crisis. The energy to start a CDC comes from a shared sense by community residents that change is needed and that it is possible to do something about neighborhood problems. CDCs have broad and long-term goals to reverse decades of decline and improve the local economy. Some of the issues that stimulate the formation of a CDC can include:

- Deterioration of housing. Illegal dumping or environmental pollution in the neighborhood.
- Lack of public services in the neighborhood or inequitable access to city services.
- Redlining (the unwillingness of local banks to make loans in the neighborhood).
- Loss of neighborhood stores and shopping areas.
- Relocation of streets or highways and

Role of Colleges and Universities in Supporting and Strengthening Community Development Corporations

An essential part of supporting higher education-CDC partnerships is the role of colleges and universities in providing resources to build the capacity and strengthen existing CDCs and in working with CDCs to develop community leadership and solidarity.

Building CDC Capacity

Building the capacity of a nonprofit community-based CDC, whether it is newly formed or has operated for some time, is an ongoing process that entails developing its leadership and networks, financial resources, human resources, technical resources, and political support for the organization. Institutions of higher education can assist in the organizational development of new and existing CDCs in several ways. Support for specific CDC physical development or economic development projects, which can take a variety of forms, will be discussed in later sections.

Leadership and Networking

Providing leadership is one way a university can help strengthen its partnership with a CDC. By serving on the CDC board of directors, university officials can demonstrate the active participation of the institution in the CDC's purpose and activities. Involvement by the university president on the CDC board makes the strongest statement about the intention of the university to cooperate and support CDC purposes. Other key officials within the university, such as the financial officer, development officer, corporate counsel, faculty members, and other personnel, can be helpful to the CDC organization.

Institutions of higher education also make a valuable contribution to CDCs by making introductions to other important community leaders to broaden the network of CDC supporters. University presidents and officers often have established relationships with business leaders and local government officials who are important to the CDC. They may sit on local corporate boards or be members of local business associations. Their introduction and endorsement can help the CDC open doors.

Training and Information

Educational programs are one of the most obvious and useful ways that institutions of higher education can assist in the organizational development of CDCs. Colleges and universities and their associated centers provide a variety of professional training programs—many of which focus on, or include, the development of leadership, planning, and management skills for CDCs and other nonprofit organizations [for example, Portland State University (PSU) in Oregon, Cleveland State University (CSU), the University of Delaware, New Hampshire College, and Howard University].

By formally incorporating community development into its curriculum, a college or university can help to expand the pool of people trained for CDC jobs, identify community development as a professional career option, and introduce younger people to the field. The community development industry is growing and offers varied career opportunities, but there is a shortage of young people, especially African-Americans, trained in the interdisciplinary technical skills utilized in community development—business, law, public policy and administration, finance, real estate development, social services, and community organizing. Universities and colleges can create innovative curricula to prepare students for the field.

As the Clark University example shows, institutions of higher education have many resources and capabilities that they can offer in partnership with CDCs that are working in the areas of affordable housing, commercial real estate development, neighborhood revitalization, or other physical development work.

Training

Colleges and universities **may provide training programs on a wide range of physical development topics**, such as neighborhood planning, housing and real estate development, real estate finance, housing counseling, tenant management, and community participation in facility design. Training opportunities help CDCs and community residents learn new techniques and methods of development. In addition, Pat Rumer noted that community development training can provide a rare opportunity for community development workers to step back and reflect on their practice and learn from their experience. Several institutions of higher education offer training in real estate development for CDCs, including San Diego State, Tufts University, Pratt Institute, University of Delaware, and New Hampshire College.

One such program to build the technical capacity of CDC practitioners in real estate development is the Oregon Community Development Training Institute established in 1995 by Portland State University (PSU). The institute provides intensive midlevel training to people working in community-based development as staff or CDC board members with courses in business development and affordable housing development. This short-term training for people already working in CDCs is accessible to those who might not enroll in a degree program. "The impetus for the program came from community development leaders who expressed a need for a practical, in-state training program of high quality for community development practitioners." The institute was launched after planning with a community advisory board, including representatives of CDCs, the State's housing and community services departments, Portland's Bureau of Housing and Community Development, and the Neighborhood Partnership Fund. Judith Ramaley noted, "The Oregon Community Development Training Institute reflects the mission of PSU: to provide educational opportunities essential to creating healthy communities." PSU used its evaluation of the training program's first 2 years to adapt the program to participants' suggestions. It offered the institute program in several sites around the State in 1997-98 to make it more accessible to CDCs and others in rural areas of Oregon.

In some cases, universities **have teamed with other professional community development training organizations to provide courses for CDCs**. For example, the University of South Florida COPC has cohosted workshops on affordable housing with the Development Training Institute (DTI) and followed up with a workshop for CDCs desiring to take advantage of DTI's technical assistance to increase community-based capacity to develop affordable housing.

Technical Assistance and Applied Research

Institutions of higher education are excellent sources of technical assistance to CDCs for affordable housing and other physical development activities. **Faculty, staff, and students can provide direct assistance to CDCs** by conducting market studies, developing project designs, structuring financial projections and fund raising proposals, and providing other services related to the choice, design, implementation, and evaluation of specific physical development projects. COPC at the University of California at Los Angeles (UCLA) defines its role in applied research as follows:³³

At COPC, "applied research" means performing research through a partnership process. It is the marriage of at least two ideas. The first idea is that the university and community groups can work together on formulating and pursuing the research agenda(s). The second is that research produced by the university can have immediate and practical uses for community development, in addition to those uses usually attributed to academic research. The idea is that applied research can support multiple goals simultaneously.

