

# **Moving to Scale In Improving America's Housing**

A Report on Strategies for  
Organizing, Developing, and  
Advocating on Housing Issues

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## Community Learning Project

The Community Learning Project explores ways of building a stronger infrastructure for learning in the field of community and social change. It works to expand writing, research, evaluation, teaching, training and learning opportunities which give grassroots community groups and their supporters easier access to helpful and provocative lessons from the extraordinary efforts and experience of their peers.

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## Introduction

The housing crisis is rapidly deepening throughout the United States. Virtually every year there is an increase in the number of American families who cannot afford decent housing. While the rate of homeownership has risen to new heights, the supply of housing which low and moderate income families can afford is dropping rapidly. Few new affordable units are being built, and the sale prices and rents on existing units are soaring to new heights. And the federal government is quietly but surely withdrawing from its historic role of subsidizing units so that lower income people can afford to live in them.

The statistics are clear. Last year decent housing was "out of reach" for at least one third of the US population. In just four years there was an increase of 37% in the incomes needed to afford a two-bedroom rental apartment.<sup>1</sup> In no state can an extremely low income family afford two bedrooms -- one for the parents, another for the children -- at the fair market rent.<sup>2</sup>

In Chicago, the "housing wage" is \$18.29. This is the amount a full time worker must earn per hour to afford such an apartment. This is 355% of the minimum wage. Fair market rents are six times the rent SSI recipients can afford.<sup>3</sup>

This situation is worsening rapidly as the number of rental units drops year after year. And yet the federal government has steadily reduced its commitment to affordable housing under both Democratic and Republican administrations. Thirty years ago 625,000 affordable housing units were added to the stock in a single year, thanks to federal government subsidies. In 2004, the likely number is **xxxx**, a decrease in annual production of **bbbb%**.<sup>4</sup>

More vivid than these statistics are the images we see in city after city. Gentrification

is proceeding at an incredible pace, transforming neighborhoods in just a few years and displacing lower income people who must move from community to community in search of rents they can afford. Public housing which had been allowed to deteriorate and decay is suddenly replaced or renovated, almost always with a great reduction in density and with only a small percentage of the replacement units affordable to lower income families. Privately owned, federally subsidized housing is being converted at an equally fast rate, displacing working families and seniors. And a search beneath the surface quickly reveals an increase in the overcrowding and slum conditions which first generated public outrage almost a century ago when reformers and muckrakers focused on the dangerous and unhealthy tenements and rural hovels which housed so many of America's poor.

The progress which we had made over the last century is rapidly being eroded, and there is little public outcry or even awareness.

It is against this backdrop that thousands of nonprofit groups work on housing issues throughout the U.S. As poor and working people build their own organizations and set their priorities, housing is very often at the top of their agendas. They organize around housing issues and work hard to improve or develop housing to meet the crisis. Their accomplishments are significant. Nonprofits now play a major role in producing the affordable housing which is produced (**xxx yyyy**), and grassroots groups tackle absentee landlords, city neglect, banks and other powerful interests in their determination to have an increasing impact in turning around the housing crisis.

However, they face daunting obstacles. Market forces inevitably will have a powerful, usually injurious, impact in determining the future of housing in their neighborhoods and who will live there. Government agencies all

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too often are unresponsive, ineffective, and short of money. The economy is squeezing government budgets, and the stampede to cut taxes and then cut programs is accelerating. Despite all this the public at large is comfortable and generally far more concerned about their own housing needs and costs than those of lower-income people.

Facing these obstacles, grassroots groups must make sure that they direct their energies in the most effective ways possible. They cannot afford to do business as usual, even when that business is of unquestionable value. They must instead concentrate on the strategies which will enable them to maximize their short-run impact while building the power, capacity, relationships, and strategies they will need to have even more significant impact in the years ahead.

This will place great demands on grassroots groups. It will require tough reassessment of their current operations, a daring openness to new priorities and ways of doing things, and a willingness to introduce major new work to their organizations' agendas. It will require dedication, candor, courage and judgment, and it will sometimes require changes in direction and leadership.

This is certainly not easy but it is essential. The thousands of groups which people have built to work on housing issues must seriously consider how they can best contribute to turning around the housing crisis. They must look with fresh eyes on the lessons which can be drawn from organizations which are pioneering new ways of increasing their impact on housing conditions and housing policies.

This paper concentrates on two especially promising approaches to these difficulties. Each is proving to be invaluable, and each needs far greater support and replication.

The first approach is for groups to stress community organizing and the building of power as the sine qua non to having a major impact on housing issues. Several organizations which have emerged out of strong organizing traditions, which have a mass membership and substantial power vis-a-vis government and private sector institutions, are demonstrating that their power base enables them to move to the kind of large-scale impact on housing which other nonprofits seldom, if ever, achieve. Chapter I explores several case studies of such groups and draws lessons from their experience which can be instructive for other organizations.

Chapter II studies another strategy for aggregating sufficient power to achieve major impact. It reviews the experience of nonprofits, including community development corporations, in several locales which have developed strong coalitions and public policy campaigns, and won major victories which facilitated their housing development work while contributing more broadly to improving housing conditions in their areas.

Both these approaches are demonstrating that there are ways in which nonprofits can greatly increase their impact. They provide useful guidance for other local and statewide groups, and for the funders and support organizations which provide crucial support for those groups. If these lessons spread rapidly to other locales, the constituency for the massive policy changes which are desperately needed will be strengthened immeasurably, and we will have taken an important step forward toward reversing today's worsening housing crisis.

## Organizing for Housing Development

Over the last four decades, people in thousands of low income communities have come together to create their own organizations and tackle issues which government and the private sector have long ignored. They have built a remarkable array of organizations which range from informal, all-volunteer groups to highly sophisticated organizations which have a powerful impact on their communities and broader public policies.

While these groups share certain fundamental characteristics -- they are rooted in their communities, with local leadership and with agendas which address local needs -- they vary enormously in their strategies for bringing about change. In particular, while many stress community organizing, mobilization and the building of sufficient power to pressure major institutions to cooperate with them, others follow a less controversial path. They concentrate on developing friendly relationships and in-house expertise so they can attract the resources they need to provide services, develop housing or make other community improvements.

For almost forty years, as this movement has matured, there has been a raging debate among people working in low-income communities -- Can a single organization effectively combine organizing a mass-based constituency with taking on responsibility for developing housing and operating other programs? **Can a group combine protest and program? Or are these approaches fundamentally contradictory, requiring different talents, relationships and leadership?**

This battle still rages today. However, in recent years there have been two little noticed but significant trends which provide important new insights on the classic issue which has often been framed as "community organizing vs. community development." First, a number of "organizing groups" have taken on

development responsibilities, moved to scale, and yet kept organizing as their central thrust. Second, a number of community development corporations (CDCs) have decided to refocus and emphasize organizing their communities, building coalitions and exerting collective power, finding this expands rather than reduces their access to cooperation from government and the private sector.

This chapter focuses on the first of these trends -- the increasing number of organizing groups which are playing significant roles in developing housing, often with successes which dwarf the gains of most CDCs. The second chapter concentrates on the lessons which are emerging as CDCs experiment with "organizing" techniques to add to their organizations' power to gain the cooperation, resources, and policy changes they need to have a substantial impact on housing in their communities.

This chapter is based on a series of interviews and case studies focusing on grassroots groups which are developing housing, directly or through partners. After briefly reviewing the historic debate on organizing and development, the paper concentrates on the lessons community groups, support organizations and funders can learn from organizations which combine these often conflicting roles in new ways. It concludes with recommendations for funders and other supporters of grassroots groups and affordable housing.

### Background on the Debate

The battle lines are often stark. Some organizers flatly rule out ever taking on responsibility for running demanding programs. They feel that organizations are inevitably weakened if they devote heavy concentrations of staff-time and resources to designing and operating programs -- especially complex housing development projects

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which require a high level of technical skill, partners in government and the private sector, and a long time horizon. They believe intensive operating responsibility for programs diverts energies away from the ongoing need to concentrate on organizing, leadership development, and building sufficient power to address increasingly fundamental issues. As a result the great majority of organizing groups shy away from playing a housing development role.

Many housing specialists in Community Development Corporations and the infrastructure supporting CDCs come to a similar conclusion. They see organizing and development roles as incompatible. They therefore stress that CDCs should concentrate on developing technical expertise, financial partners and friendly relations with government officials so they can gain the cooperation and resources they need to develop housing. Many leaders in the CDC world disparage community organizing as an earlier, less sophisticated stage in the evolution of grassroots organizations, or as activity which will jeopardize a group's relationships with public and private institutions with which they must partner.

These arguments have gone on for years, in articles and books as well as at the grassroots level. As early as 1973, Urban Planning Aid in Boston published *Community Housing Development Organizations -- The Empty Promise*,<sup>1</sup> a booklet warning groups of the danger of becoming deeply involved in housing development. Urban Planning Aid warned specifically that "Community housing develop-

ment is a failure; government programs that make the development process seem possible and attractive end up reinforcing the community's lack of real political power to get what it needs." This argument was taken up by such organizers as Stan Holt of PACE in Providence, who wrote an article two years later,<sup>2</sup> taking an adamant position that organizing and development are fundamentally antithetical. Holt argued it was impossible for an organization to combine the two activities without creating serious internal contradictions which would weaken both.

As an increasing number of community groups, funders and intermediaries became committed to a CDC strategy, the great majority of them took a very vocal position that groups should move "from protest to program". They saw an enormous need for neighborhood organizations to take direct responsibility for renovating and building housing in their communities, filling the vacuum which was created when private developers and major nonprofits withdrew from investing there. They pointed to the great advantages community groups offer as community developers -- they are rooted in the community, committed to improving the area, responsive to local needs and capable of building working relationships with other key actors. They therefore devoted their efforts to helping community groups become development corporations.

Funders, intermediaries, trainers and technical assistance providers built an extensive infrastructure to support the growth of CDCs. Most of **these institutions directly**

**or more subtly urged community groups to set aside organizing and advocacy and stress instead the building of in-house technical skills and close, non-adversarial working relationships** with government

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agencies, banks, and others in the private sector. In the early 1970's, for example, shying away from controversial community organizing because of Congressional pressure, the Ford Foundation rolled out its "CDC Strategy" and stressed the importance of grassroots groups moving "from confrontation to cooperation". Even today many key institutions providing training, finance and assistance in the CD world never discuss organizing or policy advocacy as relevant strategies for groups to consider.

An increasing number of people who direct and staff CDCs and this infrastructure have no experience or skills in community organizing or broader coalition-building. Much of the literature and message among CDCs echoes the conventional wisdom among supporters of organizing: mixing organizing and development is fraught with dangers; it is far better to focus more single-mindedly on a single strategy for building the capacity and relationships you need to succeed.

At the grassroots level neighborhood leaders seldom see the conflict in similar terms. From their point of view the important questions are -- What is the most effective way to improve the neighborhood and open up greater opportunities? What has the greatest impact? They are seldom interested in abstract debates about the merits of alternative strategies, and are likely to believe that organizations should use all the tools they have to gain ground on the issues they face.

Over this lengthy period some organizations and leaders in the field of community change have taken a "both/and" position. While recognizing the difficulties of combining "protest" and "program" -- organizing **and** housing development -- they have stressed that some groups

have found highly successful ways of combining them. In 1985 Robert Kolodny wrote *Organizing for Neighborhood Development: A Handbook for Citizen Groups*<sup>3</sup> which explored how several organizations had succeeded in combining roles, demonstrating that they could increase their impact by developing both collective power and technical expertise in housing development. Kolodny set forth a number of general lessons from his case studies to guide other groups facing the same challenges. These included the need for adequate staff capacities in both organizing and development, active Board involvement in keeping different staff people working together, and the necessity of flexible core support to enable groups to sustain a balanced staff.

A case study of Aetna Life and Casualty's partnership with National People's Action -- a highly vocal coalition of tough community organizing groups -- found that the combination of organizing and development was very successful in the six communities Aetna funded. It is noteworthy that this partnership grew out of confrontation between NPA and Aetna over insurance redlining, and led to a highly productive relationship of mutual respect. In fact, the report prepared by Aetna consultants pointed to organizers as being particularly well prepared to lead development efforts.

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Articles by Mott,<sup>5</sup> Traynor<sup>6</sup> and others also argued that creative tension between organizing and development could be powerful and effective. Like Kolodny they stressed early lessons which they drew from the first generation of groups facing these challenges. In his book *Organizing for Neighborhood Development*,<sup>7</sup> British urbanologist Alan Twelvetrees remarked on the strong promise of these experiments in ensuring that "development" is controlled by mass-based "organizing" groups. He saw this combination as having great potential in overcoming the weaknesses of groups which stress only organizing or development.

### **Organizing Groups Taking on Development**

**O**n the surface it seems as if there has been little movement over the years in the perennial public debate over organizing and development. The debate sounds much the same as it did twenty years ago. Most organizers adhere strictly to conventional wisdom and avoid any role in housing development. And most CDCs steer clear of real "bottom up organizing" which involves systematically going door to door, or church by church, listening to people's concerns and anger, surfacing whatever issues concern people most, and then addressing them by focusing collective power on important "targets."

***Organizing groups are reaching unusual scale because of their skill in building sufficient power to bring major public and private institutions to the bargaining table and to gain the cooperation, resources and policy changes which make major development possible.***

However, beneath the surface, there have been significant changes in how some groups handle these issues. With little fanfare, some community organizing groups have moved into housing development, and they have done so on a major scale.<sup>8</sup> In fact, some mass-based organizations have scored very impressive gains in developing new and rehabilitated housing for low and moderate income families.

These experiments with using organizing "muscle" to facilitate large-scale development represent an important breakthrough in housing development. Organizing groups are reaching unusual scale because of their skill in building sufficient power to bring major public and private institutions to the bargaining table and to gain the cooperation, resources and policy changes which make major development possible. In the words of one highly experienced housing development consultant,

"The key to their success is organizing. That is key to getting their hands on public resources to make it affordable and to getting zoning and planning approvals. They have no reluctance to jump over any obstacle and go directly to the Council, the Mayor or whoever it takes to get the job done."<sup>9</sup>

**Organizing groups are thus having considerable success in overcoming the resource limitations which have held back all but a handful of CDCs**, leaving most development corporations unable to move to scale despite their technical competence and their concentration on the tough business of housing development. In this time of economic downturn and cutbacks, with ever heavier competition for public and private resources, their ability to build power and convince major institutions to cooperate and provide

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resources gives them a strong competitive advantage.

Developing housing which low and moderate income people can afford is "plodding, time-consuming, difficult work."<sup>10</sup> Most projects require a byzantine combination of public and private resources, sometimes from as many as eight or ten different sources, each with its own requirements and politics. Each project involves a series of actors, including architects, builders, financial partners, attorneys and property managers, and a complex set of transactions from property acquisition through financing and construction, to either sale to homeowners or long-term management of the property. The timeframe is lengthy, the technicalities great, and the political and bureaucratic obstacles daunting.

Considering all these obstacles it is extraordinary that so many CDCs have emerged, steadily built track records and become key actors in producing housing for lower income families. They have done this despite the fact that very few public officials at any level of government have ever given high priority to supporting CDCs or facilitating neighborhood-based development.<sup>11</sup> Over the thirty-five years since the first CDCs were formed, there have only been occasional examples of local, state or federal agencies taking a proactive stance and systematically providing support for community-based development. Only a handful of public officials have created or reshaped programs with the central goal of helping low-income communities build and sustain their own organizations so they could assume responsibility for developing housing or economic ventures in their own neighborhoods. It is a testimony to the commitment, skills and perseverance of non-profit leaders and grassroots communities that so many hundreds of CDCs have been birthed and grown in this hostile environment.

With obstacles like these, organizing groups offer great advantages over CDCs. They can marshal large numbers of people to put pressure on politicians, government agencies and private sector institutions, while the great majority of development corporations have neither a broad constituency nor skills in mobilizing other allies to press institutions to cooperate. Most CDCs are apolitical, having been urged by funders, intermediaries, and others to concentrate on developing their skills and cooperative relationships rather than focus on building their constituencies and coalition partners.

### **Moving to Scale**

**T**here are many examples of the impact which organizing groups can have on housing development and other housing issues. For instance, the Northwest Bronx Community and Clergy Coalition -- a broad-based grassroots organizing group -- has helped incubate, sustain and heavily influence a series of nonprofit housing developers which have improved or built more than 11,000 units of housing in the Bronx over the last two decades. This remarkable accomplishment was made possible, according to the leaders of both the Northwest Bronx Coalition and the CDCs which collaborate with it, because of the Coalition's capacity to mobilize large numbers of people in campaigns for buildings, key sites, city and bank financing, and other essential resources. Time and again, the tenant groups and neighborhood organizations which the Coalition has organized and staffed have used their numbers and their organizing tactics to push recalcitrant public officials and private institutions. This has freed up resources and created a greater willingness to cooperate which have greatly accelerated progress in financing the acquisition, rehab and construction of affordable housing.

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Both organizers and developers cite Northwest Bronx's impact on broader housing issues as even more significant than the development projects which it has made possible. For example, a recent campaign culminated in 300 people participating in "actions" at City Hall, forcing the city to crack down on three politically well-connected slumlords who were systematically pressuring regular tenants to move out so they could increase their profits astronomically by replacing them with homeless tenants for whom landlords receive \$125 per family per night.<sup>12</sup> This campaign affects the future of 102 multifamily buildings, a massive victory which puts even the organizations' remarkable joint impact on housing development seem relatively modest.

The Industrial Areas Foundation -- a network of city-wide and metropolitan-wide organizing groups -- has also demonstrated the impact which "power" organizations can have in creating the conditions needed for large scale housing development.

Over more than fifty years IAF has developed a systematic, disciplined approach to organizing communities which is based on a thorough analysis of the most effective ways of building and sustaining mass-based organizations. They create opportunities for their leaders and members to gain experience in operating in public arenas where they represent their own interests on issues they can impact. This is tough, demanding work, requiring great skill in organizing, intensive outreach, the surfacing and training of leaders, research and issue development, and step by step expansion of the organization's

membership and leadership base. It is carried out by extremely small staffs (often two or three people for an entire city) with extraordinary volunteer effort by leaders who emerge from the organizing process.

Considering the intensity, experience and focus this systematic organizing process takes, it is no wonder that IAF organizations -- like other organizing groups -- are leary of taking on equally demanding work developing, owning and managing housing. This could easily overload staff and/or leadership, and it requires skills and relationships which are not necessarily complementary.

Nevertheless, despite these caveats and the organizing world's nervousness about housing development, several IAF affiliates have taken on major housing development responsibilities. The best known of these are the Nehemiah housing projects which IAF organizations have developed in several cities.

