



NCCED Public Policy Forum Report, March 2006
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Empowering Communities: Policy Strategies & Tools for Community Economic Development

The National Congress for Community Economic Development (NCCED) held its 11th annual public policy forum on March 20-21, 2006, in Washington, D.C. Community development corporation (CDC) leaders gathered to assess the current state of the community economic development movement and to build for the future. A year before, a Bush administration proposal threatened to cut federal community development spending by more than a third, consolidate 18 programs into a single revised block grant program and shift administrative responsibilities from Housing & Urban Development to Commerce. While that effort had been defeated, community development programs continue to face a challenging environment.

As Mary Nelson of the Bethel New Life CDC in Chicago noted, “There is a growing number of CDCs, but we are not as visible as we should be.” A new census of community development corporations, soon to be released by NCCED, indicates that the number of CDCs continues to grow: We are “now way over the 4,000 mark,” Nelson said. In addition, as the conference made clear, there are a number of innovative efforts under way at the state level.

Pilot Asset Building Effort Under Way in Michigan

Tony Lentych, Executive Director of the Community Economic Development Association of Michigan (CEDAM), reviewed one key experiment: a pilot “universal savings account” program based in Pontiac, Michigan, a suburb of Detroit. Organized by the Oakland Livingston Human Service Agency, the effort involves the establishment of 500 SEED (Saving for Education, Entrepreneurship, and Downpayment) accounts, seeded within initial deposits of up to \$1,000 to three- and four-year-olds in its Head Start program. Lentych indicated that his group is working both with out-of-state groups and on broader asset building efforts in state. The ultimate goal, Lentych explained, is to develop an integrated approach that combines physical development of the community and individual development; As Lentych said, “We want to connect these two approaches and assets in ways that will help facilities and communities survive.”

Joint Congressional Caucus of Asian, Latino & African American representatives formed

Emily Ferrah, representing Representative Mike Honda (D-CA), Chair of the Asian American and Pacific Islander congressional caucus, addressed the forum. In January 2006, this caucus joined with the Congressional Black Caucus and Hispanic Caucus to form what is being called the “Tri-Caucus” to more effectively advocate on common issues. Ferrah noted that Hurricane Katrina affected 60,000 Asian & Pacific Islander Americans, about half of who were Vietnamese. Among the Caucus’ priorities are obtaining support for post-Katrina rebuilding; increased funding for job training, career development, and fair and affordable housing; approval of anti-predatory lending measures; and funding to strengthen the capacity of CDCs.

Preliminary Findings from 2006 CDC Census

Mary Nelson of Bethel New Life reviewed the preliminary data from what will soon be published as the 2006 NCCED Census of community development corporations. This census marks the fifth industry-wide evaluation of the sector undertaken by NCCED since 1988. The number of community development corporations responded increased from 900 in the last census (1999) to 1,434 for the current census. Among the census' findings: 1) rural CDCs now constitute 48 percent of all CDCs, 2) the number of CDCs has more than doubled since 1991 to over 4,000, and 3) there is a significant increase in the number of CDCs doing commercial development and financing (as opposed to a traditional housing focus).

Nelson also reviewed some of the findings of industry priorities from a survey of forum attendees. Key issues are funding cuts, the difficulties in the development process, and the need to increase the public presence of CDCs. Participants felt, however, that considerable opportunity for community development corporations existed in a number of areas, including state policy, technology, the development of new partnerships, and Gulf Coast redevelopment.

Outlining NCCED Policy Priorities

Forum members heard from Steve Redburn, Bureau Chief of the Office of Management and Budget (OMB) and from Bob Rapoza, President, Rapoza and Associates, regarding the state of community development in policy circles. Steve Redburn outlined the Bush administration's concerns regarding community development and emphasized the need for effective evaluation measures for community block grants. Bob Rapoza outlined NCCED's policy objectives, including support for the Office of Community Service's community investment programs, support for the extension of the New Markets Tax Credit program, support for restoration of the USDA Rural Development (section 515) and HUD rental housing (section 811) funding, and full funding for HUD senior housing (section 202).

Presentation from Housing & Urban Development representative

Deputy Asst. Secy. Maria Fariás addressed the NCCED Forum. Fariás praised the action of HUD staff in the wake of Katrina and credited HUD Secretary Alphonso Jackson for maintaining the Community Development Block Grant within HUD. She also discussed some of the proposed changes in the Bush administration's FY 2007 budget, including changes to the CDBG funding formula and the proposal to create a \$200 million competitive (non-formula) fund. Fariás also noted that HUD has developed new performance guidelines, which were released in March 2006. This year there will be 15 conferences – 10 at regional offices and five elsewhere—to discuss these new measures. Fariás closed by praising the work of NCCED members and called on members to make their work known. “You need to tell your success stories,” Fariás said.

Building for the Future

At a meeting held in conjunction with the forum, NCCED's membership approved changes to the organization's bylaws to enable NCCED to better reflect the interests of the broader community economic development movement. The membership voted to reduce the number of officers and at-large representatives by two each and cut four regional positions. In their place, the new board will have space for two additional state association representatives, four culturally specific representatives, and two outside directors.