- Research can be responsive to the research needs of communities.
- Research can be immediately useful to community development efforts.
- Research can continue to pursue the traditional goals of truth-seeking and academic excellence.
- Research can be an opportunity for professional programs (such as urban planning) to incorporate "field experience."

CDCs look to universities for this kind of applied research to inform their physical development plans.

The complexity of many CDC projects requires technical assistance from several disciplines, which often need to be coordinated from a number of university departments or schools. The Yale University JCD arranged for a variety of technical assistance to GDDC. The law school clinic provided considerable assistance to CDC on contract negotiations to locate a new supermarket in the neighborhood and on negotiations with Yale to make the Dwight Fund a subsidiary of CDC. It helped with ownership and contractual issues with the board of education to enable CDC to build on the site of the Dwight Elementary School. J. Pottenger, director of clinical studies at Yale, estimated that in the period from January to June 1997, their CDC client received 750 to 1,000 hours of assistance on the supermarket project from law, management, architecture, and other graduate students participating in the law school's Housing and Community Development Clinic. JCD also assisted CDC in development of a strategy for dealing with blight using a windshield survey and house-by-house inventory. It also organized street meetings, assembled needed information, and suggested alternative strategies. In addition, it helped CDC develop a homeowners' assistance program, structured a loan pool, and hired a project manager.

Along with academic departments, administrative offices of the university can also be helpful in providing technical assistance to CDC physical development projects. Roger White reported that the director of building operations at the University of Alabama at Birmingham gave valuable advice to CDC on the development of a neighborhood health clinic. His expertise was useful in assessing the proposed modular facility plans, specifications, and site plans.

The primary institutional contact in a university-CDC partnership can facilitate CDC's introduction to other parts of the university that may be able to assist in specific development projects. The Egan Urban Center at DePaul University has helped find technical assistance and project funding for the West Humboldt Park Development Council in Chicago. Executive Director Perkins reported, "The Egan Center led us to other parts of the University. The biology department had an EPA grant for sustainable economic development. We are doing a prefab commercial building on the site of a former gas station where there was some soil contamination, so [working with the University] we have the possibility of getting as much as \$50,000 from the EPA for that project."

Other examples of university technical assistance to CDCs for physical development from the COPC/JCD sites include:

- Georgia Tech's COPC developed a neighborhood land use and housing development plan that led to the creation of the English Avenue CDC and a neighborhood advisory association. Specific elements of the plan included an inventory of housing conditions, land use trends in the area, an analysis of tax delinquent property, homestead exemptions, and neighborhood transportation. COPC has provided continuing technical assistance to CDC for several housing development projects.
- Graduate students in City Planning and Business Administration at the University of California at Berkeley conducted early feasibility studies for the HismeHinU Housing and mixed-use project; for the Fruitvale Bay Area Rapid Transit Village; and for the San Antonio Neighborhood Plan by working with the East Bay Asian Development Corporation, and the Spanish Speaking Unity Council.

Universities can also **use their research capacity to provide applied research, technical assistance, and information for CDC** development projects including specific research findings and access to technology. Several universities have developed Internet Web pages with information on real estate development and with links to other useful resources. Some have assisted community-based organizations with training and technical support to expand their access to this new computer information technology.

Other examples of universities developing technology to help CDCs with physical development projects include:

- The Pratt Institute Center for Community and Environmental Development's COPC has established a computerized community information system that neighborhood organizations can access as a source of information on the neighborhood's physical, social, and economic characteristics to assist in development. Data available from the census, city assessor's office, zoning and infrastructure maps, Home Mortgage Disclosure Act filings, crime reports, health and vital statistics, school and youth programs, welfare, and other sources will be mapped.
- The Community Development Research Center at the University of Delaware communicates information on specific research findings on community housing, income, population demographics, and affordable housing development models for CDCs. Its newsletter offers references on sources of funding, training, and networking events. It also facilitates information sharing and communication via Diamond.net, an Internet virtual community for nonprofit organizations, and community service and public agencies.
- The University of Memphis COPC has developed a GIS database for Memphis neighborhoods. It assisted the Orange Mound Development Corporation and other community organizations with an inventory and assessment of the commercial properties in the Memphis Enterprise Community area by doing a windshield survey of neighborhood assets, conditions, and commercial uses and by compiling them in a GIS databank for Orange Mound and North Memphis. COPC plans to do the same for South Memphis neighborhoods. With support from the Community Foundation of Greater Memphis, the Memphis COPC expanded the access to this information in its "Maps to Success Program." COPC used GIS technology to assist an Orange Mound high school teacher to teach students how to map their neighborhood assets.

Personnel Assistance

A typical contribution of universities to CDC real estate efforts is the **placement of planning, design, or management students as interns or staff to CDCs on specific physical development projects**. In these positions, students can carry out a range of project design and management tasks, including surveys, data collection and analysis, housing inventories, mapping, urban design, and other functions.