The first Nehemiah project was in East Brooklyn. In that and subsequent new construction projects, East Brooklyn Churches (EBC) played the lead role in building what will soon be more than 4000 single family homes. Using its large constituency, EBC gained city cooperation in clearing extremely large tracts of land (22 blocks in the case of East Brooklyn) and then brought in a private developer to build housing at costs which lower middle income families can afford. The costs have been kept down by a combination of: low interest loans from local congregations which are EBC members, higher church bodies and unions; city subsidies; very favorable terms for purchasing the land; cost savings on design and materials; and the economies of such enormous scale.

IAF organizations in Baltimore, Philadelphia, and Washington have com-

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pleted or are in the process of developing other very large scale projects. Greater Boston Interfaith Organization has lined up a \$6 million loan fund as the first step towards similar scale development in that city.

How have IAF affiliates done this?

Through using their organizing strength and their capacity to "build relationships" to gain the cooperation from government and the private sector which makes large-scale development possible.

On all the Nehemiah projects, the community groups have relied heavily on the expertise and capacity of developers whom they have introduced into the communities. Starting with I. D. Robbins in New York City, and then involving other private developers or the Enterprise Foundation as the actual developers, IAF affiliates have depended on the expertise of their development partners as they've made decisions about the design, materials, density, and construction of the Nehemiah projects. While the affiliates feel that this relationship has worked well for them, others have raised questions about the wisdom of relying on an outside developer to act in potentially conflicting roles as both the developer and the organization's main advisor on such issues as how they can cut costs and what construction techniques and materials they should use.

ACORN, Northwest Bronx, East Brooklyn Churches and other IAF affiliates -- these are examples of highly successful marriages between organizing and development. They go against the conventional wisdom. Each has initiated and controlled housing development on a substantial scale. Each did this by developing partnerships with the public and private sectors which opened access to the resources they needed. And the

organizers attest that their development work has strengthened rather than weakened their ability to organize large numbers of people, develop new leadership and confront local officials and private sector institutions when necessary.

Furthermore, all these organizations have stood the test of time. It has been many years since they began linking organizing and development. Both the organizing and development work are still flourishing, and the organizations' staffs and leaders are enthusiastic about how the two sides of community change are reinforcing and strengthening each other.

This, however, is not to say it has been easy. Groups which have succeeded in combining these often conflicting roles are still relatively rare. Many organizations which tried have failed, and the cost of these failures has often been devastating to the groups and communities which could not find a successful formula for mixing these volatile ingredients.

### **Lack of Recognition**

**T**here has been little recognition of the remarkable successes which some organizing groups have had with housing development. This is for three reasons.

First, **when describing themselves, organizing groups stress their overall success in building their constituencies, developing leaders and building power rather than their achievements in any one area like housing development.** In a sense

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## Organizations can gain in three ways from successfully combining organizing and development.

since their central purpose is organizing and empowering people, housing development or work on other substantive issues is a byproduct for these multi-issue organizations.

Second, **CDCs and the support organizations and funders which help build and sustain them have virtually no relationship with community organizing groups and networks.** They live in parallel universes, with different funders, different infrastructures of support, different conferences and training systems. When there is contact, it is at the local level, and those contacts are seldom friendly as organizers and developers usually disdain each other's approaches.

Third, **even organizing groups with substantial track records in housing development see development as only one tool they use, and see their development projects in the context of their broader work on housing issues.** It is striking to find grassroots groups which have developed thousands of apartments pointing to their work on broader housing issues as even more significant and far-reaching. ACORN, for example, has acquired and rehabbed over 600 units of housing in New York and done significant development in several other cities -- a major achievement. However, its Executive Director and housing staff point to its track record pressing banks on community reinvestment issues, cracking down on predatory lending, and providing mortgage counseling services which have helped over 45,000 people move into homeownership as even more significant in impact and benefit for lower income families.

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### Gleaning the Lessons

This variety of experiences poses two central questions for the field of community change.

First, what are the lessons which we can glean from the experience of groups which have successfully mixed "protest" and "program," organizing and development? What works and what doesn't?

Second, are these successes replicable? Or are they unique, dependent upon a key individual or other highly unusual circumstances which cannot be duplicated by others? Does experience help us identify a mix of key ingredients and approaches which others can replicate with a high likelihood of success?

The remainder of this paper addresses these questions. It concludes that other groups can gain greatly from applying the lessons which these pioneers have learned.

Overall the paper illustrates how organizations can gain in three ways from successfully combining organizing and development. Such a marriage makes it possible for groups to:

1. **increase the scale and impact** of their progress on housing by applying sufficient power to convince government and the private sector to provide the resources, policy changes and other cooperation which are needed for development;
2. **broaden their constituencies** by demonstrating they can produce concrete benefits in new and rehabilitated housing for their communities; and
3. **add to the organization's sophistication, credibility and impact on broader housing and neighborhood issues** and

## ***SVOC continued to provide the organizing strength needed to convince public agencies to provide the several levels of financing and expedited approvals which were needed.***

make such gains as changing public policy to facilitate homeownership or save troubled projects, or winning commitments of community reinvestment funds and additional public dollars for neighborhood revitalization.

The following sections therefore concentrate on surfacing these lessons so that other groups will have an opportunity to learn from these experiences. They include three case examples and a summary of lessons from these successes, and a review of the difficulties and failures which some groups have encountered.

### **Moving to Scale in Sacramento: A Case Study of Housing Development**

**I**AF's affiliate in Sacramento has developed a remarkable track record in housing development, using organizing rather than traditional CDC approaches. However, Sacramento Valley's approach has been distinctly different from the approach other IAF affiliates have used in developing Nehemiah projects.

First, rather than adopt a single model like Nehemiah, Sacramento Valley Organizing Community has developed a number of distinctly different housing developments, including rental as well as homeownership units, rehab as well as new construction. SVOC has tailored each project to the needs and conditions of particular communities, working with local residents to decide what mix of units, density, design and tenure best fit local needs and aspirations.

Second, on the first projects, SVOC itself acted as the developer and project manager because no local nonprofit thought the projects were feasible. Because of SVOC's accountability to a very low income con-

stituency, the organization set out to serve people with incomes of 40-60% of the median rather than the 80% which local nonprofits usually served. Furthermore, SVOC members wanted homeownership rather than rental units. This would require breaking precedents, attracting several layers of subsidy (five in the case of the first project in Dixon), and gaining concessions from local officials on density and other issues. Local nonprofits scoffed at their prospects. SVOC's Director paraphrases their view as being, "The cities and counties never did it for us; they sure as hell won't do it for you."<sup>13</sup>

However, after initial reluctance, "The city negotiated with us from a very different perspective because (1) we have power, (2) there are a number of good people in government who want to deal with real people, and (3) there is a frustration among public officials at the competency level of nonprofits."<sup>14</sup>

After SVOC succeeded with several such projects, they found nonprofits became willing to partner with them as long as SVOC continued to provide the organizing strength needed to convince public agencies to provide the several levels of financing and expedited approvals which were needed -- a stance which demonstrated that they shared SVOC's conviction that organizing had been critical to success. SVOC gladly turned over responsibility for the direct project management and concentrated on what it does best -- developing leaders and building power to make development possible, involving the community in planning and setting policies to ensure the housing benefits the community and helps build the organization.

Third, SVOC has had access to highly expert technical assistance from an organization which had no economic self-interest in the project. This has given its leaders and staff independent advice as they defined terms and conditions for the nonprofits and

*All this has been accomplished in ways which helped the organization enlarge its constituency and its impact.*

all other partners. **They knew they had unsurpassed expertise and knowledge as well as power as they made deals with people highly experienced in the arcane world of finance and development.** They therefore "knew they wouldn't be taken for a ride" by other parties to the deal.

Sacramento Valley's track record is impressive. In only eight years, SVOC has initiated and controlled the development of seven housing projects and a child care center. Six of these projects offered new homes to very low income homebuyers, including the first Section 8 homeownership development in the nation. Community leaders have controlled every stage of the planning and development on all the projects, including those developed by other nonprofits which were chosen by SVOC.

SVOC leadership sees this approach as highly successful. They have led from strength -- their strength in organizing and involving the community. They have assumed roles which have enabled the community to decide the most important issues -- which income groups and family sizes are served, what special needs (e.g. farmworkers) are met, the location, form of ownership, design, and sale or management policies. And they have quickly achieved scale.

All this has been accomplished in ways which helped the organization enlarge its constituency and its impact. SVOC has avoided being burdened with complicated and long-term programmatic responsibilities which could overload the group and weaken its concentration on organizing. In fact, during the time SVOC has played this key development role, it has expanded its constituency enormously and established new chapters and allied organizations in several new cities and rural communities.

This track record is even more impressive considering the fact that housing is just one of many issues SVOC has been working on. Sacramento Valley's organizing has also addressed issues of jobs, welfare reform, health care, education, child care and other service needs. And on housing its impact has been well beyond the units it has built or rehabilitated on its own or in partnership with other nonprofits. While catalyzing the development of over 300 units in eight years, reaching income levels no one else was assisting, SVOC has also:

- ♦ Convinced several city governments to adopt down payment assistance programs which have enabled almost 200 families to buy their first homes; and
- ♦ Leveraged the relationship it built with the Sacramento redevelopment agency to convince the agency to create a five year program committed to making homeownership possible for **3,000** families whose incomes are 65% of median or below.

### **Reversing Decline in the Northwest Bronx: A Case Study**

A network of groups in the Northwest Bronx provides another instructive example of the potential of combining organizing and development work with skill and commitment.

Over the last thirty years, the Northwest Bronx Community and Clergy Coalition and the CDCs which it helped create have had an extraordinary impact on a major section of New York City. They have organized and assisted the residents of ten neighborhoods which three decades ago seemed to face a grim and inevitable future. The South Bronx was burning as paid arsonists finished a process of disinvestment, abandonment and profiteering. The northern sections of the

***The first order of business for the Northwest Bronx Community and Clergy Coalition (NWBCCC) was to organize tenants and help them push the owners, the City and the financial institutions to improve conditions in their apartment buildings.***

Bronx were rapidly going through the earlier stages of decline including redlining, disinvestment by the banks, and the withdrawal of city services. The apparently unavoidable future for the Northwest Bronx -- uncontrollable abandonment and massive displacement resulting in vast tracts of vacant buildings, empty lots and social chaos.

That future has been avoided. The people of the Northwest Bronx have fought battle after battle to save their neighborhoods, and they have won extraordinary fights on many different fronts. It has been an impressive and dramatic struggle involving the organizing of hundreds of tenant organizations, the creation of neighborhood associations for every section of the community, and the establishment of new institutions to develop housing and address other neighborhood needs. Collectively this network of organizations has used a combination of confrontation, litigation, negotiation, collaboration and partnerships to reverse the "inevitable" and save the Northwest Bronx as a good, stable place to live.

This miracle has been accomplished by a network of organizations which play different roles in the story of successful racial transition and neighborhood stabilization. But all the partners in this network agree that the central role has been played by the Northwest Bronx Community and Clergy Coalition -- the group which has spearheaded the organizing of the neighborhood.

The Northwest Bronx Coalition was established in 1974 by religious leaders who were determined to help their community avoid the South Bronx's fate. With initial help from the Roman Catholic Church, the coalition quickly became ecumenical and hired skilled organizers to begin organiz-

ing the community building by building, neighborhood by neighborhood.

From the beginning housing has been a central concern for the Coalition. As disinvestment changed the financial picture for buildings throughout the community, making it difficult for landlords to renovate or even maintain their properties, building owners reduced repairs and upkeep on their apartments.<sup>15</sup> Meanwhile the City withdrew services, reducing code enforcement and leaving owners free to let their buildings deteriorate. Tenants became increasingly desperate and began moving farther north, and owners became more aggressive in milking their buildings. Therefore, the first order of business for the Northwest Bronx Community and Clergy Coalition (NWBCCC) was to organize tenants and help them push the owners, the City and the financial institutions to improve conditions in their apartment buildings.

The organizing challenge was immense. The Coalition gradually built up its staff to the point where it was organizing 200 buildings a year, helping tenants come together, research their buildings' ownership and financing, agree on the first issues to tackle, and press their case with the owners, managers and public and private institutions whose cooperation they needed.

They used every tool in the organizers' handbook -- rent strikes, public protests, litigation, press campaigns, and pressure on city administrators, politicians, and private lenders. They trained leaders on the issues, involving them in the research and preparing them to lead the negotiations directly. They

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*The Coalition engaged large numbers of people in devising a practical solution to the problem and providing the power needed to bring about that reform and speed access to needed financing.*

forced unscrupulous landlords to sell their buildings, pushed other owners to bring their buildings up to code and retrain their managers, and pressed the city to reform many programs so they would function effectively in the Northwest Bronx.

At first the organization's primary focus was on **city programs** -- code enforcement and loan and grant programs which, collectively, were supposed to provide the negative and positive incentives to ensure that building owners maintained them well. It took immense efforts over many years for the Northwest Bronx to gain improvements in these programs, as the City was unresponsive, in financial crisis and often handicapped by bureaucracy, incompetence or corruption. It also required that organizers and residents master the intricacies of city programs so they could understand exactly what the obstacles were, which officials were their allies, who resisted reform, and who had the power to make the decisions which would lead to real change.

One small example illustrates the sophistication which NWB had to develop on often arcane issues. In the early 1990s the Coalition involved hundreds of residents in winning a major battle in pushing for reforms in the way the City Housing and Preservation Department handled cash flow. Cash flow in a public agency is certainly neither a glamorous issue nor one on which it's easy to mobilize large numbers of people. Nevertheless, when it learned that reforming cash flow procedures was essential to speeding up the financing of building renovation, the Coalition engaged large numbers of people in devising a practical solution to the problem and providing the power needed to bring about that reform and speed access to needed financing. The result -- apartments were rehabilitated more quickly, helping to reverse the decline which was afflicting the Northwest Bronx.

The organization began tackling **private lending policies** soon after it started addressing city government issues. Northwest Bronx leaders learned how redlining was dooming their apartments to deterioration and abandonment. This awareness grew from direct experience with their own buildings and from being part of National Peoples' Action as it led remarkably successful grassroots anti-redlining campaigns to win passage of two landmark federal laws.<sup>16</sup> Building owners could not get their mortgages renewed or borrow to improve their apartments. This halt in mortgage lending blocked them from selling their properties at a reasonable price. The most rational choice for landlords therefore was to stay, keep collecting rents, stop investing in building repairs and even routine maintenance.

As this pattern became clear, residents learned they needed to tackle private lending issues as well as city code enforcement and repair policies. As they approached disinvestment issues with help from NWB organizers and attorneys, they soon discovered that the mortgages held by private lenders and such secondary market institutions as Freddie Mac included "good repair clauses". Those clauses gave the financial institutions the power to insist that buildings they financed be maintained in good repair. They also had the power to enforce such clauses by foreclosing on borrowers who failed to comply. With a constituency of tenant groups and neighborhood associations, Northwest Bronx therefore initiated an extensive series of campaigns to force reforms in lending practices by banks, savings and loans and the secondary market.

The first campaigns were aimed at major lenders in the community. The Coalition used strategies similar to those being adopted by grassroots groups elsewhere. In the words of one report, they won by "fighting, praying, marching, meeting, and negotiating".<sup>17</sup> They

***When NWBCC next faced the issue of community-controlled housing development, it decided to help create independent rather than subsidiary development corporations.***

conducted research, identified key lenders, and documented code violations and other abuses. They approached the lenders and asked them to enforce the "good repair clause". When lenders refused, the Coalition organized protests at the lenders' offices, appealed for support from politicians, went to the press and escalated the battle, but got nowhere. They kept up the pressure and, when landlords stopped paying for heating oil, they dramatized stories of freezing pipes and shivering tenants for the press. Finally, in 1980 five banks entered into agreement with the Coalition. They agreed to make a commitment to the neighborhood to finance improvements in 200 buildings, including recasting mortgages and granting moratoria on debt service to make repairs possible.

Northwest Bronx then focused on converting those commitments into real deals for specific buildings, giving priority to improving conditions in buildings which had severe problems and where they had strong tenant organizations. As part of this emphasis, it was a natural step for the Coalition to create a number of CDCs to concentrate on buildings NWBCCC had organized and to involve residents in making key decisions about their future. These CDCs became the Coalition's partners in working to turn around the threatened housing stock.

Early in the Coalition's life, it almost created a CDC as a subsidiary. When NWB leaders raised issues about the City's Community Management Program, Mayor Beame promised them funding so they could themselves manage and repair buildings, and the Coalition took steps toward creating a CDC. However, a massive budget crisis forced the City into receivership and the public funds were frozen. NWBCCC therefore continued to concentrate solely on organizing tenants and neighborhoods.

When NWBCC next faced the issue of community-controlled housing development, it decided to help create independent rather than subsidiary development corporations. In the opinion of one CDC Executive Director, the cut-off of the funds which Mayor Beame had promised may have been fortunate because it allowed the Coalition to concentrate fully on organizing. "Organizing had a chance to flourish without development concerns or management obligations."<sup>18</sup>

Several CDCs emerged as part of the "Northwest Bronx Network" in the late 1970s and early '80s. While two have had remarkable success records and are vital actors in the community today, others had a more difficult time. One in particular has an instructive history. The housing development corporation in Morris Heights was staffed by community organizers who focused their organizing efforts on particular buildings they wanted to acquire and improve. This caused them to lose much of the broader community base which had been developed, gravely weakening the organization. This experience taught Northwest Bronx leaders a tough lesson concerning the need to make sure that organizing energies do not get channeled into developing particular projects while other community concerns are neglected. People in the Northwest Bronx applied this lesson when they decided that the new CDCs should be separated from the organizing and thus from NWBCCC itself. Each therefore is an independent entity, but the different organizations have strong relationships with each other which enable them to complement each other and to flourish.

University Neighborhood Housing Program, for example, was established with a board which represented two member groups -- the Coalition and Fordham University. The board was divided 50/50, and board members were chosen by each member group.<sup>19</sup>

## *They know in practical detail how organizing and development can fit together.*

Furthermore, the long-time Executive Director of UNHP was trained as an organizer, served as Executive Director of the Northwest Bronx Coalition and strongly believes in the primacy of organizing and accountability to the community. Furthermore, he maintains strong friendships with the Coalition's long-time Director and others who built this series of organizations and "network" relationships.

Fordham-Bedford Housing Corporation maintains a similar relationship with NWB, and is also directed by a person who's strongly committed to organizing and the partnership with the Coalition. He has directed FBHC for twenty-three years, and has long-term friendships with other key actors in the Northwest Bronx network.

The obvious question is -- Will the strong, mutually beneficial relationships among the organizations in the network survive future major changes in their staff leadership? Currently each key player is deeply committed to keeping the organizations working together. Each sees clear benefits from this working relationship. They all agree that priority should be given to organizing a mass constituency which can mobilize around immediate issues and lengthy campaigns. They give this priority because of their commitment to community accountability and their conviction that organizing enables the Northwest Bronx to attract resources, change policies, and gain cooperation which are essential to having a major impact on community issues. And they know in practical detail how organizing and development can fit together and the dangers of letting a development agenda be determined solely by considerations of financing and deal-making rather than the community's needs and priorities. This combination of common bonds and mutual understandings is not easy to replicate.

Network leaders point to the extraordinary breadth and depth of the organizations'

impact as illustrating the great advantages of stressing the development of a powerful constituency, and supplementing its strength with the specialized roles and skills of CDCs. A brief recounting of highlights of the Northwest Bronx network's combined accomplishments provides powerful evidence of the potential of such a marriage of power and expertise.

First, in housing development terms, the organizations have been responsible for the repair, rehabilitation, weatherization or construction of over 11,000 units of housing in the Northwest Bronx.

Second, going beyond development to broader housing and neighborhood issues, the Northwest Bronx Community and Clergy Coalition has had even greater impact. Some of this impact goes well beyond the ten neighborhoods to help lower income people elsewhere in the city and even nationally.

To briefly summarize just some of the organization's major achievements on broader housing and neighborhood issues, the Coalition and the CDCs have:

- ♦ organized tenants in hundreds of buildings
- ♦ improved management and maintenance in countless numbers of buildings
- ♦ won a series of reforms in code enforcement, emergency repair and city loan and grant programs and the City Housing Court, and vastly increased the extent of city assistance in the community
- ♦ saved scores of vacant buildings for rehabilitation and reoccupancy
- ♦ ensured that vacant lots are disposed of in ways which help rejuvenate the community
- ♦ organized homeless people and created coalitions which brought homeless families

***Going beyond development to broader housing and neighborhood issues, the Northwest Bronx Community and Clergy Coalition has had even greater impact.***

and neighborhood residents together on projects which now provide transitional and permanent housing in the community for formerly homeless people

- ♦ won innumerable tenants' rights cases and driven many unscrupulous landlords out of the community
- ♦ reversed disinvestment trends in the community, spurred new investment and stabilized the community sufficiently that property values have increased 300-400%
- ♦ convinced the City to create new housing programs including ONTOP (Our Neighborhood Tenant Ownership Program) which permits tenants to become homeowners
- ♦ convinced the state legislature to limit rent increases on buildings undergoing city-financed Major Capital Improvements, and reformed the MCI program
- ♦ been major players in national battles to enact and enforce the Community Reinvestment Act and to press financial institutions to investment billions of dollars in lower income neighborhoods
- ♦ recently won a three year campaign to force the City to crack down on three landlords who own 102 buildings in the Bronx and are systematically pushing regular tenants out so they can rent apartments at \$125/night to the City as temporary shelter for homeless families

There have been several massive campaigns over time. One example is the "Freddie Mac attack," a campaign to change the policies and practices of Freddie Mac, the federal government sponsored enterprise which provides a secondary market by buying mortgages from financial institutions. Freddie Mac was intensely active in the Bronx, at one point holding mortgages on 700 buildings involving \$740 million, servicing

those loans through the local banks, mortgage companies and other financial institutions which had originated the loans.

In researching the ownership and financing behind problem buildings, Northwest Bronx staff and leaders discovered how central Freddie Mac was to financing in its community. It also uncovered a major scandal: dozens of buildings which Freddie Mac had financed were being milked by their owners, violating New York City codes and creating terrible living conditions for their residents. Their owners were getting them appraised at inflated values, borrowing heavily and obtaining second mortgages. In many cases they were financing major capital improvements and inflating rents astronomically. And Freddie Mac -- a quasi-public agency -- was buying up the second mortgages, and permitting the properties to be milked by not inspecting them directly and not enforcing the "good repair clause."

The Coalition was convinced that this pattern of overvaluation and excessive borrowing would lead to a wave of foreclosures. Trying to convince Freddie Mac officials of the problem, they ran into a stone wall with Freddie telling community leaders in effect that they did not understand financing and were wrong in pointing to possible abuses. Over time NWB escalated its campaign and joined with community groups elsewhere which were facing similar problems. Research, demonstrations and an intensive campaign to convince the financial press to cover the story were not enough.

The breakthrough finally came when the Government Accounting Office, an arm of the US Congress, responded to pleas from the Coalition and National Peoples' Action and investigated the charges concerning Freddie Mac practices. Researching 35 of the 700 buildings financed by Freddie Mac in the Northwest Bronx, GAO inspectors found that 27 of the 35 were greatly overvalued. Facing

## *The Northwest Bronx network has achieved a staggering amount in saving and improving housing throughout its multi-neighborhood target area.*

this evidence from a federal agency Freddie Mac finally acquiesced to the community's analysis and agreed to cooperate.

In 1989 Freddie Mac agreed to alter the all-important loan-to-value ratio from 80 to 70% on loans secured by a broker, and down to 60% on unsecured loans. This radically altered the financial structure of each building it financed and greatly reduced opportunities for fraud and abuse.

In summary, the Northwest Bronx network has achieved a staggering amount in saving and improving housing throughout its multi-neighborhood target area. It has achieved this because it has:

1. the strengths of a large organized constituency;
2. community leaders who have learned the intricacies of housing finance and policies; and
3. development corporations with technical expertise and the greater access to private and public resources which organizing campaigns have made possible.

At the same time, in part because it was not burdened with ongoing responsibilities for developing and managing housing, the Northwest Bronx Community and Clergy Coalition has been free to fight on many other sets of issues as well. Recently, for example, it won control of redevelopment for a \$30 million armory site on which they are seeking commitment that five small schools be built. They have worked on issues of neighborhood safety, narcotics, education, child care, jobs, jobs and job training, youth programs, the

***The Coalition's fundamental commitment is to helping people come together, decide what issues matter most to them, master those issues, learn to be leaders, and build the power to prevail on the issues they choose.***

whole range of community issues. And they have won victories on these issues which are as impressive and important as their wins on the housing front.

It truly is a remarkable record. And it is abundantly clear that this record could only be established through a strategy of intensive community organizing, backed up by the special contributions which CDCs and community-based social service providers can make to improving neighborhoods.

It is a testimony to their commitment to community organizing first and foremost that the Coalition, like other organizing groups, evaluates itself more in leadership and human development terms than on the basis of these victories on housing and other community issues. The Coalition's fundamental commitment is to helping people come together, decide what issues matter most to them, master those issues, learn to be leaders, and build the power to prevail on the issues they choose. In the words of one leader who went through this personal transformation and helped win major victories for her community, "I have stood and fought for what we wanted and needed, and I will never be the same."<sup>20</sup>

### **Developing a Nationwide Capacity to Combine Organizing and Development: A National Case Study**

Over the last thirty-five years, ACORN has grown from a fledgling effort organizing Little Rock's neighborhoods into a nationally known network of grassroots groups in more than thirty states. ACORN follows a direct membership model for organizing low and moderate income people. Organizers go house by house, neighborhood by neighborhood, gradually building a dues-paying membership. ACORN

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is particularly well known nationally for its leadership in tackling such major issues as living wages and predatory lending, and for its commitment to the poorest neighborhoods in our nation's cities.

There is no question about ACORN's bedrock commitment to organizing. Its staff is almost exclusively composed of organizers, and it concentrates on building membership, developing leaders and building the power to win on issues its membership identifies.

ACORN has been heavily involved with housing issues since its inception. Its work has included squatting campaigns in abandoned buildings, challenging banks under the Community Reinvestment Act and pressing local governments to reallocate their Community Development funds to projects which really benefit lower income people. In each case it takes on issues which surface from the community and mobilizes its constituency to press for reforms in the ways public and private institutions address their issues. They have, in short, followed a classic organizing model.

ACORN's image therefore is as a network which concentrates solely on organizing, including efforts to influence public policies and the practices of private institutions. This image is, however, somewhat misleading.

ACORN in fact is also involved in housing development. Furthermore, the track record of its sister development organizations is significant, totaling more than 850 units and growing in numbers and variety of projects.

Like many other organizing groups, ACORN moved into housing development quite naturally. As its chapters worked on housing issues, opportunities arose for ACORN to play a development role, and ACORN decided that the best way to achieve its organizing goals was to create a housing

development capacity in sister organizations, and then to help those organizations gain the resources and produce the good housing which ACORN members were seeking.

One example of the tie between organizing and development is New York City. New York ACORN organized low-income families living in overcrowded apartments to "squat" in nearby abandoned apartment buildings which the City had acquired through tax foreclosures. ACORN started these campaigns because the city government was leaving these units vacant year after year, neither rehabbing them nor selling them for renovation, while the desperate need for low-income housing grew worse. The squatting campaigns were geared to force the City to sell the buildings so they could be renovated, with ACORN committed to working to ensure that many of the rehabbed apartments went to their members who desperately needed housing and had worked hard on the campaigns.

The City eventually capitulated, set aside funds for renovation, and offered ACORN the chance to acquire and rehab the buildings. ACORN responded by creating the Mutual Housing Association of New York -- a non-profit housing development organization with its own tax-exempt status and board, with the mission of owning, developing and managing housing which is affordable for low-income families. It hired an experienced developer as its Executive Director and she gradually built up the staff and development program.

Similarly, in 1986 ACORN created ACORN Housing as a separate tax-exempt corporation to work on housing development on a national basis.<sup>21</sup> It assigned one of its long-term organizers to take the national lead on housing developments associated with ACORN. Over the years he and his staff at ACORN Housing have developed great expertise in development, learning from working on complex projects with advice from an expert tech-

***The Coalition, like other organizing groups, evaluates itself more in leadership and human development terms than on the basis of these victories on housing and other community issues.***

nical assistance provider and other development partners. They serve as national staff resources for any ACORN chapters which are considering initiating development projects.

ACORN Housing is currently involved in the construction of new single family and 3-4 family homes as well as the acquisition, rehab and management of 2-3 family houses and older apartment buildings. The organization is also exploring the possibility of acquiring and improving foreclosed properties and low and moderate income developments which are in danger of being converted to middle income or luxury use.

These efforts have led to very significant successes in development terms. In New York City corporations affiliated with the Mutual Housing Association and ACORN Housing now own over 140 buildings housing more than 600 families. They manage some buildings directly, and share management duties for other developments with private firms, and several other projects are now in the pipeline.

ACORN chapters in several other cities have also taken the lead in getting housing rehabbed and built. In Phoenix, for example, ACORN Housing is now building forty-two single family homes which families with annual incomes as low as \$24,000 will be able to buy.

ACORN Housing is now gradually adding development staff based in regions where ACORN chapters are most active in initiating development projects and where they do not have easy access to housing staff in either Chicago or New York. This gives those chapters greater continuity of support on management as well as development issues, while also fostering easy communication and close working relationships between local organizers and the development staff.

In addition, ACORN Housing operates a very large and successful housing counseling

program which is funded in large part with federal funds, and which has helped over 45,000 families become first-time homebuyers. ACORN Housing also conducts research and policy analysis on issues of housing, banking and credit for its sister organization ACORN and its chapters, providing them with data and analyses which inform and greatly strengthen their organizing campaigns. This combination of responsibilities helps the housing staff keep close to all the housing issues which are emerging from ACORN communities. It thus helps ensure that the development staff's commitment to organizing and issue work stays strong -- overcoming a danger many CDCs encounter as their development staff-members become so preoccupied with the intricacies of difficult development deals that they lose touch with their constituency and broader issues of community change.

There are other close ties between ACORN and its sister organizations. All are members of the "Council of Organizations" whose directors hold periodic senior staff meetings to discuss common concerns and how they can best collaborate in joint strategies. Furthermore, the top housing staff people within the organizations meet twice a year, and staff involved in housing management meet quarterly.

Thus ACORN has a different approach to mixing organizing and development than Northwest Bronx. In the Northwest Bronx, while the CDCs have a very collaborative relationship with the Coalition, they exist entirely separately, setting their own agendas and where they will concentrate their development efforts. ACORN Housing and the Mutual Housing Association concentrate their attention on neighborhoods which ACORN has organized and on projects which will benefit ACORN members who are committed to their communities for the long run. They then set up single asset single purpose corporations for each separate project, including neighbor-

***ACORN decided that the best way to achieve its organizing goals was to create a housing development capacity in sister organizations, and then to help those organizations gain the resources and produce the good housing which ACORN members were seeking.***

hood residents on each board. ACORN finds this relationship works well, and that it ensures the development work is clearly under the control of ACORN's constituency and inextricably linked to the central goal of building power to bring about broad community and social change.

ACORN-related staff cite several reasons why this set of relationships works well for them.

First, there is no danger that development considerations will outweigh organizing priorities because there is "such a strong organizing culture" that community development cannot "overpower" it.<sup>22</sup> Even in New York City, which has the most development activity, the development work is a relatively small part of the organization's overall program. One recent example of this internal agreement on priorities is cited by both organizers and developers. When Mayor Giuliani retaliated against ACORN for attacking him, cutting off City funding for ACORN-backed projects for eight years, no one inside either ACORN or ACORN Housing argued that they should have held off on their organizing and policy work which was (unsuccessfully) aimed at gaining increases in funding for affordable housing.<sup>23</sup>

Second, the staff people working on development are personally deeply committed to organizing and advocacy, to intensive resident involvement in overseeing the development and management of their own housing. Several ACORN Housing staff-members were organizers before they concentrated on development. While others came from development backgrounds, they share this commitment to working under the direction of community leaders and giving first priority to organizing considerations -- the building of community leadership and power to be a growing force for community and social change. In the words of the Director of the

Mutual Housing Association, "My goal is to build the best possible housing, while moving the leaders to the next level and the next agenda."<sup>24</sup>

Third, each person working on housing development works on housing issues and services as well. The national ACORN Housing Director and his staff provide technical assistance, research help and advice to ACORN as it works on predatory lending, community reinvestment and issues emerging from the housing counseling program. Similarly the New York-based housing staff provide advice and research assistance to New York ACORN on housing policy issues and other organizing and advocacy work. This mixture of duties helps avoid an "us vs. them" split between organizers and developers, as the top housing staff people are pursuing organizing as well as development goals on a daily basis.

Finally, the top staff people working on housing development are senior managers who are at the table when ACORN makes major decisions on housing. They are knowledgeable, respected and "able to speak out clearly" and state their views. Furthermore, they are comfortable with the decision-making process and the primacy given to building ACORN's power so it can have even greater impact in the future.

Two other aspects of ACORN's approach are very instructive. First, over the years ACORN has developed sufficient internal development expertise to pursue development projects with little outside help. Top national staff who started without development expertise have supplemented their initial experience as organizers and become highly proficient in development. They learned on the job, at first relying quite heavily on help from an experienced consultant,<sup>25</sup> and then gradually handling all but the most challenging and innovative projects on their own. Because of their

***The development work is clearly under the control of ACORN's constituency and inextricably linked to the central goal of building power to bring about broad community and social change.***

background as organizers, as well as their continuing work on organizing and policy issues, these staff members are particularly well prepared to do development work in an organizing context.

Second, ACORN has centralized this skill nationally through ACORN Housing. Therefore, the national staff can now provide development expertise to its chapters anywhere in the country when that kind of specialized help is needed, and its sister organization MHANY can provide help in ACORN communities near New York City. This is a highly efficient arrangement, enabling the organizations to respond to needs in many different communities with relatively few development staff people.

### **The Difficulties of Combining Organizing and Community Development**

**I**n the community organization world as in other spheres, there often is as much to learn from failures and difficulties as from success.

ABC<sup>26</sup> was created to organize a low-income neighborhood where thousands of apartments and homes had been abandoned as a result of the loss of jobs, growing poverty, crime and private and public disinvestment. Early in its initial organizing the group tackled the problem of vacant buildings which added to panic and instability in the community. The group pressed the city officials to take over these dangerous eyesores, secure them, and then transfer ownership and provide funding so they could be renovated and reoccupied. The organization gained initial commitments of low-interest loans from its member congregations and unions and developed a general plan for how it could rehabilitate and manage the buildings.

Despite the newness of the organization and its organizing, the group won a commitment that the City would give them hundreds of units for renovation and reoccupancy. The organization then faced an enormous challenge - developing the capacity to finance, develop and manage dozens of vacant buildings while it was still in its initial organizing stage with a relatively weak constituency base and a small, not very experienced leadership cadre. An exciting victory quickly turned into an organizational nightmare.

There were three challenges which doomed this effort to combine organizing and development. First, the organization's organizing staff and constituency were small and the group quickly shifted away from the process which gradually builds a very sound and broad base for collective action -- patient step by step organizing, surfacing and tackling whatever issues emerged from the neighborhood's concerns. Instead ABC concentrated virtually all its energies on mobilizing a constituency specifically to push for resources and agreements which were essential to the development projects.

Second, since the initial organizers were working extremely hard to build the base and establish the organization, the group had to look outside for development expertise. Unfortunately, it hired someone whose development background was inadequate to the highly sophisticated task of acquiring and rehabbing hundreds of vacant apartments in a tough neighborhood. It was a dangerous situation: his skills were inadequate for the position and the senior staff's inexperience in development made it impossible for them to supervise him. Therefore, the organization made fatal mistakes. It failed to set a firm price on the construction contract or to provide effective supervision of the contractors. Costs doubled, creating a crisis which shook the organization and damaged its credibility in the community and with outside agencies.

***Before taking on any extremely challenging campaign or project, the group must first secure its base and power and be prepared to handle something at this level of difficulty.***

This eventually led to separation of the organizing and development functions into wholly separate organizations which now have little sense of shared history or collaboration.

This case illustrates two old lessons which organizers constantly emphasize. First, before taking on any extremely challenging campaign or project, the group must first secure its base and power and be prepared to handle something at this level of difficulty. Second, when taking on a highly specialized issue, a group must have access to people on its staff or as outside advisors who know that issue cold and can make sophisticated judgments on matters which require great expertise. Both power and expertise are needed.

In this case, the group was simply not prepared for the victory it won. It had neither the breadth of constituency and leadership nor the expertise to take on such a challenging set of responsibilities. It therefore came close to self-destructing when it tried to mix organizing and development, a volatile mixture which must be handled with care.

Another case illustrates a central challenge in combining organizing and development -- the evidence that success may depend upon having one or more individuals in key positions who have a rare breadth of approach and combination of skills. Often an organization blends the approaches successfully for a period of time, but cannot survive the loss of the Executive Director or other key person who made the combination work. AHOP in Hartford is one example of such a history. Its founding Executive Director was a skilled organizer who built a powerful organization which then took on responsibilities for operating substantial service programs as well as acquiring, rehabilitating and managing housing. He learned the skills he needed incrementally, and did not add the programmatic responsibilities until he and his organization were ready to capture opportuni-

ties which grew directly out of their organizing. They then created a subsidiary CDC, hired staff and had substantial success in combining organizing, development and services.