Denise Van Leer noted that student interns from Cleveland State University and Case Western Reserve University have been valuable to her CDC for help with housing development projects. Reflecting on the benefits from its relationship with the University of Illinois at Chicago, David Walker said, "The biggest help is the money they have provided and the interns who have acted like staff people." He added that CDC could use more sustained assistance with student interns, "It comes down to money. If the university could supply us with interns and then follow up when they graduate with job placements and underwrite the salary of the graduate for 1 to 2 years that would be very helpful. It would help add new blood to the CDC and help us to grow. The interns we have had from the university have had skills that were very valuable to the CDC."

In addition to student internships, working with community-based partners on physical development projects also provides universities with service learning opportunities for their students and faculty. The University of Illinois at Urbana Champaign has made extensive use of

volunteer opportunities at community organizations in East St. Louis. In 1996-97, the East St. Louis Action Research Project (ESLARP) sponsored seven work weekends to assist several community organizations in East St. Louis. More than 800 students and faculty volunteered and participated in projects that included setting up and taking down the Farmers' Market equipment, rehabilitating an abandoned church for a CDC's offices, cleaning up hazardous vacant lots, developing a neighborhood park, and installing playground equipment. Students also helped several neighborhood organizations with surveys for neighborhood planning. With ESLARP's established partnership with CDCs and other community-based organizations, it is able to identify volunteer experiences that provide real community benefits and expand its students' learning.

Financial Support

Finding funding for physical development projects is a critical challenge for CDCs. Financial support for real estate projects includes predevelopment funds and construction and permanent financing for development. CDCs often have to layer a number of financial sources to make a project work. Access to capital for CDCs, particularly for early-stage risk funds, is usually difficult.

The Housing Capacity-Building Program of the University of Delaware's Community Development Resource Center provides **predevelopment funding for CDC physical development efforts**. The program is intended to foster the development of a stronger housing delivery system in Delaware. In collaboration with the Center for Community Development and Family Policy, the Delaware State Housing Authority, the Delaware Community Foundation, and a consortium of banks, the program provides information, training, technical assistance, and funding for CDC core operating support. The program offers **small grants for a variety of housing development needs**, including the purchase of computer and office equipment, predevelopment funds, and architectural services. In its first 18 months it awarded \$156,000 in grants to 28 nonprofit housing organizations statewide.

Universities may also **contribute land or other real assets for CDC development projects or enter into joint ventures with CDCs** and others for real estate development projects.

Institutions of higher education can also help use their contacts and networks to seek out new sources of funding and assist in researching and arranging project financing. They can **facilitate the development and management of local loan funds that support housing development**. Many CDCs try to develop a pool of capital to finance physical and economic development projects in the neighborhood.

A good example of university assistance with a community development loan fund is the experience of Yale University, which helped create the Dwight Fund. The Dwight Fund is a \$1.225 million revolving loan fund with \$850,000 from HUD; \$225,000 from Yale; and \$150,000 from the Local Initiatives Support Corporation (LISC), for use by the GDDC. This fund provides CDC with discretionary money to finance priority real estate projects. The fund's steering committee includes representatives from Yale, the Hospital of St. Raphael, LISC, the city of New Haven, banks, and neighborhood residents.

In Chicago, the Affordable Housing Fund was developed by the University of Illinois at Chicago's (UIC's) Voorhees Neighborhood Center in partnership with two CDCs (the Near West Side CDC and the Resurrection Project), and Chicago's department of housing, participating banks, and LISC. UIC donated \$100,000 from its JCD grant to the fund, to match city dollars. Separate affordable housing fund loan committees were established in both CDC neighborhoods. The fund provides owner-occupants who have incomes less than 80 percent of the median with matching forgivable loans of up to \$10,000 for the rehabilitation of one- to four-family residences.

A university or college **can provide project financing by using its capital for direct investment in CDC housing or commercial real estate projects**. CDCs often must put

Commercial Development

Community residents and the students and staff of institutions of higher education both need conveniently located services and businesses in the neighborhood. The lack of these services makes the neighborhood less attractive and more difficult to negotiate. Community revitalization entails the rebuilding of commercial corridors to provide space for needed goods and services as well as opportunities for employment and business ownership in the neighborhood. Many urban communities have seen the loss and deterioration of neighborhood commercial centers. Independently owned stores have faced mounting competitive pressure and retail businesses have become dominated by large national chains. Increasingly, big box retail stores have located in the suburbs and malls outside the city, draining sales from neighborhood businesses. Creating dynamic commercial and industrial development in or near the neighborhood is a challenge that many CDCs have tackled. In some cities, CDCs have teamed with institutions of higher education to revitalize neighborhood commercial centers.

Institutions of higher education and CDCs have collaborated in many ways to regenerate commercial activity by refurbishing and building retail space and offices, finding places for business to locate, and providing support to upgrade the physical infrastructure of the neighborhood. Commercial development projects include neighborhood retail, shopping centers, and improvements to commercial strips; office and mixed-use developments; business incubators that offer shared services for small enterprises; industrial space; community facilities providing space for childcare, healthcare, and other services; and open space and park reclamation.

DePaul University's Egan Urban Center and the West Humbolt Park Development Council formed the DePaul/West Humbolt Park Alliance in Chicago. The Alliance conducted a strategic planning process working with the Chicago police department to establish a Superblock on the 800 block of North Harding Avenue. The Superblock concentrated city services to create a positive physical impact in 1 year. Neighborhood residents joined in a neighborhood watch and increased police surveillance of the area. Two abandoned buildings were demolished by the city and the Chicago Neighborhood Housing Services purchased and rehabilitated two other abandoned buildings on the block for inclusion in its homeownership program. With the positive community policing experience on the Superblock, additional city services are promised, including new sidewalks, curbs, and street light repairs. Based on the results of the Superblock, the mayor plans to use this model in other areas across the city.

In Charlotte, North Carolina, the Northwest Corridor CDC and other community-based organizations have partnered with Johnson C. Smith University on several commercial developments. The university developed a small business incubator in a university-owned property to foster entrepreneurship and small business growth in the neighborhood. CDC, with support from the university, Seedco, and other partners, developed a 55,000-square-foot neighborhood shopping center anchored by a major supermarket.

In the University Park Neighborhood Restoration Partnership between Clark University and Main South CDC in Worcester, Massachusetts, Clark has encouraged the expansion of banking services in the community. The university will provide the real estate for the location of a new branch bank in the neighborhood and, as an incentive to the bank, promises to use the branch as the major depository for university accounts. Clark may also relocate its Small Business Development Center next to the bank.

To encourage commercial activity in downtown Huntington, West Virginia, Marshall University's COPC formed the Upper Story Development Task Force. The task force developed a comprehensive plan for the renovation and utilization of vacant upper stories of buildings in Huntington's central business district as part of the federally designated Enterprise Community. Faculty consultants from the Institute of Business Development assisted the city with the planning and feasibility studies for the commercial revival.

Commercial development is more risky than housing development and requires close attention to the market and frequent contact and communication with the business community. In recent years, some retailers have begun to look again at the market opportunities present in inner cities and have found benefits to these locations under the right conditions. Universities have assisted community-based developers with technical assistance for market studies and market feasibility, strategic planning, streetscape and building design, consumer surveys, marketing plans, contract negotiations, and organizing merchant associations.

Commercial opportunities were the focus of the Pratt Institute COPC's Graduate Neighborhood Planning Studio on Commercial Revitalization in East New York, one of four neighborhoods in New York City where it is working. Based on the priorities of the East New York Community Advisory Committee, the studio focused on revitalization of existing commercially zoned areas such as the Pitkin Avenue corridor. Students analyzed existing retail and physical development patterns, property ownership information, and zoning; documented existing businesses throughout East New York; and prepared a market study. The commercial revitalization plan for the corridor offers viable economic development strategies and urban design improvement recommendations for Pitkin Avenue.

Several COPC programs have enlisted faculty and students to produce surveys of neighborhood retail and commercial trade areas for CDCs. In Tampa, the University of South Florida COPC assisted Tampa's CDC with technical assistance for its commercial revitalization efforts. The South Florida COPC provided planning and feasibility studies for the CDC's Nehemiah Project, an effort to create jobs, provide job training, and promote entrepreneurship to revitalize the low-income neighborhood of East Tampa. As part of a federally designated Enterprise Community, the Nehemiah Project includes development of a laundromat, an office building, an indoor/outdoor market, and an entrepreneurial center. The university introduced CDC to a potential development partner and a supermarket operator who might be interested in locating in the neighborhood. The COPC helped the CDC with market studies for its new coin-operated laundromat. The laundromat is expected to open in 1998, as the CDC of Tampa has arranged financing for the project, including equity funding from the city CDBG program and the local United Way and loans from Seedco and a local bank. COPC will continue to help the CDC with a management plan for the business.

Reclaiming the urban environment is another aspect of commercial development efforts. A frequent obstacle to urban commercial development has been the environmental pollution left behind from past land uses—the so-called brownfields, whose contamination liability and cost of remediation have prevented redevelopment. The preference for greenfields for manufacturing and commercial development has increased the loss of business in cities and added to sprawl outside urban centers. Community-based organizations have paid increasing attention to brownfields problems, which are often exacerbated by ongoing illegal dumping. They have identified and catalogued the sites and sought public and private assistance to reclaim this neighborhood land for productive use. Institutions of higher education have helped with research and financial assistance to salvage brownfields sites for neighborhood development projects.

Other examples of efforts to salvage brownfields include a team at the University of Pennsylvania that prepared environmental site analyses for the community. The West Philadelphia Partnership is working with the university to develop a supermarket in an area with brownfields problems. The university paid for the CDC's Phase I environmental review. The CDC obtained funds for the Phase II review, and the university is helping by doing research on the environmental regulations. At Clark University, a strategic planning study for the reclamation of an abandoned industrial property in South Worcester helped secure \$1 million from the Commonwealth of Massachusetts for infrastructure improvements, traffic design, and other needed studies. The university, neighborhood residents, the city, and others are developing the plan to attract light industry on a cleaned-up site.

The Atlanta COPC has been able to export LBA techniques and is working with approximately 15 CDCs in Atlanta and neighboring communities on acquisition and rehabilitation of distressed properties. COPC students and staff help identify potential properties and use GIS technology to map neighborhoods. One lesson Larry Keating learned from this experience is that when dealing with such complex land use, tax, and other legal issues, it is important to involve lawyers at the earliest stages.