However, when the founding Director left, the organization simply could not find anyone with the same breadth of experience. It therefore chose an organizer who was not comfortable or skilled in overseeing the development and services work, and the group quickly lost control of those programs. Without this leadership and constituency support, the development corporation rapidly lost its leverage, and the development work ceased. The services program suffered similar reverses, and the organizing group consequently soon lost much of its credibility and backing.

This is quite a common story. It takes a somewhat remarkable set of circumstances to support such a complex set of interventions in a community. In particular, it requires top staff and volunteer leadership who understand the interrelationships and have the skills and temperament to sustain and balance them.

Challenging as it may be, it is clear that this combined approach is leading to major breakthroughs and deserves support and replication. It enables groups to move to the scale which our nation's low income communities desperately need and which most community groups are simply not able to provide. It does this by building on the core competency of community organizing -- the building of a mass-based constituency with power and increasingly sophisticated leadership. It strengthens that base by bringing to bear the specialized knowledge and skills needed to design and carry out innovative projects of scale, and by producing the combination of power and knowledge needed to reshape pub-

***A group must have access to people on its staff or as outside advisors who know that issue cold and can make sophisticated judgments on matters which require great expertise.***

lic policies and force major reallocations of resources to low income communities.

This combination is highly effective. Despite the challenges, it is of the utmost importance that priority be given to helping other groups achieve this balance of powerful strategies. This requires isolating the lessons from the successes and failures of groups which have used this mixed approach, and establishing systems of support which will help other groups apply these lessons successfully.

### **The Ingredients of Success**

Different organizations have used different approaches to ensuring that organizing and development proceed in tandem with each other. In particular, they have used a variety of approaches to **structure and governance**, with some carrying out the development function within the parent organization or a subsidiary, while others separate out the development roles for CDCs which operate with differing degrees of independence from the community organizing group.

Experience shows that either approach can be effective. Proponents of separate CDCs see this route as allowing each organization and its staff to specialize in what they do best. Organizers and developers are "very different occupations. Few people can think both ways at once. The pace, discipline and details are very different."<sup>27</sup> Some advocates of separate organizations see separation as freeing the CDC to do more development projects, including projects which may not emerge from the organizing or involve the community

heavily but which nonetheless are beneficial for the neighborhood. Furthermore, they cite occasions when, because they are not identified completely with controversial organizing, quasi-independent CDCs have been able to maintain good working relationships with outside institutions which are opposed to the organizing agenda. They see a separate but closely aligned relationship as giving community developers the best of all worlds -- being able to rely on the influence and resources which organizing can provide, while also being free to pursue financing and partners in the less controversial ways which CDCs traditionally use.

Proponents of making the CD effort subsidiary to a mass-based parent organization have a different viewpoint. They see this as the only way to ensure a CDC is always accountable to the constituency and always puts organizing considerations first. They fear that separation sooner or later will lead the organizations to diverge. They worry particularly about that divergence happening when an executive director or board chair changes and personal loyalties and affinities weaken. They see organizing and development as sufficiently different in their approach, timeframe, mindset and relationships with outside institutions that they easily grow apart over time, and they fear that this weakens both sides of the community ledger.

There are strong examples of both approaches succeeding. Key to each success is constant attention to ensuring the agendas complement and do not conflict with each other, and that board members and other leaders constantly work to keep the strategies and staffs together.

***Organizers and developers are "very different occupations. Few people can think both ways at once. The pace, discipline and details are very different."***

Whatever structure they adopt, groups successfully mixing these disciplines stress the importance of having an **organizational mission and cul-**

**Success may depend upon having one or more individuals in key positions who have a rare breadth of approach and combination of skills.**

**ture which stress the primacy of community organizing** and leadership development as the foundation for all their work. Groups which do not have internal unity and clarity on this question suffer from constant tension as people disagree on fundamental strategic issues, and organizing and development considerations jockey for attention.

Organizations are far better prepared to combine organizing and development productively if there is internal consensus on philosophy and strategy and the ground-rules are clear. This helps organizations attract development staff who are committed to intensive community involvement and organizers who are not ideologically opposed to development. This clear direction provides a solid foundation for following a common strategy -- organizing people to build power, and then using that power to foster development.

Community organizing groups which have become successful developers, directly or indirectly, are clear on this. For example, as mentioned above, ACORN's Executive Director talks about his organization having such a "strong organizing culture that community development cannot overpower it", and housing staff share this philosophy. "I want to work under community people. My goal is to build the best possible housing, but move the leaders to the next agenda.... The visionary has to lead the technical, or it's just technical...."<sup>28</sup> In the Anti-Displacement Project in Springfield, Massachusetts, "Everyone understands that organizing drives the deal."<sup>29</sup> Bernal Heights Community Federation in San Francisco has such a strong organizational culture and clarity that, despite several changes in Executive Director over three decades, it consistently has followed "a political model... (in which board and staff agree that) building a constituency and political power allows you to compete for resources."<sup>30</sup>

**Appropriate staffing** is critical to success in combining organizing and development. In particular, three considerations are especially important in ensuring that organizations have the right combination of staffing to combine these approaches successfully.

First, **the person who oversees housing development must be committed to organizing and leadership development.** The former Director of New York's Fifth Avenue Committee says, "We look to hire staff who get community organizing."<sup>31</sup> The reason this is essential goes well beyond the need for internal unity on philosophy. It is also vital because, as this paper demonstrates, the organizing approach is proving to be the most effective strategy for gaining the level of resources and cooperation which are needed to move to scale. Competition for resources and support is intense. Government funding for housing is shrinking, and the private sector has many alternative ways to make money. Only projects which can mobilize massive support from their constituencies and allies are in a strong competitive position to attract the huge resources which are needed to move to scale. Organizing groups are particularly well-prepared to provide this level of power. That is their specialty, and it pays off.

Second, **the organizing staff must respect and value community development work.** They must agree on the legitimacy of pursuing development projects and respect the role, expertise and needs of the development staff. Without such agreement and mutual respect, the organizing and development staff will clash, reducing the likelihood

**Most development specialists are "preoccupied with how to do deals, caught up in the frenzy of more deals, more deals, and assessed on the basis of their portfolio."**

***Challenging as it may be, it is clear that this combined approach is leading to major breakthroughs and deserves support and replication.***

the group will fully benefit from combining the approaches to improve housing in the community. Organizing "purists" therefore cannot fit well in an organization which directly or indirectly controls development projects.

Third, it is essential to find **staff or consultants with a sophisticated knowledge of the intricacies of development** as it is a highly technical field in which mistakes can be extremely costly. Some organizations have gradually developed those skills as they have worked on projects, relying on consultants or technical assistance providers to train them on the job and ensure that their early deals are good ones. In many cases an organizer gradually builds expertise in housing development, an approach which has often worked well.<sup>32</sup>

Most development specialists are "preoccupied with how to do deals, caught up in the frenzy of more deals, more deals, and assessed on the basis of their portfolio."<sup>33</sup>

Other organizations have attracted skilled developers who share their philosophy and goals and integrated them successfully into their organizing culture. However, it is difficult to find developers who want to work in organizations in which the primary goal against which housing development and all other activities are assessed is the extent to which they help build the organization. While this is "not normal" for most development specialists,<sup>34</sup> some developers deeply appreciate the extent to which organizing creates the preconditions and financing needed for scale development.

"Organizing is needed to create real opportunities to develop. It makes the banks willing to develop new products which fit, and local governments willing to support housing rather than using their CD funds for street improvements and fancy lights in downtown economic development districts."<sup>35</sup>

In some cases the Executive Director of an organizing group has assumed these responsibilities directly, supervising consultants and developing expertise over time. He/she brings to the task a clear commitment to organizing, skills in getting things done, and experience building relationships, marshalling power and gaining commitments. These are great strengths for a person spearheading an expensive development project, and this arrangement frequently works well. It does, however, risk overloading an already busy director, as well as leaving the organization vulnerable if that director should leave and pass on too complex a set of roles and responsibilities for the successor. Furthermore, it will not work if the Director is like some organizers -- so wedded to the intensity and pace of organizing campaigns that they cannot adapt to the tedious, detailed, and often slow business of development.

However the group accesses it, there is no substitute for highly sophisticated expertise. Each housing deal now requires multiple layers of financing from disparate sources; each has legal and financial complexities which a generalist cannot quickly master; and each provides opportunities for outsiders to profit from shortchanging the community group and the residents. If a group lacks such expertise on staff, it needs access to a consultant or technical assistance provider who is free from conflicts of interest and ded-

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*Key to each success is constant attention to ensuring the agendas complement and do not conflict with each other.*

icated solely to giving the organization his/her best advice. XYZ, a well-known organizing group, now faces the deterioration of housing it built to great fanfare because it relied on its contractor for advice on cost-cutting and then used construction techniques and materials which are not holding up.<sup>36</sup> Another group with an inexperienced development staffer failed to set an upset price on its construction contract and experienced millions of dollars in unnecessary overruns.

These mistakes point to one of the inherent dangers in an organizing approach to development: it is easy for organizing groups to believe that all they need is the power to get something done. Hubris and ego can tempt them to ignore their need to have as much knowledge as they have power. Without understanding every aspect of financing and development, they risk having outsiders who **do** know the game mislead and shortchange the community.

Even with these ingredients -- structure and governance, clarity on mission, internal unity and appropriate mix of staffing and skills -- **the combination of organizing and development requires constant attention and balancing.** For example, several groups have experienced difficulties as they have strayed from "pure" organizing -- surfacing and responding to whatever issues concern the community -- to organizing around specific projects instead. This is a natural temptation once an organization has committed itself to tackling a particular vacant building or unscrupulous landlord. Progress may require marshalling substantial numbers of people around multiple "targets" -- a challenge which may force the group to set aside other pressing issues and divert its energies and leadership to achieving real gains in housing development. While this may work in the short-run, sustaining

it for a lengthy period can undercut the organization's ability to address other issues and thus weaken the group's responsiveness to and backing from its constituency.

This danger is not unique to housing development. Major campaigns on such other issues as school reform or living wages frequently require a similar concentration of resources and entail similar risks. However, the unique complexity of development which requires cooperation from several institutions should not be underestimated. Neither should anyone overlook the usually slow pace and tedious work of housing development.

Groups must therefore carefully weigh the benefits and costs of each project before they proceed. Like the later development work itself, this requires that people with different skills and perspectives reach consensus on each development opportunity in the context of the organization's overall priority on "building the organization."

As they have gained experience, some organizations have become very accomplished in **using their development work to strengthen their organizing.** The Anti-Displacement Project, for example, uses an organizing approach throughout its work on federally subsidized buildings which are "at risk" of being converted to middle income occupancy or deterioration. A-DP organizes the residents door to door, listens to their concerns and brings them together. If residents have immediate concerns about repairs or security or a rent increase, the organization helps them address these "bread and butter issues" through direct action organizing.

***Without understanding every aspect of financing and development, they risk having outsiders who do know the game mislead and shortchange the community.***

***"I want to work under community people. My goal is to build the best possible housing, but move the leaders to the next agenda.... The visionary has to lead the technical, or it's just technical.... "***

As residents become engaged, the Anti-Displacement Project helps them understand the longer-term issues which threaten their future ability to stay in their homes. One technique A-DP has used for involving and educating tenants is the "tenant capital needs assessment:" residents conduct a door-to-door survey of repair needs, collect those surveys in a book, and confront the owner and the public agencies which finance the buildings with details on the poor conditions. This process educates and develops leaders while arming the group with the data they need. It also ensures that, if the residents win the opportunity to acquire and rehab the building, they will have a strong base of knowledge and self-confidence and be able to work with the architect, contractor and other professionals from a position of strength.

The CDCs in the Northwest Bronx "network" apply their commitment to organizing as they work with residents. In fact, UNHP recently had the experience of finding that the residents wanted them to feel free to proceed with the tenth and eleventh layer of financing on a particular building without explaining all the details to the resident council. UNHP staff found residents' "eyes glazing over" and "tolerating" their presentation but really wanting to delegate responsibility for understanding that portion of the deal to professional staff they trusted.

**Another key ingredient for success is an ongoing process of reflection and learning** which helps the organization's leaders assess how well its combination of organizing and development strategies is working and how it should be adjusted.

Many organizing groups are very disciplined in internal reporting and reflection. Typically organizers report on their work in writing weekly or at least monthly, including quantifying progress on such indicators as the numbers of new people contacted, partici-

pating in meetings, being trained, or exerting leadership for the first time. Organizers also are accustomed to reflecting in writing on the progress they are making, the obstacles they face and what they are learning.

This internal discipline provides a sound foundation for reflective practices concerning the balance of organizing and development and such issues as:

- ♦ To what extent are the organization's members identifying the priority housing issues?
- ♦ Can the issues be addressed through organizing alone, or do they naturally lead the organization to consider adopting a development role?
- ♦ What are the pluses and minuses of acting as the developer rather than finding a nonprofit partner to do that work?
- ♦ How are the leaders being trained to understand and control development?
- ♦ How is the organizing linked to development?
- ♦ Are new members being attracted because of the development work?
- ♦ Are leaders developing new skills? Is the organization's constituency being strengthened as a result of the benefits the group's gaining from development?
- ♦ Are other issues being neglected or other leaders being lost?

These are some of the issues the organization should keep assessing as it moves forward.

*It is essential to find staff or consultants with a sophisticated knowledge of the intricacies of development as it is a highly technical field in which mistakes can be extremely costly.*

## **The Implications for Foundations and Support Organizations**

**A**s housing conditions worsen throughout the U.S. and the affordability gap grows, it is of the utmost importance that funders and support organizations help community groups vastly increase their ability to have an impact on particular housing projects and on housing policy. Without a refocusing of resources to help groups move to significant scale, conditions will continue to worsen in the years ahead.

In this context, the strides which organizing groups have made in recent years take on great importance. By skillfully marrying their skills in building a large constituency, policy advocacy and development, these organizations are scoring major breakthroughs. They are achieving significant scale in developing housing while multiplying their power to convince public and private sector institutions to reallocate resources and change policies to benefit the community.

Funders and support organizations have an opportunity to multiply these gains. They can play a major role in supporting expansion of community-based efforts to pursue a dual agenda, mixing organizing and development in various ways to maximize their impact on affordable housing.

In particular, funders, technical assistance providers, training institutions and other supporters of community initiatives should increase support for a seven-point agenda to strengthen efforts combining organizing and development.

First, funders should provide **core operating support** which enables grassroots groups to develop a balance of skills on staff as well as **restricted funding for community organizing** which is central to this whole strategy. Such funding is often so difficult to raise that

groups are forced to adopt staffing patterns which fully fund development but underemphasize organizing. This pattern can lead to internal tensions and gradually erode the organization's capacity to remain accountable to its community and to mobilize power when it's needed.

Second, they should take steps to increase the availability of **technical assistance and consulting help on organizational development** for grassroots groups which are thinking through their agendas for impacting housing in their neighborhoods. This advice and assistance should respond to the each organization's needs and priorities rather than pushing a particular model inappropriately. Nevertheless, it should include a fair assessment of the advantages and possible appropriateness of placing organizing first, and then adding development capacity to organizations which prove successful in involving large numbers of people on housing issues. This strategy would reverse the conventional wisdom and eliminate the current bias among many funders, intermediaries, trainers and other support organizations which deters groups from organizing and advocacy. It would also increase the impact of neighborhood residents upon housing conditions.

Third, special efforts should be made to provide **training and advice for boards** of grassroots groups so they are conversant with development and have thought through the relationship between organizing and development in detail. Combining these activities is complex and there are many potential pitfalls. It is especially important that boards be prepared to keep the staff on track, avoiding arguments on organizing and development, and collaborating to maximize the group's impact.

Fourth, they should take steps to ensure the availability of **housing development consultants and technical assistance providers**

*It is easy for organizing groups to believe that all they need is the power to get something done. Hubris and ego can tempt them to ignore their need to have as much knowledge as they have power.*

who can help groups understand the complexities of development, represent their own interests successfully, and, when appropriate, develop their own internal capacity to control or "do" development. It is vital that such people be available, have state-of-the-art knowledge of development and have no financial self-interests which conflict with the interests of the community group they advise. It is also essential that they "get into the trenches" and help the groups do the work as they are transferring skills, so that organizations get the in-depth help they need from the beginning.

Fifth, they should provide **training for community developers** which stresses the advantages and techniques of community organizing and developing strong community leadership, community accountability and power. At the same time they should support **training for organizers** which helps them to strengthen their organizing skills and to understand development and how the approaches can be linked most successfully. Such training programs for organizers and developers can help bridge the divide between these approaches and build a common understanding of the dual approach to development.

Sixth, current training programs are, however, not a sufficient long-term answer. Because of the complexity and importance of this work, there is a desperate need for major new mid-career educational programs for organizers, developers, and others working to bring about substantial community change through a combination of organizing, advocacy and development approaches. Good as they may be, three-day or weeklong training programs simply cannot provide people with the analytical skills, theoretical and practical knowledge they need to be fully prepared for this demanding work. **Serious attention should be given to developing new certificate and Masters' level programs on issues**

**of poverty, race, development and social change through new partnerships between academic institutions and practitioners.**

Finally, funders and support organizations should help organizations establish and sustain **systems for assessing how well the balance of organizing and development is being achieved and how it can improve its effectiveness** on both fronts. Rigorous self-assessment, peer review and advice, and assessments by evaluators who are committed to participatory learning and organizational development -- each of these approaches to reflection and learning deserves support from organizations which are committed to helping grassroots groups succeed in moving to scale.

## Expanding Impact Through Advocacy and Policy Campaigns

In city after city, the same stark reality faces community groups and others concerned about issues of poverty, race, and healthy communities. Despite remarkable efforts by community leaders and nonprofit organizations, conditions for poor and working people are rapidly getting worse. The economy is sputtering and trends in employment, housing, and public policy are making it increasingly impossible for people with limited incomes to get ahead.

It is abundantly clear that this situation will worsen dramatically unless there are major changes in public policy. Government programs are in retreat everywhere despite the clear need for massive new commitments of additional resources to meet the needs of the people and neighborhoods now being left behind.

It is equally clear that -- if there are to be major changes in public policy -- leadership and pressure for these changes must come from the people and organizations that are most affected by the worsening crisis. This leadership must come from grassroots community groups, including community development corporations and other groups which have often shied away from working on policy issues in the past.

Fortunately, there is increasing evidence that community groups **can** have a substantial impact on policy issues which matter to them if they come together in coalitions and broader alliances to wage concerted campaigns. In particular there are many examples of CDCs and their allies winning remarkable victories in expanding funding for housing development and changing other vital policies.