Homes of Our Own

The Vernon Central neighborhood of Los Angeles is an example of university support for increasing affordable ownership housing. UCLA COPC's "Homes of Our Own" program worked with the Concerned Citizens of South Central LA to make single-family homeownership affordable to people who could otherwise only afford to rent. COPC developed an approach called "Master Lease To Own" to combine the benefits of ownership with the financing for low-income rental housing. In this program, resident-controlled housing cooperatives enter into a master lease with a tax syndicated limited partnership that uses the low-income housing tax credit to develop the property. At the end of the tax syndication in 15 years, coop residents may buy out the limited partners and get title to their homes. To keep costs down while maintaining the residential character of the neighborhood, UCLA staff developed architectural designs for several small individual homes on a single lot. UCLA Urban Planning and Architecture students helped to get information on ownership options to tenants. A studio architecture course helped to develop a list of tax-foreclosed properties in the area that could be available for rehab and resale. The UCLA team was challenged to "turn an intensive and short-term planning process into sustained local action." The university attributes the success of the Homes of Our Own project to the participatory research process that involved CDC in the plan and got its commitment to its achievement, and to the technical support available from the California Mutual Housing Association and UCLA COPC. UCLA COPC used the lessons learned in this neighborhood project and applied them to a citywide affordable housing effort.³⁸

UCLA COPC Assists Tenants Rehab Deteriorated Housing

With a group of Pico Union neighborhood tenants, UCLA COPC assisted in the creation of a new organization, Comunidad Cambria, to transform abandoned real estate into resident-controlled housing. The Cambria, a 69-unit apartment building, was one of the most notoriously neglected in the city. Three women tenants began organizing and with other tenants, assumed the payment of utilities, cleanup, and self-management of the building. Over 4 years, the residents struggled to reclaim their building from neglect, crime, and violence. UCLA COPC found funding for resident acquisition, interim management, redesign, relocation, and rehab from a local foundation. COPC helped draw up the sales escrow agreement and identified the California Mutual Housing Association to acquire the property, and UCLA architects redesigned the building.

According to UCLA COPC Director Alan Heskin, the Los Angeles Housing Department (LAHD) was resistant to rental rehab efforts and to working with tenants. LAHD staff preferred new construction, which Heskin likened to "palaces in the desert." LAHD staff opposition to the project added a 1-year delay. Nonetheless, 21 of the original 30 Cambria residents persevered throughout the process and returned to the property after rehab. As part of the project, Heskin took tenant leaders to a Brazilian housing conference, where they consulted on housing organizing and development with peers in South America.

Lessons learned were many. This type of rehab had never been done before in Los Angeles, according to Heskin. The successful effort established a precedent that has led to greater interest in recapturing and restoring substandard and deteriorated properties. Los Angeles now commits city monies to fund tenant organizing efforts in rundown properties. Heskin noted one concern is that the official "slum" eradication efforts are the product of purely top-down planning and analysis. There is little-to-no broad scale community involvement, although the Cambria tenants remain active.

Detroit Brownfields Research at MSU

Research on brownfields in Detroit was a major activity of Michigan State University's (MSU) Detroit COPC. MSU developed a comprehensive resource manual on brownfields reclamation for the Southwest Detroit Contaminated Site Redevelopment Demonstration Project. This demonstration project, a component of the Detroit Empowerment Zone, brings together city, State, and Federal agencies with the Mexican Town CDC, The Hubbard Richard CDC, the Southwest Detroit Environmental Vision Project, and the Southeast Michigan Council of Governments, to identify and clean up six polluted sites and market them for new industrial and retail uses. According to the Project Director Jason Stringer, the resource manual is "a comprehensive reference point for decisions regarding the remediation of contaminated sites in Southwest Detroit."

An interdisciplinary effort, it pulls together extensive information on the legal, demographic, environmental, economic, and physical aspects of Southwest Detroit's industrial areas. The material was compiled by COPC staff and by student practicums held at MSU's Urban and Regional Planning Department and the University of Michigan's School of Natural Resources. The project also involved Michigan's law school in the analysis of the application of State and Federal environmental laws. The Detroit COPC coordinated the brownfields research and planned a video to accompany the resource manual. MSU also fielded a team of economic development analysts to conduct a community audit of the potential reuse of these industrial sites and recommended five target industries that were good matches for the area's redevelopment. Based on research and examples from other States, the demonstration project is considering the opportunity to attract eco-industries or enterprises that focus on the cleanup and prevention of pollution-causing emissions to an eco-industrial park in the area.

Rebuilding Economies: Higher Education-CDC Partnerships for Community Economic Development

More and more, partnerships between institutions of higher education and community development corporations are recognizing that community revitalization must include greater opportunities for increasing the employment, incomes, and wealth of neighborhood residents. Together and separately they are confronting issues of employment, income, and poverty in their shared communities. Partnership successes in creating affordable housing, developing commercial areas, improving infrastructure, and providing more education and social services for community residents cannot be sustained if residents do not have stable, sustainable employment in jobs that pay living wages.

The challenge of helping inner-city residents secure good jobs is formidable, even in times of declining unemployment. Many residents may have little formal education, few specific job skills, and limited work experience. They may face difficulties with English as their second language, inadequate childcare or transportation, and discrimination in securing work—and many may find few jobs available to them that provide the wages, work environment, and opportunities for development and advancement that they need to secure the income for an improved quality of life.

Thus, community economic development is very challenging. Community economic development involves a variety of skills and resources that are different from those in other aspects of CDC work. To be involved in economic development, CDCs need, for example, skills in business planning, market analysis, business finance, and commercial borrowing techniques.

The geographic scope for community economic development is also very different from other types of CDC activities. Most CDC organizing, social service, housing, and other physical development work takes place within the neighborhood. It is truly place-based with the place being the geographic area in which members of the CDC community reside. True, some organizing goes on downtown, some services may be provided to those outside the neighborhood, and some physical development may overlap other neighborhood boundaries, but in most cases these activities occur at or near the doorstep of CDC.

Community economic development, however, goes beyond the neighborhood. Many, if not most, neighborhood residents who are employed will work outside the neighborhood—downtown, in the suburbs, or in another town. Workers operate in a regional labor market, not a neighborhood-based market. This is true as well for product markets, with residents often doing substantial amounts of their shopping outside the neighborhood. Consequently, CDC activities to help residents find employment, get better jobs, increase their income, lower the costs of purchases, and in other ways improve their economic lives, need to go outside the neighborhood as well. For this kind of work, CDCs need a wider vision and approach, and they need to work with a different set of players.

Colleges and universities are ideally suited to assist CDCs in the community economic development arena. Institutions of higher education:

- Have the information, resources, and political standing to help CDCs secure the skills, knowledge, scope, and contacts needed to do community economic development work effectively.
- Can help CDCs with feasibility studies, business planning, market analyses, and financial arrangements, or facilitate CDCs getting this information from others.

- Can help bring CDCs together with businesses and business associations, labor unions, city redevelopment authorities, and other players in the regional economy to form the coalitions or collaborations needed to link employment training of neighborhood residents with the securing of jobs in a regional labor market.
- Can help by targeting their own substantial investment, purchasing, and employment directly to improve economic conditions in neighborhoods.

This section examines the strategies that community development organizations are using in the arena of community economic development to help residents gain stable, livable wages;⁴³ the variety of ways that colleges and universities can support community groups in these efforts; and lessons that have been learned in the process.

Community Economic Development

Community economic development is concerned, like community development in general, with issues of capacity, community, and control. Community economic development is a process in which residents of low- or moderate-income neighborhoods, working with one another through locally based organizations (CDCs) and with private, public, and nonprofit supporters, improve their economic capacity and well-being, increase their control over their economic lives, and build community power and decisionmaking.

Although traditional local economic development has focused principally on attracting business and increasing the local tax base, community economic development, as carried out by CDCs, views the economic well-being of a community of low- and moderate-income people from a broader perspective. Community economic development attempts to understand the entire economic reality faced by community residents (see figure 1) and to create the capacity of residents to build and sustain their economic well-being successfully, where economic well-being improves as people:

- Secure employment and increase their incomes.
- Gain better access to public services such as transportation, and to needed public assistance.
- Increase their ability to secure capital for personal or business use.
- Form supportive relationships with others, such as for childcare services.
- Find avenues for reducing the cost of living through effective bartering and other ways to operate in the informal economy.
- Find ways to lower the costs of housing, healthcare, food, energy, and other essentials.
- Hold taxes they pay to a minimum.
- Invest any savings productively.
- Secure and use resources more effectively in other areas.

Community economic development attempts to achieve these outcomes for residents by employing strategies to increase employment and income (for example, childcare, transportation, employment training, self-employment, and business development), provide greater access to capital (for example, community credit unions, loan funds, and use of the Community Reinvestment Act), lower costs of living (for example, food, energy, housing, and health cooperatives), and lower taxes and/or increase public services for local residents.

Again, like community development in general, the community economic development process of improving the economic lives of individuals and households also seeks to create increased community control over economic factors and a heightened sense of community in the process.

Partnerships to Secure Quality, Sustainable Employment for Residents

The University of South Florida organized One-Stop Job Development Centers in three neighborhoods with its Florida COPC's community-based partners. These job development centers involve CDCs with the Florida department of labor, private industry councils, and local school systems, and provide improved access to job information, counseling, and placement for neighborhood residents.

An Integrated Approach to Developing Workers

Some projects combine all of the above elements. For example, the Hunter College Center on AIDS, Drugs, and Community Health is working with the Women's Housing and Economic Development Corporation (WHEDCO) in the Bronx, New York, on the job training elements of the Urban Horizons Project. This project combines a 132-unit subsidized housing complex with a primary healthcare facility, an early childhood center, a public school, and social services, and facilities for job training, placement, and followup for residents and other community members.⁴⁶

Support for the Development of Work

In addition to efforts to develop workers, CDCs carry out projects to develop jobs for local residents—to import, create, retain, or redistribute jobs in ways that meet the employment and income needs of neighborhood residents. Most of these efforts involve providing some form of support to businesses in return for targeting some or all of their jobs to local residents. These businesses may be outside the region (business attraction and relocation), local (business expansion or retention), or yet-to-be (business creation).