These successes have not come easily. They depend upon three key factors:

- ♦ the willingness of CDCs and other grassroots groups to make often wrenching

changes in their priorities, strategy and culture;

- ♦ the systematic building of strong coalitions and alliances; and
- ♦ the strong backing of private philanthropy for organizing and advocacy.

This paper focuses on the advocacy and public policy work which CDCs, other nonprofits and housing advocates pursue through coalitions and alliances. This aspect of the nonprofit housing movement is often overlooked as attention focuses instead on the role nonprofits play as developers of housing and economic development projects.

However, **as the economy and public policies pose increasing threats to any gains which nonprofits have made through their community development and service programs, the success of nonprofits in reversing harmful public policies will be a central test of their capacity to improve the lives of the people they serve.**

After briefly reviewing the history of the CDC movement, this paper will focus on case studies of CDC involvement in policy advocacy and draw lessons from these case studies. It will conclude with recommendations for action by nonprofits and the philanthropies which support them.

### Historical Background

Four decades ago there were virtually no community development corporations in the United States. Staffed community-based organizations of any kind were rare, and only a few had begun to pioneer in taking on responsibility for developing housing or economic ventures in low-income communities. Those early organizations had few people or organizations to turn to for advice and expertise as they tried to master the intricacies of planning, financing, developing

*There has been great pressure -- subtle as well as open -- on CDCs to avoid becoming involved in public policy.*

and managing complex projects. Furthermore, they had little access to philanthropic support.

That situation changed greatly over the years. Now there are hundreds of CDCs which have succeeded in developing housing and launching other programs to benefit low and moderate income people. There also is a substantial infrastructure of technical assistance groups, trainers, intermediaries, and funders which are committed to helping CDCs succeed as vehicles for community development projects.

During this history, there has been great pressure -- subtle as well as open -- on CDCs to avoid becoming involved in public policy. While some funders and support organizations always valued grassroots organizing and advocacy, most have tried to deter groups from working on controversial issues. They have instead pushed groups to build strong technical competence and close working partnerships with government, banks, and other institutions. They have encouraged CDCs to "mature" and move "from protest to program", from "confrontation to collaboration". The main thrust of the rhetoric, funding patterns, criteria for evaluation, and literature which dominate the CDC world has clearly pointed this direction.<sup>1</sup> For example, in their recent book *Comeback Cities*, Paul Grogan, former President of the Local Initiatives Support Corporation, and Tony Proscio wrote disparagingly of groups with a "preference for confrontation over visible results." They applauded activists who, "exhausted by the

antagonisms and fruitless turmoil, were more than ready to turn their newfound community-organizing talents to some practical redevelopment projects."

The daily work of creating and managing community development projects reinforces this pressure. It requires financial and technical knowledge, the ability to plan and manage complex projects over time, and the ability to negotiate and work with government agencies and the private sector. Unless a group has emerged from a community organizing history, the staff people hired to handle these complex tasks and relationships seldom have a strong background in, or even affinity for, organizing and advocacy strategies. Few of them have skills or experience in organizing people and allies to build the power to confront, pressure and persuade others to cooperate with their organizations. Many are, because of their own backgrounds and training, uncomfortable with such tough tactics.

The results are clear in the rhetoric and behavior of most CDCs. It is not uncommon to hear a CDC director saying, "We are not an antipoverty organization; we're a CDC"<sup>2</sup> or "We are not an affordable housing organization; we are a development corporation."<sup>3</sup>

However, despite these pressures, some CDCs have always stressed organizing and advocacy as key strategies for community development. For example, since its formation more than thirty years ago, San Francisco's Chinatown Community Development Center has given high priority to policy changes through its own work and its leadership role in key coalitions. In Chinatown itself, CCDC has seen its central role as being a planning organization which involves the community in planning and controlling development throughout the community. Using its planning and organizing strengths, the CDC's

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success in winning downzoning of the community more than two decades ago effectively blocked speculators and conventional developers from replacing the community's shops, residential hotels, and institutions with the kinds of high-rise development which surround it. Without that policy victory Chinatown would inevitably have been destroyed, and the CDC's work redeveloping property for the benefit of community residents would have become impossibly expensive.

Chinatown also furnishes an early example of how CDCs can have an impact on broader policies. The CDC was instrumental in creating the Council of Community Housing Organizations (CCHO) in 1978. This was one of the earliest citywide coalitions of housing groups, and it has had remarkable staying power and impact. Through the years CCHO has enabled its member groups to have a powerful voice on decisions on the allocation of Community Development Block Grants and other public funds. It led the drive which caused the city to shift from city-wide to district elections for the Board of Supervisors, thereby increasing representation of people of color as well as accountability to neighborhood concerns. It also has fought on a broad range of other housing policy issues including the vital local issue of standards and funding for earthquake protection and retrofitting. Its small, underfunded staff has a combination of research, organizing, public policy and communications skills which greatly strengthens the campaigns the member groups launch.

CCHO's work on affordable housing bond issues in 1996 and 2002 exemplifies its power to mobilize people on critical issues. In 1996, after a major organizing drive, it won Proposition A for a \$100 million

bond issue with a 67% vote. In 2002, facing much stiffer, heavily financed opposition from real estate interests, the coalition and its allies still won 58% of the vote, unfortunately falling short of the two thirds requirement for a bond issue. During that campaign they had hundreds of volunteers working every weekend, covering 500 of the city's 640 precincts with almost a million leaflets. They visited households in the neighborhoods served by their CDCs three times, and had a major get-out-the-vote drive. When they were blacked out by the local media, they used street theater and demonstrations to reach voters.

While CCHO failed to get the necessary two-thirds majority in 2002, they view that as just one battle in a longer term war for affordable housing. San Francisco's CDCs fully recognize that gentrification is making it increasingly impossible for their residents and other constituents to continue living in the city, and they use each election and ballot initiative to educate voters for the long-term. They "want them to fully understand the issue." They "worked with all the other non-profits and all the other progressive groups we could think of," including the 70-member Human Services Network, to broaden their constituency and reach new people. Their current strategy is to focus heavily on moderate swing districts, trying to reach new people because you "have to make a friend before you need a friend."

Overall in San Francisco, with the heat of gentrification and displacement, CDCs have made a "significant shift back to community organizing since the early

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1990s because there is real recognition (that) survival of our communities depends upon it."<sup>4</sup>

San Francisco is not unique in having a long history of advocacy by CDCs and their allies. Chicago's rich history of work on housing and economic development issues at the local and the state level goes back to the early 1970s, and includes remarkable victories by citywide and statewide coalitions as well as by networks of community organizing groups.<sup>5</sup>

CDCs in Boston and Seattle have almost equally long histories and records of accomplishment. Seattle groups, for example, took the lead in forming the statewide Washington Housing Trust Fund Coalition which brought together CDCs, housing activists and other progressives to convince the Legislature to create one of the nation's first Trust Funds. The Coalition has maintained its advocacy work, gradually expanding the size, sources of funding, and usefulness of the statewide Trust Fund. Its dedicated funding streams now generate tens of millions of dollars each year to support development of lower income housing throughout the state. The Coalition also has been instrumental in enacting a Housing Levy in the City of Seattle, which produces tens of millions of additional dollars for affordable housing.<sup>6</sup>

Over the years there has been a steady increase in the number of statewide coalitions working on housing or community development concerns. Their growth has been

encouraged by two national coalitions: The National Low Income Housing Coalition has supported the growth of statewide coalitions on housing and homelessness in thirty-three states,<sup>7</sup> and the National Congress for Community Economic Development has encouraged similar growth of statewide coalitions of CDCs. On housing and community development issues some states like Ohio have two coalitions; others have only a CDC coalition or a housing coalition; and still others lack any statewide vehicle for grassroots attention to these vital issues.

"With the increase in federal cutbacks for domestic spending and the impetus toward turning or converting additional federal programs into block grants... it became essential for CDCs to have a seat at the table when resources are divided up at the state level."<sup>8</sup>

Several cities also have citywide coalitions through which groups work on local policy questions. Being nearby, these coalitions offer greater opportunities for continuing and consistent of low-income community leaders than statewide or national coalitions. They thus are frequently better equipped to mobilize, involve and be accountable to grassroots groups than are more distant policy organizations.

Despite the longevity and importance of this policy work led by CDCs and other nonprofits, there is still remarkably little recognition of or support for organizing and advocacy work by nonprofit housing developers.

It still is common for evaluations and reports on CDCs to overlook their organizing and advocacy work completely, thus skipping some of the most significant indices of a group's breadth of com-

***Overall in San Francisco, with the heat of gentrification and displacement, CDCs have made a "significant shift back to community organizing since the early 1990's because there is real recognition (that) survival of our communities depends upon it."***

## ***Further steep declines in living conditions and opportunities for low-income people are inevitable unless there is greatly increased backing for coalition-building, advocacy, and organizing.***

munity involvement, responsiveness to community concerns, and impact on important issues.<sup>9</sup>

### **The Current Crisis**

**T**oday, in an era of massive deficits in federal, state and local government budgets, it is even more vital for non-profits to become active advocates for the resources and public policies their communities and constituencies need so desperately. Without their constant vigilance and involvement, the fierce competition for public resources will eat away at funding for housing and other essential projects and services. An increased focus on public policy will, however, require wrenching changes in priorities for organizations which historically have not allocated significant time or resources to advocacy work.

New federal policies will make the struggle for resources and helpful policies even more difficult over the next decade. The Administration and Congress have cut taxes drastically during a time of national recession and escalating military costs. The results: projections of a \$1.9 trillion dollar federal deficit over the next five years, massive additional deficits for the foreseeable future, and inexorable pressures for deep cuts in domestic spending. Many conservatives in Congress and the Administration clearly see creating deficits as a central strategy for forcing the reduction of spending on social programs, including housing.

At the same time state and local governments are coping with their own staggering deficits, and -- because of the unpopularity of tax increases -- they too are cutting spending on even essential programs.

For CDCs and others concerned about healthy communities and families, the crisis in housing is particularly frightening. Each year the cost of housing goes up far more rapidly than incomes, increasing the affordability gap and placing good housing out of reach for an increasing number of families. Housing costs show no signs of abating as the population grows, development pressures increase, and the expense of land, lumber, other building materials, oil and gas and property taxes all escalate more quickly than the overall cost of living. As interest rates climb again this crisis will rapidly become even more severe.

Furthermore, the federal government is speeding up its withdrawal from its historic commitment to housing. It has been almost three decades since the federal government abandoned the direct subsidy programs which financed development of new affordable housing -- programs which at one point added 625,000 subsidized homes per year to the nation's housing supply.

In recent years, the government has instead moved to dispose of the housing which it has subsidized over the years. With little public notice, the last two Administrations have presided over a step-by-step reduction in the nation's stock of permanently subsidized housing: the supply of public housing has been dramatically reduced,<sup>10</sup> and a rapidly increasing percentage of the privately owned subsidized housing is being converted to middle income use.

Some families displaced by this reduction in permanently subsidized units have been

***"With the increase in federal cutbacks for domestic spending and the impetus toward turning or converting additional federal programs into block grants... it became essential for CDCs to have a seat at the table when resources are divided up at the state level."***

*Against this grim backdrop, coalitions in several parts of the country are winning significant victories on policy issues.*

given housing allowances to supplement their ability to pay rents for private apartments. However, these subsidies are now also in grave danger. The new federal budget severely cuts funding for allowances. Furthermore, there is increasing talk in Washington about placing time limits on all allowances -- thus forcing families which had been living in permanently affordable units to shift to receiving short-term help as they move into housing where rents escalate far more rapidly than incomes. There is also some discussion of placing time limits on residency in public housing, further reducing options for poor families.

At the same time the economy is driving more people into unemployment or low wage employment. Efforts to increase the federal minimum wage have failed, and competition for even very low wage jobs is intensifying. Recent projections indicate that, even if the nation avoids a devastating deflationary spiral, any recovery is likely to be slow and to have a minimal impact on employment in its early years.

Schools are in crisis; job training, day care and Medicaid funds are being slashed; municipal services are being reduced to an even lower level. The continuing pressures to reduce deficits at all levels of government ensure ever-deeper cuts in programs which matter to poor people, further shredding the social safety net.

Reversing these devastating trends will require that CDCs and other supporters of community organizing and development -- including funders, intermediaries, technical assistance organizations, networks and coalitions -- reorient themselves and redirect their resources. Further steep declines in living conditions and opportunities for low-income people are inevitable unless there is greatly increased backing for coalition-building, advocacy, and organizing on public policy issues,

and for voter registration and education efforts to strengthen the influence of people who are not now active in the electoral process.

**Increasing Resources for Housing:  
A Case Study of Los Angeles**

**A**gainst this grim backdrop, coalitions in several parts of the country are winning significant victories on policy issues. They are doing this in a very conservative political era with a faltering economy. They are prevailing despite the fact that housing issues are seldom high on the public agenda. And they are winning these victories despite the shortage of philanthropic money to support major housing campaigns.

Housing Los Angeles' recent victory demonstrates the scale of victory which is possible despite massive deficits and an initial lack of interest among policy-makers. Over a three year period Housing LA mounted a systematic campaign which eventually led to enactment of a new citywide Housing Trust Fund -- the first significant new funding for housing in Los Angeles in many years.

Housing Los Angeles was spearheaded by the Southern California Association for Nonprofit Housing, a coalition of housing development corporations and CDCs from the entire metropolitan Los Angeles area. Tired of constant battles to defend meager funding for housing, SCANPH members were deeply worried about the future of affordable housing in LA. They also were concerned about the survival of their own organizations which were suffering seriously from declining public and private resources.

SCANPH's Executive Director drew from her background as a union organizer as she worked with her Board to assess how the

***Based on their power analysis, the Association's leadership concluded that victory depended upon them greatly broadening the constituency.***

Association could increase its impact on the region's rapidly worsening housing conditions. When an intensive campaign succeeded in convincing officials to pass a "living wage" ordinance, Breidenbach and others decided to try to replicate this victory and to launch a campaign for a city-wide Housing Trust Fund which would create new public resources for housing.

SCANPH members emerged from this process with plans to campaign for a Trust Fund which would generate \$100 million per year for affordable housing in Los Angeles. They planned a three year campaign focused on the election of a new Mayor and, they hoped, enactment of a Housing Trust Fund within the first six months of his inauguration.

Based on their power analysis, the Association's leadership concluded that victory depended upon them greatly broadening the constituency for housing in general and a Trust Fund in particular. SCANPH's analysis was clear on this point:

"SCANPH's base of Community Development Corporations (CDCs) is too narrow to win a campaign on their own. The strategy would be to bring together different constituencies -- with different interests -- to a common goal. The leadership of the campaign would be from three major non-housing constituencies -- labor, religious leaders, and tenants."<sup>11</sup>

SCANPH leaders then reached out and held individual meetings with many prominent Los Angelenos, seeking to create an impressive Honorary Committee for the Campaign. This resulted in the Roman Catholic Cardinal and the head of the County Labor Federation agreeing to serve as Co-Chairs. Other community leaders, including business, civil rights and community organizing leaders, also agreed to serve on that

Committee, adding their prestige and influence to the Campaign.

With funding from foundations and corporations, the Association then hired full-time experienced organizers, and set out to wage a concerted campaign to gain the attention of media, the public, the City Council and candidates for Mayor. They waged a classic campaign, with a carefully crafted strategy for marshalling maximum power at the crucial time -- the elections set for 2001. Their commitment to a disciplined long-term strategy was first demonstrated when they decided to block an enthusiastic City Councilman's proposal for a \$20 million a year Trust Fund, choosing to wait until the campaign had marshaled its full potential and could win a far larger victory.

Housing LA built a broad base of support over time, including unusual allies. Their labor support was crucial to victory, but business leaders also played a prominent role, coming together at one point for a Housing/Business Summit, and becoming increasingly visible and supportive in the late stages of the campaign.

The Campaign then developed a platform which covered a full range of housing issues. These included measures to save subsidized housing threatened with conversion and to replace homes which had been demolished. It also proposed raising wages so that people would earn a "housing wage" -- income sufficient to afford decent, safe and sanitary housing in the city. This platform responded to the priorities of their diverse constituencies, and was then used as the basis for a Candidate Survey on housing issues. As the primary elections for Mayor and City Council approached, Housing LA distributed thousands of copies of the Survey, creating pressure on the candidates to pledge support for HLA's platform.<sup>12</sup>

## ***The coalition pursued an "inside/outside strategy," which maximized their backing and influence.***

In face to face meetings and larger gatherings, they sought support from candidates for Mayor for all the planks in Housing LA's platform. Shortly before the primary election they then disseminated thousands of copies of a Voters' Guide, explaining each issue and reporting the candidates' positions.<sup>13</sup>

One key technique was taking potential supporters on tours. By the end of the campaign, they had conducted more than a dozen tours taking 46 candidates, top staff of the Los Angeles *Times*, other media people and influential leaders to visit both slums and good affordable housing developed by CDCs. This demonstrated both the need for the new Fund and the great promise it offered. They illustrated the need for funds to save subsidized housing which was in danger of being converted to middle income use, provide good temporary housing for homeless people, and develop permanently additional affordable housing for families. The tours also featured examples of the high quality, successful projects which local non-profits can develop when they have access to adequate resources. The tours proved to be highly successful in persuading influential religious and civic leaders as well as policy-makers of the need for a Trust Fund.

The coalition pursued an "inside/outside strategy." While they focused most of their attention on organizing a broad constituency outside government, getting media attention and pressing candidates to support the Campaign, they also worked to enlist support

from inside government, including recruiting supporters on the Council and in City departments. This dual strategy maximized their backing and influence.

Both candidates who emerged from the primary as finalists endorsed Housing LA's Trust Fund. Both promised to enact it within their first six months in office, and to fund it at the level of \$100 million per year.

Four strong tenant and community organizing groups mobilized large numbers of people for highly visible mass demonstrations at crucial times when the coalition needed to "turn up the heat." For example, after James Hahn was elected as Mayor, he reiterated his pledge to support a \$100 million Trust Fund. In his Inaugural Address he listed it as one of his top three priorities, but then things began to drag. SCANPH decided that pressure was needed, and ACORN brought 400 people to march around City Hall and enter Council chambers. This drew media attention, as did a series of events during the Christmas season. Hundreds of tenants came to City Hall to sing Christmas carols and to stage "La Posada" -- a Mexican Christmas celebration during which families go door-to-door looking for shelter.<sup>14</sup>

When the Mayor agreed to speed up enactment of the Fund, Housing LA held a "Home for the Holidays" celebration on the City Hall steps. This involved labor as well as tenants in a mass demonstration. The Mayor introduced his bill within a month, and it was enacted into law with the Mayor giving full credit to Housing LA for its passage.