Colleges and universities can provide many types of support to CDCs for work development and job creation projects, including:

- Identifying barriers to business viability, expansion, and creation, and developing strategies to overcome these barriers.
- Conducting industry, product, and service market studies; regional labor market analyses; and other studies to support employment linkages beyond the neighborhood and local business planning and operations.
- Training in business planning, finance, marketing, operations, technology, and other business skills.
- Technical assistance for small businesses through Small Business Development Centers, neighborhood technical assistance centers, and other means.
- Developing credit for businesses through redirection of local bank lending policies, creation of small business and microenterprise lending programs, and community credit unions.
- Provision of land, facilities, and related support through small business incubators, industrial parks, and other commercial real estate projects.
- Bolstering local control and local retention of profits through assistance in developing or changing business ownership to local, cooperative, or community ownership forms.
- Developing business associations, networks, and other collaboratives that provide linkages to the regional labor market and make it easier for businesses to help one another and to solve larger problems in a collective fashion.
- Creating demand for local business products, including directly through university procurement from local businesses.

Examples of University Support for Developing Work

There are fewer examples of COPC/JCD partnerships for job creation compared with other types of partnership activities discussed in this handbook. Below are some, however, that reveal the range of activities that universities might become involved in:

- The University of South Florida cohosted a small **business conference to assist African American entrepreneurs to start small businesses** (more than 200 people attended) and a "Creating Wealth and Business Ownership" workshop for local residents on how to purchase or start a business, how to organize investment clubs, how to become a business consultant, and creative and alternative ways to finance a business for local residents.
- Clark University, together with Seedco and the Worcester Community Foundation, assisted Main South CDC to establish a \$300,000 **small business loan fund that offers financing for local businesses**. Clark invested \$90,000 in equity in the fund, which was added to \$150,000 from the foundation and \$60,000 from Seedco.
- University of California at Berkeley **MBA students are providing short-term consultation for CDCs on various economic development projects**, including the creation of credit unions and microloan funds.
- Ohio State University is **helping plan a business greenhouse or incubator**, providing technical assistance to Weinland Park Community Collaborative, a local CDC, along with office space, phone, and Internet access.

Use of University Investment, Employment, and Purchasing

Although all of these ways of supporting local community economic development efforts are important, the use of higher education's direct economic clout deserves to be highlighted when discussing higher education-CDC partnerships to support local business and create targeted employment. As COPC/JCD staff at Yale University prescribe: "Think about the impact of the university as an institution on economic development, and try to focus this influence—as an employer, landlord, and a purchaser as well as an investor."

Institutions of higher education are often large economic entities with multimillion dollar budgets, providing hundreds or thousands of jobs of varying skill requirements, managing substantial land and real estate holdings and other investments, purchasing goods and services from hundreds of suppliers, and serving hundreds or thousands of students who, with their families, provide millions of dollars of revenues to the college or university and to the businesses in the surrounding community. Harmon Zuckerman found that institutions of higher education and medicine now represent the major employers and leading economic engines in many U.S. cities and rural areas.⁴⁷ Focusing the economic power of these activities and resources on the local neighborhood and working with CDCs may be the most important role a college or university can play in community economic development.

An example of this use of the direct economic power of higher education institutions is Yale University's expansion of purchasing from local vendors and deploying future purchasing power to encourage local entrepreneurship. From 1993 to 1996, university purchasing from suppliers located in New Haven of routinely purchased items rose from \$7.8 million to \$10.6 million in actual dollars per year, a 34-percent increase. This effort has not yet been targeted to specific neighborhoods in New Haven.

Other examples include:

- The University of Maryland medical system, adjacent to a predominantly low-income African American community in Baltimore, has created a targeted purchasing program, which in the past 7 years has increased its construction dollars spent with minority-owned firms from \$2 million to \$18 million and in the past 4 years increased its other purchasing from such firms from \$1.5 million to \$3.2 million.
- The University of Pennsylvania, working with the West Philadelphia Partnership and the partnership CDC, has a Buy West Philadelphia program that requires some of its white-owned contractors to form partnerships with small minority-owned firms, preferably located in or willing to move to West Philadelphia. The university helps vendors create a

Individuals from Michigan State University (MSU) and Lansing Community College (LCC) played an important role in the movement of AHM into the economic development field. First, they provided specific assistance with fund raising proposals, business plans, market analyses, and training methods needed for the development of these training businesses. Second, they provided AHM with new and useful contacts in government and the private sector. And finally, through their active participation on AHM advisory committees and other contacts with AHM staff and board, they helped AHM develop a more strategic planning approach to its work and more comfort in how it addressed the business aspects of its organization and its programs. Along with Seedco and AHM's other partners, MSU and LCC helped AHM transform itself from a largely social service agency into a more diversified service and community development organization.

Project QUEST

In 1992, in response to growing job loss and unemployment among low-income residents of San Antonio—highlighted by a 1990 Levi-Strauss factory closing where thousands of jobs were lost—two community-based organizations, Communities Organized for Public Service (COPS) and Metro Alliance and the Industrial Areas Foundation, developed a new labor-market broker, Project QUEST (Quality Employment through Skills Training). QUEST's mission was to prepare low-income San Antonians for good jobs in selected industries in the city's rapidly changing economy.

COPS and Metro successfully brought together business and community leaders—employers of high-skill workers, representatives from city government, the region's private industry council, education and training institutions, State and local social service agencies, the Texas Employment Commission, and then-Governor Ann Richards—to secure political and financial support for QUEST and a broad commitment to its goals. They ultimately received funding from sources such as the Job Training Partnership Act, the CDBG program, the Texas Employment Commission, and the city.