***Put very bluntly, government provides benefits to the poor, minorities and disadvantaged, not because they love them, but because they fear them so.... Right now, government has little to fear.... To survive, and to achieve what they were created to do, neighborhood housing groups must become confrontational. To do so effectively, these groups must, first, organize their communities....***

*Four strong tenant and community organizing groups mobilized large numbers of people for highly visible mass demonstrations at crucial times.*

**Winning a New City-Wide Housing Policy: A Case Study of New York City**

New York's Association for Neighborhood and Housing Development has existed as a citywide coalition since 1974. It was initiated by eight community groups and directed by Robert Schur, a long-time official in the city's housing department. As a government insider Schur had seen the limits of what he could do from his position. He became firmly convinced of the need for outside pressure. He therefore concluded that community-based organizations must become activist and deeply involved in housing policy issues if the rapid decline in the city's housing stock and neighborhoods was to be arrested.

In an article in *City Limits* entitled "Back to Basics: Organizing in the Age of Austerity," Bob Schur set forth the need in clear terms:

"While state and city officials decry federal cuts, it is clear that they are not going to fill the gaps, especially not in housing programs, which are not only expensive but, in today's political world, have low priorities.... Put very bluntly, government provides benefits to the poor, minorities and disadvantaged, not because they love them, but because they fear them so.... Right now, government has little to fear.... To survive, and to achieve what they were created to do, neighborhood housing groups must become confrontational. To do so effectively, these groups must, first, **organize** their communities...."<sup>15</sup>

The Association's initial membership was composed solely of nonprofit groups which were developing housing, and its name in the early years was the Association of Neighborhood Housing Developers. It functioned as a trade association as well

as a coalition, offering training, peer learning, and such joint programs as a consortium for purchasing fuel oil for nonprofit-owned buildings at a discount.

After several years, as the city faced both bankruptcy and an extraordinary growth in its inventory of apartment buildings in receivership, ANHD decided to reinforce its advocacy work. In assessing the challenges they faced, coalition leaders recognized that they would have greater independence and impact on city issues if they broadened their membership to include housing activists and community organizing groups which were not dependent upon City contracts and grants. The Association therefore reached out to organizing groups with the power and independence to strengthen the coalition's capacity to win on controversial issues. It became the Association **for** Neighborhood and Housing Development rather than the Association **of** Neighborhood Housing Developers. It now has 97 member groups.

ANHD has fought dozens of policy battles over the years as Mayors have come and gone and housing policies have kept changing. Throughout this period the scale and complexity of New York's city government programs have been far greater than in other American cities. This largely was because of the enormous crisis which New York faced as thousands of buildings went through foreclosure and receivership, a crisis which forced the City to create a panoply of programs supporting everything from emergency repairs to gut rehabilitation and long-term nonprofit management. The scale of this crisis has challenged ANHD and its member groups. It has also greatly dramatized the importance of

***The scale of this crisis has challenged ANHD and its member groups. It has also greatly dramatized the importance of advocacy and policy work to everyone working on housing issues.***

**Coalition leaders recognized that they would have greater independence and impact on city issues if they broadened their membership to include housing activists and community organizing groups which were not dependent upon City contracts and grants.**

advocacy and policy work to everyone working on housing issues in New York City, a factor which has undoubtedly strengthened ANHD and its campaigns on policy issues.

Despite this immense crisis Mayor Giuliani pushed housing far down on the City's priority list: funding for affordable housing dropped almost 50% during the decade of the 1990s. Giuliani stressed police protection and basic municipal services instead. Furthermore, he was oriented toward the private sector and showed little interest in helping nonprofits address community needs. Because Giuliani was so dominant in city politics during his term in office, and so quick to cut off funding for groups which challenged him, advocacy by ANHD and others became very difficult. ACORN's Housing Development Corporation, for example, was cut off from City funding and cooperation as soon as it issued a report attacking the Mayor's record on housing.<sup>16</sup>

With Mayor Giuliani facing mandatory term limits in 2002, ANHD decided to move quickly to influence the course of the election and future housing policy. In early 2000, eighteen months before the election in which Giuliani's successor would be chosen, ANHD and its allies decided to create *Housing First!* -- a campaign to get housing back on the public agenda as a major election issue and to convince mayoral candidates to make significant new commitments to housing.

ANHD established *Housing First!* as a new vehicle which could attract broad and influential leadership reaching well beyond CDCs

and other grassroots groups. With initial funding from foundations and banks, *Housing First!* hired staff and reached out to financial institutions, religious leaders, unions, other civic leadership and influential allies. It urged them to join in common cause with the goal of greatly increasing public support for affordable housing during the mayoral campaign.

This broad new coalition hammered out a platform which focused on the issues which united all the groups, leaving aside many of ANHD's other priorities. There was an explicit understanding that the groups would work together on the common platform, but that member groups -- including ANHD and its members -- would be free to work on other housing issues on their own.

At the beginning of the Campaign housing was a very low priority for politicians and the public. Fights for more money for housing only involved the "usual suspects" -- CDCs, other grassroots groups, housing advocates, and a few allies.

By creating a broad coalition with a unified agenda, substantial funding and skilled staff, ANHD transformed this situation over the eighteen months leading up to the mayoral primary. Coalition members and staff used a broad range of strategies and tactics to gain the attention of the public and influential decision-makers. These ranged from one-on-one recruitment of powerful allies, to public demonstrations, media campaigns and formal and informal meetings with mayoral candidates and their staffs.

ANHD's own members played a crucial role throughout the broader campaign. CDCs took politicians on neighborhood tours, community organizing groups pursued direct action to pressure may-

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***ANHD and its allies decided to create Housing First! -- a campaign to get housing back on the public agenda as a major election issue and to convince mayoral candidates to make significant new commitments to housing.***

oral candidates and others for support, and ANHD itself created a new 501(c)(4) organization to increase its members' freedom to work on policy issues.<sup>17</sup>

*Housing First!* was on its way to being a spectacular success as primary day approached in September 2001. By primary day, polls showed that *Housing First!*'s campaign had moved housing up to being #3 on the list of the most important issues for New Yorkers. Only public safety and education were rated higher.

This is especially impressive in an era in which housing is very low on most lists of public priorities. In most jurisdictions, it is not a significant political issue. In Massachusetts, for example, the Republican candidate for Governor won despite the fact that he did not even include housing among the 16 issues his web-site and campaign addressed.<sup>18</sup>

Furthermore, by primary day all the mayoral candidates, Democrats and Republicans, had committed themselves to implementing many of the planks of *Housing First!*'s platform if they were elected. The Democratic nominee had gone one step farther. He had committed himself to appoint ANHD's candidate to be Commissioner of Housing Preservation and Development.<sup>19</sup> All candidates were committed to allocating new resources to preserve and develop housing and, most significantly, to dedicate tens of millions of dollars a year in perpetuity for a Housing Trust Fund for low and moderate income housing. This Fund was to be supported from surpluses generated by rents on space in Battery Park City and/or the World Trade Center.

Primary day was Tuesday, September 11, now known as 9/11. The World

Trade Center -- as well as government resources, public attention, and the candidates' commitments -- disappeared in the most dramatic setback in modern American history.

Needless to say, in the aftermath of this tragic crisis, concern about housing dropped off the public agenda. Furthermore, rescheduling the primary contributed to the defeat of the Democratic nominee who was committed to appointing ANHD's candidate to direct the City's housing and development programs. For over a year it was impossible to convince the public or government officials to focus again on the city's housing needs.

To make matters worse, during this period the US economy entered into serious recession, heightening the economic blow which New York City experienced from destruction of the World Trade Center.

*Housing First!* survived this crisis and mounted a renewed campaign. It took more than a year, but, after private negotiations and pressure, a new phase in the media blitz, and extensive direct action involving church and community leaders, newly elected Mayor Bloomberg announced an ambitious Housing Plan. Despite the economic times and the crises in the federal, state and local government budgets, the Plan included a commitment of \$500 million in new money for affordable housing over five years. The Plan also included a commitment to continue allocating other funding at current levels, an important pledge during a time of budget cuts.<sup>20</sup> The total commitment was \$3 billion over five years to create 65,000 units.

***Despite the economic times and the crises in the federal, state and local government budgets, the Plan included a commitment of \$500 million in new money for affordable housing.***

## Coalitions are creating training and support programs to help their member CDCs organize and mobilize their own communities.

*Housing First!* and ANHD are enthusiastic about the great gains they won against this dramatic backdrop. They are delighted to have won half a billion dollars in new money for housing despite the financial crisis facing the City. They are equally pleased to have their victories codified in a formally endorsed Platform which puts the Mayor on record in a highly visible way and gives the groups an agreement to enforce. The Platform also provides a framework and reference point which groups can use while they push for improvements in particular parts of the agreement.

In addition to major campaigns like *Housing First!*, coalitions like ANHD are exceptionally important for their member groups on a host of smaller, but vital, policy issues. On a typical day this spring, the Association was actively engaged with city policy-makers on issues of the restoration of \$150 million to the city's capital budget for affordable housing, a battle to restore over \$1 million for community organizing by grass-roots groups working on housing issues, and a new citywide code enforcement policy.<sup>21</sup> It subsequently won the first two struggles, and gained City Council hearings on legislation which ANHD members, especially the organizing groups, essentially drafted. ANHD hopes to win this code enforcement battle in 2004. It would include such important gains for tenants as an increased number of inspectors, better coordination of code enforcement, and "inspections of right" -- a provision which gives residents and tenant organizations a right to demand and receive a rapid inspection.<sup>22</sup>

### **Building the Base for Further Gains: Fortifying Organizing by CDCs and Other Groups**

**A**s coalitions work on policy issues, they face major choices about how they can best build the power to prevail.

Some broaden their membership or create new alliances to include a broad spectrum of support, including labor, churches, financial institutions, foundations, and other activists.

Others bring in community organizing groups which care about housing and have the ability to mobilize large numbers of people to exert pressure on decision-makers.

Several coalitions are taking an ambitious third step: they are creating training and support programs to help their member CDCs organize and mobilize their own communities.

The Massachusetts Association of CDCs pioneered this third approach. Facing a series of challenges in their own communities and policy arenas in 1996, CDC leaders and the MACDC staff decided to focus on strengthening the CDCs' ability to organize their communities and greatly increase resident involvement.

The statewide Association began by offering organizing training to its member groups, bringing in experienced organizers to offer workshops. While this was helpful, it quickly became apparent that it was insufficient. CDCs needed funds with which to hire people with the time and skills to serve as full-time organizers, and they needed access to ongoing training and consulting help for those organizers.

MACDC therefore designed and raised funding for a three-year \$1.5 million program to strengthen organizing at thirteen CDCs. The Ricanne Hadrian Initiative for Community Organizing (RHICO) provided funding for an organizer on the staff of each participating group, as well as centralized training and consulting help. The goals were ambitious -- to transform the CDCs' internal cultures by helping them develop stronger roots in their communities, greater resident involvement on

## ***Participants in the new program must agree to join in a common campaign on statewide housing policy.***

their Boards, and active, involved constituencies.

"A core assumption of RHICO's program designers is that placing community organizing at the center of CDC practice can help address ... (various) dilemmas. By involving area residents from the outset, a CDC can anticipate street crime, drug dealing, and related community issues. Building a strong, organized base of community residents will provide the clout necessary for a CDC to win additional resources for its community, even as political leadership changes. Likewise, a community-organizing approach will enable a CDC to respond to community priorities when choosing development projects. Finally, since most CDCs operate in diverse communities, successful organizing will allow each CDC to tap the participation of new residents and to achieve a diversity that accurately reflects its community's profile and views."<sup>23</sup>

MACDC conducted an ongoing evaluation of the Initiative with assistance from Professors Phillip Clay of MIT and Lee Staples of Boston University. Among the indicators the evaluators used to measure success were the number of times during each six month period that resident leaders participated in:

- ♦ Lobby days
- ♦ Visits to State Representatives
- ♦ Meetings with State agencies
- ♦ Meetings with federal agencies
- ♦ Meetings with Congressional Representatives<sup>24</sup>

MACDC recently mounted a second phase for RHICO which incorporates changes based on the evaluation, including an assessment of the program's strengths and weaknesses by

the staff and Board. One significant change is that participants in the new program must agree to join in a common campaign on statewide housing policy. This change reflects the Association's desire to strengthen the link between its organizing initiative and its goal of increasing its power to influence state policies during a period of deep state deficits and retrenchment in government programs. Even without this requirement, MACDC attributes the increase in State funding for CDCs from \$700,000 per year in 1996 to \$2.9 million in 2002 in large part to the organizing muscle which RHICO provided.<sup>25</sup>

Other changes in RHICO II reflect MACDC's conclusion that most grantees in Phase I had not gone through the internal transformation which program designers desired. Phase II incorporates several new features to deepen the organizing initiative's impact. It includes greater competition for funds, with awards depending upon the CDCs' demonstrating seriousness about deepening their roots in their communities and engaging in joint action on policy. It also requires participants to take part in peer learning with other CDCs, a change based on the Association's conclusion that frequently bringing CDCs together in peer learning circles is a particularly effective way to influence CDC practice. MACDC sees such mutual support and learning as the best way for groups to learn and change.<sup>26</sup>

The Housing and Community Development Network of New Jersey (HCDN) launched a similar program several years ago. Like MACDC, the New Jersey Network wanted to help its members build closer ties with their communities and develop organized constituencies which could be mobilized on important community and policy issues.

HCDN is in the fourth year of a six-year project. They fund nine organizations for up to \$50,000 per year each. Eight of the groups

***Younger organizations are often more receptive to change and to introducing organizing. Not surprisingly, many older organizations not already engaged in organizing seem somewhat more set in their ways and resistant to this redirection.***

are CDCs, most with little experience organizing. While the ninth group does not "do development," it is actively involved in community planning and using its planning and organizing strengths to control local development.

HCDN reports that its program has had demonstrable impact on the work of a number of participating development corporations, as well as on HCDN's own ability to influence state community development policies. La Casa de Don Pedro in Newark, for example, hired a seasoned and skilled organizer under the program, who helped the CDC develop new strengths and strategies by cross training all La Casa staff in basic organizing skills, and helping them integrate organizing and outreach into all program areas. This foundation enabled La Casa to join with a community organizing group in the Ironbound neighborhood and other Newark CDCs to lead a campaign against the City which saved several key sites for open space and new schools. In this campaign the groups pressured the Mayor into reversing sale of those sites to developers of middle income housing, making them available to meet the communities' highest priorities. The groups continue to work closely together to influence education and land use issues at the local and state levels.

As they evaluate the initiative, Network staff are concluding that younger organizations are often more receptive to change and to introducing organizing. Not surprisingly, many older organizations not already engaged in organizing seem somewhat more set in their ways and resistant to this redirection.<sup>27</sup> In every case, a true commitment to organizing at every level of the organization -- board, executive and staff -- is key to achieving consistent results and sustained success.

When the Network started the regrants program, it did not necessarily set out to run the program on a permanent basis (although its possible continuation beyond the initial six

years is currently being evaluated). One of its goals was to demonstrate the value of such a fund to help convince other funders to start similar grant programs for organizing and participatory neighborhood planning.

The coalition has had some success in this regard, the prime example being First Union Regional Foundation (now Wachovia), an early participant in the Network's regrants pool. Early in 2003 this foundation restructured its entire grantmaking operation to create two new programs which support community organizing, planning and plan implementation by CDCs. The Community Planning Program provides grants of \$25-100,000 each to provide support for participatory community planning including organizing. The second program provides multi-year grants of \$100-750,000 to support implementation of the plans, which can include support for organizing and development activity.

The Housing and Community Development Network is very active and successful in its policy work. Recently, for example, the coalition won approval of a new \$10 million a year State Neighborhood Revitalization Tax Credit to help CDCs implement participatory neighborhood plans, thus providing a major new incentive for private investors to support CDC housing and economic development efforts, as well as a wide range of other neighborhood improvements. These funds (up to \$1 million per neighborhood/year) can also be used for community organizing. HCDN has repeatedly mobilized its membership to save the State's Balanced Housing Program and state funding for a variety of housing programs. The Network also has taken the lead in proposing and promoting new state legislation aimed at preserving rental housing, and making it easier to acquire and rehabilitate abandoned properties.

***ANHD broadened its priorities to include opening up new sources of public and private funding explicitly for organizing -- an essential step in fortifying poor people's voices in future debates on housing and neighborhood policy.***

ANHD is creating a somewhat similar program to promote organizing on housing and neighborhood issues in New York City. But there are some interesting differences in the approach which New York's Association is taking, differences which are based on local needs and priorities.

When ANHD broadened its membership several years ago to include community and tenant organizing groups, it broadened its priorities to include opening up new sources of public and private funding explicitly for organizing. They saw this as important support for their new members and an essential step in fortifying poor people's voices in future debates on housing and neighborhood policy.

To give organizing groups support and a voice within the broader Association, ANHD created a subcommittee which is called the Neighborhood Organizing and Advocacy Initiative, or NOAI. This group balanced out CHAMP, a CDC trade association already operating under the ANHD umbrella. Each group now functions as a subcommittee of the Association to eliminate the danger it will go off on its own, and each has its own staff-member, training workshops, technical assistance, and key issues (e.g. code enforcement is a high priority for the community and tenant organizing groups in NOAI, while the developers in CHAMP are preoccupied with housing production issues).

Over the years ANHD has played a significant role in opening up and protecting public funding to support tenant and neighborhood organizing. The most useful and significant of these government programs was the Community Consultants Program (CCP) which was specifically designed to foster resident organizing. The goal was to give tenants a stronger voice so they could press their landlords to provide good management and maintenance, thus helping preserve the threatened housing stock. Mayor Giuliani folded CCP

into a new Neighborhood Preservation Consultants Program which was far more oriented to helping private landlords. It provides loans to owners and requires grantees to work on landlord assistance programs. Some of the funding can, however, be devoted to resident organizing if groups meet the other grant requirements. This program provides contracts for approximately \$49,000 per year to nonprofits. \$9,000 of this is a supplement which was added by the City Council at the initiative of ANHD. These funds are appropriated out of the municipal budget; they are local rather than federal CDBG funds.

In addition to winning this important supplement, ANHD and its members protected the vestiges of the CCP program. Under CCP fifty-eight groups get funded at the level of \$39,000 per year specifically for tenant organizing and advocacy on issues of the residents' own choice. ANHD has to fight for this program's survival every year. These annual victories have been very significant for the Association's constituency and for fights on issues ranging from code enforcement to rent regulation to predatory lending.<sup>28</sup>

ANHD has also had important successes in opening up private funding for organizers. They have won CRA agreements with Deutsche Bank and several other financial institutions which include pledges of funding for groups organizing residents to push for improved conditions in their buildings and communities.