QUEST's training program is long-term and comprehensive (2 years with full stipends and supportive services like childcare, transportation, medical care, and tutoring) and is intended to address continually and aggressively the specific labor needs of industry. As of late 1994, QUEST was active in 3 sectors, targeting 26 occupations in the areas of healthcare, financial services, and environmental technologies; 500 people had attended or were then attending the 2-year program; and 110 graduates had been placed in full-time jobs with an average wage of \$7.30 an hour.

QUEST closely collaborates with large numbers of employers, community colleges, and community organizations. It convenes committees of employers and educators to identify shortages in jobs paying more than \$7 per hour, determine the likelihood of such jobs being available within 2 years' time, and develop appropriate training. Community groups recruit and screen for motivation and desire to succeed and ability to persevere through what can be a 2-year program.

QUEST is an effective community development model linking educators, employers, and community groups in the preparation of low-income workers for jobs that pay a livable wage or more. Its replication in other areas by similar collaboratives provides an important area for new and productive higher education-CDC partnerships.

Conclusion

This review of partnerships between higher education institutions and CDCs demonstrates that there are strong mutual interests and potential for collaboration between these two kinds of organizations. The examples from these alliances give ample evidence of how these partnerships have contributed to the revitalization of their communities by working together and sharing their resources to build the capacity of neighborhood leaders, to provide affordable housing and commercial facilities, and to improve the employment opportunities for community residents. They have also shown how these partnerships have enabled higher education institutions to enrich their students' and faculty's academic experience.

Blending the informational, political, and economic assets and connections of higher education institutions with the local knowledge, support, organizing, and development skills of CDCs can be, and has been, a catalyst for improving the quality of life in neighborhoods throughout the country for the residents and the institutions.

Each of these partnerships is unique, forged by a special combination of vision, leadership, and commitment from the community and from the university. Although the number of COPC and JCD programs in institutions of higher education actively engaged in partnerships with CDCs is limited, their experiences illustrate wide variety in the forms and philosophy of partnerships, areas of collaboration, methods of support, and specific projects undertaken. The impact of these relationships is not uniform, either. The evolving experience of these partnerships demonstrates how difficult this work is and how elusive success sometimes can be.

Many more connections between institutions of higher education and CDCs are needed. The lessons from these recent experiments provide useful guides for others developing new or expanded ventures between colleges and universities and CDCs. Many other CDCs and institutions of higher education can be encouraged by these examples to reach out to each other and establish new relationships to restore their neighborhoods.

Appendix

Definitions and Procedures for CDC Incorporation

Why incorporate? A corporation is a separate entity distinct from its members and thus offers limited liability to its officers and members. Members of a nonprofit corporation generally are not personally liable for any obligation of the corporation. Members of unincorporated associations may find themselves with greater liability because there is no corporation to protect them.

What is a nonprofit? CDCs are nonprofit corporations because they do not attempt to create financial returns for the benefit of stockholders or owners. According to the Internal Revenue Service (IRS), a nonprofit corporation is one engaged in charitable, religious, educational, or scientific work where "no part of the net earnings of the corporation shall inure to the benefit of, or be distributable to its members, trustees, officers, or other private persons, except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered."

What is a tax exemption? A nonprofit corporation is not automatically exempt from paying Federal and State taxes. Tax exemption or recognition that the organization is not required to pay Federal or State income taxes requires a separate application to the IRS and its approval. Tax exemption is an important part of CDC startup because it is needed for the CDC to raise funds. Many foundations will only contribute to groups that are tax-exempt. To raise money from such foundations, or from businesses and individuals who want to claim a tax deduction for their contribution, the CDC must apply to the IRS for tax exemption under Section 501(c)(3) of the Internal Revenue Code of 1954.

What is a CHDO? Many CDCs are organized to qualify as Community Housing Development Organizations (CHDOs), as defined in the Federal National Affordable Housing Act of 1990. CHDOs are CDCs also eligible for Federal funding under the HOME program, a major Federal grant program designed to increase the production of affordable rental and ownership housing in low-income communities. The Act earmarks 15 percent of HOME funds granted to each State and locality for use by eligible private, nonprofit CHDOs to develop, sponsor, or own qualifying affordable housing projects. HOME funds may also be used for administrative support or capacity building of CHDOs. The U.S. Department of Housing and Urban Development also contracts with nonprofit intermediary organizations to provide training and technical assistance to CHDOs. For example, Seedco is a technical assistance provider to CDCs that have obtained CHDO status.

Many CDCs are careful to ensure that their organizational structure conforms with CHDO requirements so that they may qualify for the Federal housing funds. In designing a CDC's structure and bylaws, it is advantageous to ensure that the organization meets the CHDO requirements. Briefly, a CHDO must include the following:

- A CHDO must serve a defined geographic area of one or more neighborhoods, or perhaps a whole city. In a rural region, the area can include one or more counties.
- A CHDO is a nonprofit, tax-exempt organization whose charter or articles stipulate that no part of its net earnings may inure to the benefit of a member, founder, contributor or individual, and whose purposes include the provision of decent, affordable housing for low- and moderate-income people.
- CHDOs must demonstrate the capacity to carry out activities with HOME funds, including conformity with government financial accountability standards, qualified staff and/or consultants, and a history of serving the community where HOME funds would be used—