The Association is excited about its recent success in getting major private funding for its new Initiative for Neighborhood and Citywide Organizing (INCO). This is a regranteeing program designed specifically to reinforce organizing at fifteen organizations. The Rockefeller Foundation was the first funder for this program, and the Ford Foundation and others are substantial backers, but most of the funding comes from banks. Interestingly,

## *They have won CRA agreements with financial institutions which include pledges of funding for groups organizing residents to push for improved conditions in their buildings and communities.*

many of these funders -- including the financial institutions -- "are changing their tune" in their priorities. They are very interested in seeing an increase in "organizing", saying that they value community groups most for their roots in the community and their advocacy for the poor, and that this is even more important for them than their development capacity.<sup>29</sup>

Members of ANHD's Neighborhood Organizing and Advocacy Initiative were deeply involved in designing this new organizing support program. Funding from the Edna McConnell Clark Foundation financed the planning, including a consultant's survey of the organizing potential and needs of organizing groups in New York City. While conducting her research, the consultant met with organizing groups and helped them hammer out a joint definition of "organizing" which is proving to be very useful in guiding the grant program.<sup>30</sup> This research fed into ANHD's strategic planning process and eventually led to the new regranting program.

With involvement and advice from the organizing groups in NOAI, ANHD constructed a Request for Proposals for sufficient passthrough funding to enable organizing groups and CDCs which are really serious about organizing to hire a full-time organizer, as well as get centralized training and technical assistance from experienced organizers. This will provide \$750,000 per year for four years.

The program is modeled in part on MACDC's Ricanne Hadrian program. However, there are significant differences. First, much of the money will support organizing groups which don't do development. Second, changing the culture of CDCs is not a primary goal for ANHD: their principal goal is to increase funding for community and tenant organizing groups. Third, like Phase II of RHICO, ANHD's program requires that all funded groups participate in a joint housing

policy campaign (supporting the Platform which ANHD developed, including enforcing the Mayor's pledge to add \$500 million in new funding for housing development). The regranting program is called the "Initiative for Neighborhood **and Citywide** Organizing" to reflect this breadth.<sup>31</sup>

Funding decisions were made by the Donors Collaborative, which previously made decisions on and oversaw a five-year capacity-building program for 35 CDCs.<sup>32</sup> The Collaborative includes representatives of several banks and foundations who are used to making grant decisions. While ANHD recommendations were important, this arrangement enabled ANHD to avoid being placed in the even more awkward situation of having to decide directly which member groups should be funded.

These new initiatives to support community organizing all result from the conclusion by CDC and coalition leaders that organizing is critical to success in their work on issues of public policy and institutional change. The initial results of the pioneering efforts in Massachusetts and New Jersey are impressive, and the lessons being learned from experience are leading to changes which appear likely to increase their impact on policy.

### **The Challenges of Involving CDCs in Policy Advocacy and Coalitions**

**D**espite these promising developments and the impressive results which housing coalitions have demonstrated in many parts of the country, there are no signs of a trend among other CDC coalitions to replicate their success. In many cities and states CDCs are still uninvolved in policy debates. They concentrate fully on their work as developers, lining up complex deals involving everything from land acquisition to arranging as many as a dozen sources of

***Many of these funders -- including the financial institutions -- value community groups most for their roots in the community and their advocacy for the poor.***

financing, to working with architects, financial institutions, construction companies and city agencies. They measure their progress largely by the number of units they build or improve and the other concrete projects and services they provide.

It is, however, predictable that a growing number of CDCs will recognize that their very survival depends upon them getting far more involved in public policy debates where their organizational self-interest is on the line. With government support for housing and CDCs inevitably threatened by tax cuts and deficits, CDCs will be increasingly desperate for resources and broader change in their communities.

As these CDCs become more involved in policy, they have much to learn from the non-profits which have been the pioneers on housing policy campaigns.

As we have seen, these groups have found coalitions to be crucial vehicles for policy work. In addition to the obvious reason for working in coalition -- the strength which comes from numbers -- CDCs gravitate towards coalitions because they feel less visible and vulnerable to retaliation when they are one among many working on an issue. CDCs in New York City, for example, created ANHD as a vehicle for confronting the City on housing issues while member CDCs continued to depend heavily on contracts with City agencies. And, to further increase their influence and their "cover", ANHD, SCANPH and other coalitions have found it extremely useful to form broader alliances with other civic leaders and organizations and to launch unified campaigns on housing and community issues.

These examples demonstrate that CDCs can strengthen their access to resources by being tough, perhaps controversial advo-

cates as well as skilled developers. They thus demonstrate that most CDCs have been overly cautious when they have avoided advocating policy changes which they fear would offend major institutions.

Nevertheless, it would be simplistic to say there is no cost to engaging in direct advocacy. There are a good many examples of instances when local governments, for example, have looked beyond the façade of a coalition or alliance to identify its members and retaliate. However, there are many cases in which advocacy has led to closer relationships instead of greater strain. It is therefore essential that any CDC or neighborhood organization carefully analyze the particular institutional and political situation it faces as it considers how to be most effective in obtaining increased resources and cooperation for improving its neighborhood.

In some locations, CDCs which have been reticent to take a public position on a controversial issue have quietly encouraged community organizing groups or others to do so. Sometimes this encouragement is substantial and carefully planned to ensure that the advocacy serves the CDCs' purposes and has sufficient resources to be effective. In such situations the Development Corporations may channel funds to the advocates or encourage funders to support them. They may meet frequently with the activists to discuss the kinds of policy changes their communities and development projects need. And, while playing no public role on the issue, they may discretely mobilize their own supporters in the

***Community reinvestment furnishes the most dramatic illustration of the massive impact which organizing and advocacy may have on development and, more importantly, the broader flow of private capital.***

***These new initiatives to support community organizing all result from the conclusion by CDC and coalition leaders that organizing is critical to success.***

private and public sectors to back those changes.

Community reinvestment furnishes the most dramatic illustration of the massive impact which organizing and advocacy may have on development and, more importantly, the broader flow of private capital. Victories won by grassroots groups from Chicago and elsewhere three decades ago have provided the foundation upon which literally hundreds of reinvestment agreements and development projects have been built: enactment of the Home Mortgage Disclosure and Community Reinvestment Acts and decades of organizing and advocacy have led to the rechanneling of hundreds of billions of dollars in private capital. This private investment has been essential to the vast majority of CDC projects throughout the country, a remarkable demonstration of the extraordinary importance of using the power and strategies of community organizing and advocacy to "shake the trees" and persuade major institutions to provide the capital and cooperation needed to finance preservation and development in communities with limited incomes.

Nevertheless, most CDCs still shun advocacy and play a more passive role on policy, counting on others to promote their interests. This approach is natural for groups which shy away from controversy generally and are burdened with many other immediate responsibilities.

However, in this era of radically diminished resources, CDCs which play a passive role leave too much to chance and may well face policies which do not reflect the CDCs' priorities. On Trust Funds, for example, CDCs

may place high priority on having Funds generate predevelopment capital or support for staffing, while housing advocates may concentrate more on the need to maximize subsidies to bring down the costs of shelters or permanent housing. Similarly, on CDBG issues organizing groups may be more concerned about funding for social services than about increased operating or project support for CDCs. Or housing activists mobilized to influence the HOME program may not share the CDCs' interest in pushing local governments to set aside 5% of their HOME funds for operating support for CDCs.

Moreover, if CDCs play a "backseat" role, they increase the risk that organizing groups and activist coalitions will continue to lack the resources and staffing they need to maximize their influence on housing and neighborhood issues. In the best of circumstances it is difficult to raise funds for organizing and advocacy. CDC support for such funding could be critical.

Therefore, to protect their own interests, CDCs must be close enough to the advocacy to influence its goals and negotiating stance. If CDCs want to see strong organizing and advocacy on their issues, they must approach advocacy as they approach development projects. They must develop thorough plans and use their influence and staff-time to ensure that the resources, knowledge, and organizational strength are in place to achieve success.

These local and statewide associations and coalitions are of immense value to CDCs and others committed to neighborhood revitalization. At low cost, with small staffs, they often have a remarkable impact in increasing the resources available for low-income development projects. Their impact can be equally extraordinary in creating such other essential policy reforms as

***They must develop a plan and budget for organizing and policy work with the same level of deliberation they would use in planning a housing development project or another ambitious body of work.***

***Despite these promising developments and the impressive results which housing coalitions have demonstrated in many parts of the country, there are no signs of a trend among other CDC coalitions to replicate their success.***

reforming zoning policies, adding strong "first source" hiring or affirmative action requirements to expand employment for those who most need jobs, changing tax foreclosure and property disposition policies, or convincing financial institutions to change their underwriting criteria or establish special reinvestment programs.

### **Lessons**

**F**or CDCs and other nonprofits to be effective as they turn to advocacy work -- to have a real impact on the policies which matter most to them -- they must look upon their new work as being as challenging as any program or project they have tackled in the past. They must approach it with great seriousness, knowing they have to **make tough priority choices** as they take on this demanding additional work. They must recognize that some other activities will have to be put aside and that **significant resources and staff-time must be committed to the policy work so it can succeed**. They must, in short, develop a plan and budget for organizing and policy work with the same level of deliberation they would use in planning a housing development project or another ambitious body of work.

This requires a careful measuring of the organization's self-interest, weighing the benefits and costs of specific policy work against those of alternative allocations of time and money. The group must weigh the importance of the issue, the likelihood of success, the dangers of retaliation or other adverse consequences, the financial costs and the opportunity costs. Moreover, within the area of policy change itself, the organization must carefully **consider which issues and which levels of government or private sector institutions hold the**

**most promise for success**. For example, despite their overwhelming importance as threats to the group's projects and constituency, national budget issues may simply be beyond the influence of a particular organization or coalition. "Less important" local policy issues may, in fact, hold greater promise. Alternatively, a group may find itself stymied by the local Mayor but see opportunities for bypassing that roadblock by advocating passage of new State legislation or a new federal program.

Although some organizations succeed on policy issues on their own because of their power, their contacts or the great appeal of their cause, this is exceedingly rare. Groups are far more likely to marshal the kind of support they need if they enter into coalition with other groups which share their interests. **Coalitions are almost always essential to victory.**

Furthermore, it is vital that groups build a constituency which broadens and deepens -- broadens by **building broader alliances with the widest possible range of influential leaders and supporters** on an agenda which has very broad appeal; and deepens by being **linked to intensified community organizing** which reaches into the communities affected, brings in large numbers of people who care about the issue, and develops their leadership, strategy and power so they can be major forces in the struggle to win.

ANHD, SCANPH, the New Jersey Housing and Community Development Network, and other coalitions furnish powerful examples of groups which have gone well beyond the "usual suspects" to enlist unlikely allies in

***These coalitions are also finding the value of campaigns in focusing power and attention and achieving impact.***

## ***Most CDCs have been overly cautious when they have avoided advocating policy changes which they fear would offend major institutions.***

common cause on housing issues. This has immensely increased their power and their levels of success. It also has educated civic leaders and non-housing organizations on various aspects of the housing crisis, an important step toward recruiting them for longer-term campaigns on even more fundamental housing issues in the future.

MACDC, New Jersey, New York City, and other state and city coalitions have done important spadework in developing prototype programs to strengthen organizing at the grassroots level and link it to power-building and policy change. They are demonstrating the clear value of providing support for organizing linked with policy work. They are testing how it can be done most effectively and learning as they experiment. It is time for others to follow their example and raise the funds to do so. And it is time for support organizations to give their full backing to all these important initiatives to place affordable housing back on the public agenda.

These coalitions are also finding the **value of campaigns in focusing power and attention and achieving impact**. Highly professional campaigns, like those run by Housing LA and Housing First, require skilled staff, special funding, a unified platform, broad backing, sufficient time, a skillful strategy and good timing. In Los Angeles it was a three year campaign leading up to the election of a new Mayor. In New York, it was also a mayoral election, and it took eighteen months before the vote and an almost equally long period of time afterwards ensuring that the new Mayor lived up to his commitment despite disaster, deficits, and competing demands for funds. In those cases, and in the less dramatic but still impressive victories which have been won by CDCs and other nonprofits in all corners of the country, concerted action through focused campaigns has been key to success.

Some groups are finding they must go beyond coalitions and alliances to get things done. They see the power of an organized mass of voters as being essential to adding weight and persuasiveness to their collective action. They therefore do what they can within the confines of the tax law to encourage the **registration, education, and mobilization of voters who live in the communities which are most affected** by the policies they promote. Groups funded under RHICO, for example, were heavily involved in Get Out the Vote activities. In the mayoral elections in New York and LA, the coalitions decided to use **elections as focal points for getting attention and winning support**. They developed written platforms and aggressively pursued candidates for office to persuade them to pledge their support for specific planks in their programs. They won the pledges, and they then worked assiduously and successfully to enforce those promises and win new gains.

These cases illustrate the essential importance of **monitoring and enforcing agreements** with policy-makers, whether they are in the public or private sectors. In both LA and New York, the new mayors began to renege on their promises on housing as soon as they were elected. They faced deficits and competing priorities; they experienced the difficulties of taking charge of large bureaucracies and working with city councils; they were hit with crises in all directions. It would have been easy for them to forget housing and campaign promises.

Nevertheless *Housing First!* and Housing LA stayed the case. They kept up the pressure, using a mixture of quiet persuasion and public confrontation, enlisting their supporters from business and labor, churches and civic organizations, desperate tenants and vocal advocates. They also paid attention to detail, knowing that definitions of who is eligible and clauses about enforcement and

*There are many cases in which advocacy has led to closer relationships instead of greater strain.*

the intricacies of interagency pledges to collaborate with community groups would make all the difference in determining how effective their victories would be. These are all essential elements of success.

These organizations also were skillful during their campaigns and during the monitoring and enforcement stage in **using "inside/outside strategies" to bring about change**. With help from experienced organizers, they conducted power analyses at the beginning of their campaigns, identifying potential allies inside government as well as outside. They met individually with these key people, enlisting allies wherever they could. As the campaigns were launched they had vocal and quiet supporters within government who could help at important junctures, providing them with information or contacts or open backing which helped them prevail. Furthermore, they worked to convince candidates from both parties to back their proposals. This paid off. In New York, for example, this resulted in all the candidates for Mayor endorsing their proposal to allocate surpluses from the World Trade Center to a new Housing Trust Fund.

It goes without saying that **skillful use of the media is essential**. ANHD's campaign turned the press around, with housing issues and the public pressure on candidates to address the housing crisis so prominent in the media that housing moved up the polls to #3, the third most important issue for voters on primary election day. In Los Angeles, SCANPH used equally clever techniques. For instance, when an apartment building collapsed, killing one resident and injuring others, Housing LA immediately turned the press coverage around to seeing the tragedy as dramatic proof of the need for a Housing Trust Fund to increase safety and avoid future disasters.

**Research is also critical.** This includes:

- ♦ research and documentation on the desperate **need**;
- ♦ research and publicity on the **solutions**;
- ♦ **power structure analysis** to inform the campaign strategy; and
- ♦ **participatory action research** which engages campaign leaders in analyzing the housing situation and its solutions, and thus educates and increases the depth of their understanding of the issues.

Obviously, such sophisticated campaigns require sophisticated leadership. It is critical that the coalitions and alliances which mount such efforts have **access to professional organizers with extensive experience in the special demands of conducting a long-term campaign with broad backing and a complex multidimensional strategy**. They know what it takes to win.

It is equally important that the leadership give **serious attention to the building of power** -- sufficient power to overcome all the obstacles and competition for attention and resources.

The **people who oversee and direct such campaigns must also have great political savvy and be excellent strategists** who see how they can assemble the broad alliances they need and fashion a unifying agenda, and how they can deploy members of those alliances to intervene at critical times when their particular approach or influence will be most useful. In Los Angeles, the Cardinal

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*In this era of radically diminished resources, CDCs which play a passive role leave too much to chance and may well face policies which do not reflect the CDCs' priorities.*

and business leaders were just the right people to say the right thing at some stages, while SCANPH's decision to ask ACORN and the other tenant organizing groups to "turn up the heat" as the Mayor faltered was critical to enforcing the Mayor's campaign promises.

### **The Implications for Funders and Other Supporters of Community Development**

Private funders face many challenges today. Their assets and giving capacity are down at the very time that the nation's economics and politics are creating even greater needs for their support. They must make very difficult choices between continuing support for current grantees or reducing these commitments to respond to other pressing needs.

Against this backdrop, there is a strong case to be made for increasing the share of philanthropic support which goes for organizing and advocacy on policy issues. Well invested, a small amount of funding can have an enormous impact on policies and resources. The leverage can be extraordinary. For example, the Center for Community Change estimates that the roughly \$2.5 million it has invested over fourteen years in campaigns for Housing Trust Funds has increased local and state government spending on affordable housing by over \$600 million per year.<sup>33</sup>

**Core operating support and money specifically for organizing and policy work are essential.** However, many funders are

nervous about supporting any organization which tries to influence public policy, especially coalitions and organizations which concentrate primarily on advocacy. Sometimes this reflects their funding guidelines or the conservatism of their leadership; at other times it is based on an overreaction to the limitations imposed by the Internal Revenue Code or to the political tenor of the times. The Code in fact provides relatively great latitude for groups to work on policy issues.

**Coalitions and shorter-term alliances and campaigns deserve special attention.** They have even more difficulty raising flexible funding because they devote a higher proportion of their time and resources to advocacy than other nonprofits. Furthermore, many funders have difficulty understanding what a coalition does and may not see their importance as vehicles which bring many actors together to work on issues which are too big for any one group. And only a few foundations understand how difficult and time-consuming the process of coalition-building is, and how much staff-time, travel money, and support it takes to be successful.

These obstacles add to the already formidable constraints which are posed when any nonprofit seeks operating support. These constraints include some funders' lack of understanding of the need for this flexible, capacity-building money, and are unsure how to evaluate the results of core support grants (as distinct from restricted funding for a defined activity or product). This uncertainty about evaluation is amplified when the donee is a coalition, not a single organization, as it sometimes is difficult to distinguish between the impact of a coalition and that of its individual member groups.

However, such core support is especially vital for coalitions and organizations which

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***If CDCs play a "backseat" role, they increase the risk that organizing groups and activist coalitions will continue to lack the resources and staffing they need to maximize their influence on housing and neighborhood issues.***

are advocating on policy issues. They need the flexibility to keep adapting to new challenges and opportunities in the policy arenas where decisions are made. They must be able to move quickly to deploy staff, consultants, and their member groups as their campaigns unfold and unexpected developments require rapid action. They also need commitments which enable them to plan ahead and retain the staff who are essential to their effectiveness.

Therefore, a key building block for any strategy for strengthening existing coalitions must be to expand their access to core funding. In particular, **it is essential that national funders play a leadership role in providing grant support to organizations and coalitions involved in advocacy, and in challenging local and regional foundations and corporations to do likewise.**

Local and state coalitions usually need more than funding. They can gain a great deal from **learning from similar organizations elsewhere and from networks and training and technical assistance providers** which have extensive experience in coalition-building and in the substance of a coalition's particular issues. Groups find it especially helpful to have access to practical advice from those who have built coalitions before, as leaders or organizers or technical assistance providers, and who have grappled with the special challenges of keeping large numbers of diverse groups informed, involved, and working together on a united agenda which somehow serves the interests of all the member organizations. This assistance can be invaluable for groups for which this is new and unfamiliar territory, requiring them to develop new skills in coalition-building, policy and power analysis, lobbying, and media relations.

The new challenges are of both process and substance.

The process of building alliances across neighborhood, racial, and economic boundaries, among groups with widely varying priorities and styles is extremely challenging. It requires strong organizing and coalition-building skills -- in listening, analyzing each group's self-interest and finding their mutual interests, assessing the coalition's power vis-à-vis the institutions it seeks to influence, surfacing and developing common leadership, keeping disparate groups working together, and identifying unifying, achievable goals. Coalitions and community **groups** wrestling with these issues or deciding how directly they should be involved in advocacy need **access to people with coalition-building and organizing experience** who can help them resolve these issues.

Groups also require **access to knowledge of the substantive issues** on which they are working. Specialists can help them consider the pros and cons of alternative changes in current policy. On housing trust funds, for example, CDCs benefit from having advice from someone who can review the more than three dozen alternative sources of revenue which groups elsewhere have tapped for their trust funds, or analyze the comparative advantages of alternative approaches to using trust funds to provide operating support to nonprofit developers.<sup>34</sup>

As groups make the transition to increasing their emphasis on advocacy and/or organizing, they can also benefit from having **access to organizational development specialists** who have helped other groups go through this substantial change. Adding these activities is not simple: it has implications for the board's role and composition,

***Grassroots organizations and coalitions can benefit greatly from peer learning and support.***

***National budget issues may simply be beyond the influence of a particular organization or coalition. "Less important" local policy issues may, in fact, hold greater promise.***

staffing patterns and compensation level, the group's relationships with government and private sector institutions, funding and the internal culture of the organization. The board and staff can benefit greatly from advice and assistance during this major transformation in the organization.

Some national technical assistance providers and organizing networks have great expertise on these questions. Having observed many groups facing these tough questions, they can provide practical advice on tough questions of organizational development and coalition-building strategies, and may be useful bridges to allies who can help with a particular campaign. Furthermore, several organizing networks and support organizations play a critical role in linking together statewide and local groups to learn from each other and/or to work together on vital national policy issues. **Support for these organizing networks and other support organizations is critical to successful policy work.**

**CDCs, other grassroots organizations and coalitions can benefit greatly from peer learning and support.** Organizations facing issues of strategy or substance crave opportunities to sit down with their peers, learn how others are tackling tough issues and resolving organizational or policy dilemmas, and share their own experience with people who can benefit from the lessons they have drawn. Peer learning also very frequently has a powerful impact on morale and energy levels, giving participants new ideas and enthusiasm as well as a sense of peer sup-

port. This is of incalculable value as people go back to the policy struggles at home.

Since policy campaigns are particularly difficult, with great obstacles and difficult strategic choices, it is vital that **groups** devise **effective approaches to assessment and learning** to help them continually monitor their progress and learn lessons which can increase their effectiveness. They need strong systems for internal learning so they can keep modifying their strategies to increase the odds for success. They also need stronger systems to document their achievements and explain them to the outside world, including policymakers and funders.<sup>35</sup> Groups which come from a strong community organizing tradition often have developed strong disciplines for self-assessment and reflection which include rigorous reporting, weekly written reflection, debriefing after each event and "action," and sometimes tough and critical assessments during those debriefing sessions. These disciplines are seen as vital to building strong, reflective leadership and increasingly successful organizing. They can be equally useful to CDCs and coalitions. Peer reviews and the involvement of outside evaluators who combine knowledge of the field with methodological rigor can also be invaluable.<sup>36</sup>

One approach which has proven to be especially effective in helping local and state groups and coalitions address major policy issues has been to create a national project which can provide groups with operating funds, training, research assistance, and structured opportunities for peer learning and support.

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**Particularly promising are multi-site participatory action projects which are designed to involve low income people and their organizations directly in research on a policy issue they care about, becoming**

***State and city coalitions have done important spadework in developing prototype programs to strengthen organizing at the grassroots level and link it to power-building and policy change.***

**intimately familiar with that issue while also conducting a power analysis which helps them develop informed strategies for maximizing their influence.**

The National Citizens' Monitoring Project on Community Development Block Grants (CDBG) furnishes an early prototype of this approach. The Monitoring Project was created in the late 1970s to build on the successes of a coalition of national organizations in advocating for changes in the Block Grant program to benefit low-income people and neighborhoods. The coalition won increased targeting of this \$4 billion program, and new emphasis on affirmative action, neighborhood revitalization, and stronger citizen participation.

The coalition then obtained a multiyear federal grant which enabled it to assemble a highly skilled national staff and launch a major participatory action research project designed to increase the sophistication and influence of groups representing poor people on local decisions on the allocation of CD funds and other Block Grant policies. The Monitoring Project also gave those grassroots groups a direct role in developing national research reports on the CDBG program, and working together nationally to influence federal policy.<sup>37</sup>

The Monitoring Project eventually funded coalitions and individual groups to research CD policies in more than 80 jurisdictions. The central staff developed a research design which guided local groups in monitoring and understanding the CD program, and then selected, funded, trained, and assisted those groups to carry out the research. At the local level this gave organizations the ability to hire staff, analyze whether the program was being administered in accordance with the law and meet community needs, and

develop broad coalitions to address any policy issues which emerged from the monitoring. At the same time, the national staff aggregated and analyzed the locally collected data and developed annual reports on the national patterns of performance. The reports highlighted best practices and abuses under the program.

The Project brought the grassroots groups together each year to examine the staff's findings and tentative conclusions. They further refined the conclusions and developed recommendations for action by the US Department of Housing and Urban Development and Congress. Regular coalition meetings with the HUD Assistant Secretary and his top staff and close working relationships with Congressional committees facilitated a series of policy gains over time.

The Monitoring Project pursued its local coalition-building in phases. In its first year it focused on funding and strengthening coalitions which were already in existence. This allowed Project staff the opportunity to build a nucleus of relatively strong groups and learn lessons from their experience which could then be applied in cities without coalitions. It also gave them more lead time to figure out the most effective ways to stimulate creation of new coalitions.

In the second and subsequent years, the Project took a more proactive stance toward coalition-building. It searched out and then funded local catalysts for joint action, sometimes a key grassroots group, or local TA provider, or even an individual who had the organizing skills, credibility, and contacts needed to bring people together to form a new

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***Groups need strong systems for internal learning so they can keep modifying their strategies to increase the odds for success. They also need stronger systems to document their achievements and explain them to the outside world.***

alliance. This enabled the Project to reach unorganized parts of the country where it was likely that the CD program would be most subject to abuse because of the previous lack of organized oversight and scrutiny.

The CD Project was designed specifically to help local groups address issues at the national as well as the local level. Local research was the basis for national reports, which aggregated the data each year. Local leaders were involved in analyzing the data and developing conclusions and recommendations for national action. There was then a transfer of power to these local leaders. They succeeded representatives of national organizations as the leadership of the national coalition. They became the architects of the national policy work and the key spokespeople, and the national groups reshaped their advocacy agendas to support the grassroots-driven agenda.

Advocacy at the national level resulted in many federal policy changes. These included a federal requirement that 75% of the CD funds be spent on projects which benefit low- and moderate-income people. Stronger citizen participation, civil rights, reporting, and other important safeguards also resulted from this struggle.

At the local level, the gains were equally impressive, with many jurisdictions reallocating millions of dollars away from questionable purposes and a higher percentage of the funding going to projects which most needed and deserved support.<sup>38</sup>

The Project led to great organizational gains as well as victories on CDBG issues. San Francisco's highly successful CDC coalition (the Coalition of Community Housing Organizations) is an example of the long-term capacity-building impact of an initial investment in building coalitional capacity for CDCs. CCHO has fought and won countless

victories on housing, community development and broader citywide issues since the Project invested in its initial stages. Philadelphia's Tenant Action Group won a CDBG victory which has now survived as public policy for over three decades: the initial monitoring and coalition-building resulted in the City adopting a new policy requiring that 50% of all CD funds be allocated to housing and that 75% of the funds be used in ways which principally benefit very low income Philadelphians. That policy still stands today.

There are many other examples of the results community groups can gain by focusing their advocacy on the national as well as the local level. In fact, some of the greatest successes have come from efforts which carefully combined national and local strategies.

For example, there would probably be no substantial reinvestment movement without the key **federal** tools which groups use in their research and advocacy with particular financial institutions -- the Home Mortgage Disclosure and Community Reinvestment Acts. CDBG struggles at the local and state level would be crippled without the federal protections won over the years by coalitions of local and national groups.

A recent example of the advantages of a local/national strategy is furnished by the National Campaign for Jobs and Income Support, a broad national coalition addressing issues which have become even more important as welfare reform has proceeded.

The National Campaign was established to bring grassroots groups and networks together with other allies to wage national policy battles on welfare and employment issues. It was led and staffed by trained community organizers and coalition builders. Its founders had extensive experience in linking local organizing with policy struggles at the

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state or national level. They knew the pitfalls as well as promise of stretching groups to work at higher levels.

Based on its leadership's collective experience, the Campaign's strategies included several elements which were designed to increase prospects for success. These included the following:

- ♦ Extensive flexible financial support to cover local organizing and policy costs
- ♦ An emphasis on helping local groups strengthen their **local** organizing work in order to avoid weakening them by focusing their time solely on national campaigns
- ♦ Direct involvement of the local groups in defining what national issues they would work on, thus avoiding the common pattern of Washington advocates setting an agenda and asking local organizations to provide "troops" to work on it
- ♦ Selection of national issues which unified the constituency, serving, for instance, the divergent needs of working and nonworking poor people
- ♦ Opportunities for different member networks and groups to be the visible leaders of components of the Campaign, thus sharing credit and strengthening them organizationally
- ♦ Significant support for media campaigns, participatory action research and popular education on key issues, and bringing people to Washington<sup>39</sup>

These and other examples of local/national projects demonstrate the great impact which sophisticated multifaceted approaches can have in enabling poor people and their allies to have a major influence in changing policies. At a time of increasing crisis for poor and working people and their communities, and of

threats to the very survival of CDCs and other nonprofits which serve those communities, it is essential that new steps be taken to expand massively the support which these policy efforts require.

## **Conclusion**

**C**ommunity development corporations and other grassroots groups have often won their most significant gains through strategies which are often disparaged or overlooked - strategies which stress organizing and advocacy. They have won impressive victories in opening up major new sources of government funding, massive amounts of private investment, and very important changes in policies to ensure that lower-income people and neighborhoods and the organizations which represent them are treated more fairly.

Organizing and policy work are rapidly becoming even more important as crises mount as a result of enormous government deficits and cutbacks. All the gains of recent years are in danger as this crucial struggle for resources intensifies. It is vital that CDCs and the support organizations and funders which help them move decisively to reinforce their policy work, mass mobilization and coalition-building. These are necessities if grassroots organizations are to develop sufficient knowledge and clout to win this struggle for survival.



- 16 The Home Mortgage Disclosure Act (HMDA) and the Community Reinvestment Act (CRA), enacted in 1973 and 1976 respectively.
- 17 *25 Years and We're Still Here*, page 1.
- 18 Interview with Jim Buckley, Executive Director of University Neighborhood Housing Partnership, March 6, 2003.
- 19 In 2001 the by-laws were changed to eliminate membership for the two parent institutions, and to make the board self-perpetuating rather than selected annually by NWB and Fordham. This was done to enable UNHP to qualify for funding from the federal CDFI program. There have been virtually no changes in board membership to date, so it is too early to gage whether this change will have a substantial impact on relationships among the organizations.
- 20 1988-9 Annual Report, NWBCCC.
- 21 ACORN Housing does this development work on a national basis, including new projects in New York City, while the Mutual Housing Association of New York has acted as developer and manager for projects which emerged out of ACORN's early housing campaigns in New York.
- 22 Interview with Steve Kest, Executive Director, ACORN, November 10, 2002.
- 23 Interviews with Ismene Speliotis and Steve Kest, March 9, 2003 and November 10, 2002, respectively.
- 24 Speliotis.
- 25 This consultant was provided by the Center for Community Change. He worked intensively with ACORN staff in the early years, training them while helping them on projects. In recent years his involvement has been limited to help on particularly tough or innovative aspects of the housing program.
- 26 Groups which are competing for funding and recognition seldom feel comfortable revealing what they fear others will judge to be mistakes or weaknesses. This is particularly regrettable in a field in which there is a constant need for experimentation, innovation and risk-taking because the problems are tough and the solutions often require new thinking, but this nervousness is a fact of life. Therefore, in reviewing the difficulties of combining organizing and development, the name of this organization has been changed.
- 27 Interview with Gary Sandusky, February 20, 2003.
- 28 Speliotis.
- 29 Interview with Caroline Murray, Director, Anti-Displacement Project, March 10, 2003.
- 30 Devine.
- 31 Interview with Brad Lander, Executive Director, Fifth Avenue Committee, March 10, 2003.
- 32 Altman, op cit., page 22.
- 33 Speliotis.
- 34 Speliotis.
- 35 Sandusky.
- 36 Like the ABC story the name of this group has been changed at the organization's request.

## Chapter II: Expanding Impact Through Advocacy and Policy Campaigns

- 1 In *Comprehensive Assessment Report: The National Community Development Initiative Phase I (1991-1994)*, an extensive evaluation of the impact of that major capacity-building program of LISC and the Enterprise Foundation, there was no reference to either community organizing and accountability to the community or to policy work as aspects of a CDC's work and capacity which merited attention and evaluation.
- 2 Quotation from David Lizarraga, President and CEO, The East Los Angeles Community Union, or TELACU, May 14, 1976 at the opening of TELACU's townhouse office in Washington, DC.
- 3 Quotation from Executive Director of East Baltimore CDC during meeting at Social Work Outreach Center, University of Maryland, June 19, 2003.
- 4 Interview with Rene Cazenave, co-director, Council of Community Housing Organizations and San Francisco Information Clearinghouse, August 5, 2003.
- 5 Organizations and coalitions in Chicago are not discussed at length in this paper because they are grantees or potential grantees of the Woods Fund of Chicago which financed preparation of this paper.
- 6 *Housing Trust Fund Project News*, Fall 2002, page 1.
- 7 Interview with Sheila Crowley, President of the National Low Income Housing Coalition, July 14, 2003.
- 8 "State Associations -- Models for CDCs", National Congress for Community Economic Development, page 4.
- 9 For example, continuing the pattern of the 1994 evaluation (cited above) of the impact of the heavily funded National Human Capital Initiative through which LISC, Enterprise Foundation, NCCED and others trained and supported staff development among CDC leaders, the initial design for evaluating these issues in the future by the Milano Center at New School University did not include organizing, leadership development, and public policy advocacy among the activities which would be tracked to determine the Initiative's impact.
- 10 Recent reports from the Urban Institute (as reported in the *New Times* on August 7, 2003 in the article "Many Face Street as Chicago Project Nears End") and the Center for Community Change (*A HOPE Unseen*) document the loss of public housing and its impact on low-income residents. A *Washington Post* article on August 26, 2003 cited Arthur Capper Dwellings in Washington as the only HOPE VI project in the country which replaces all of the demolished public housing units with new units for public housing residents.
- 11 Housing LA Fact Sheet, page 1.
- 12 Interview with Jan Breidenbach, Executive Director of SCANPH, April 22, 2003.
- 13 "Voters' Guide to the Los Angeles City Election", Housing LA Housing Trust Fund Campaign.
- 14 "LA Story - The Los Angeles Coalition That Made a \$100 Million Housing Trust Fund Happen", by Jan Breidenbach in *Shelterforce*, March/April 2002.
- 15 *City Limits*, April, 1982, pages 14-16.
- 16 Interview with Ismene Speliotis, Housing Director, New York ACORN, March 9, 2003.
- 17 Interview with Irene Baldwin, Executive Director, Association for Neighborhood and Housing Development, May 29, 2003.
- 18 Interview with Rachel Bratt, Professor of Housing and Planning, Tufts University, December 10, 2002.

- 19 Baldwin.
- 20 "Mayor Bloomberg's Housing Plan," released December 10, 2002.
- 21 Baldwin.
- 22 Interview with Adrian DiLollo, Director of Advocacy, Association for Neighborhood and Housing Development, July 31, 2003.
- 23 Ricanne Hadrian Initiative for Community Organizing; Massachusetts CDCs Organizing for Community Change, page 1.
- 24 Interim Report of the Ricanne Hadrian Initiative for Community Organizing, Phillip L. Clay and Lee Staples, April 2001, page 2.
- 25 Interview with Lee Winkelman, former Director of Organizing, Massachusetts Association of Community Development Corporations, May 28, 2003.
- 26 Interview with Nancy Marks, Director of Organizing, Massachusetts Association of Community Development Corporations, June 14, 2002.
- 27 Interview with Diane Sterner, Executive Director, New Jersey Housing and Community Development Network, May 30, 2003.
- 28 DiLollo.
- 29 Baldwin.
- 30 *Assessment of Community Organizing Capacity and Needs of ANHD Members*, Nancy Nye.
- 31 DiLollo.
- 32 Interview with William Frej, Director of the New York office of the Enterprise Foundation, May 29, 2003.
- 33 Estimate developed by the Center for Community Change, May 25, 2002.
- 34 Interview with Mary Brooks, Director, Housing Trust Fund Project, May 10, 2003.
- 35 The Education Indicators Projects of the Cross-City Campaign for Urban School Reform provides an example of a useful approach for helping organizing groups explain their roles in school reform and document their impact.
- 36 See *Evaluation: The Good News for Funders* by Andrew Mott for the Neighborhood Funders Group, 2003.
- 37 For a longer description of the National Citizens' Monitoring Project, see *Strengthening Community Voices in Policy Reform: A Special Report Developed for the Annie E. Casey Foundation*, by Larry Parachini and Andrew Mott, July 1997, published by the Center for Community Change.
- 38 "Citizens as Experts", article by Nick Kotz in *Working Papers*, March/April 1981.
- 39 The National Campaign will publish an evaluation of its work in the autumn of 2003. An evaluation of the predecessor to the Campaign (the Grants Pool Project which provided financial support for state level organizing, research and advocacy) was published in 2002 by the Applied Research Center.

