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Community Development in the United States. A Review

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Abstract

Since the mid-1960, in the United States poverty and blight within deprived urban areas have been addressed also through a community-based approach, and today thousands of non-profit community development organizations operate at local level in order to foster comprehensive neighborhood betterment initiatives. Among these organizations the most relevant are Community Development Corporations (CDCs): locally-based organizations concerned for the improvement of poor neighborhoods through the provision of affordable-housing and services, that foster citizens' participation and rely on a variety of public and private supporters.

Drawing upon the work of some key experts in the community development field as well as on a number of reports and surveys on CDCs' activities and impacts, this paper aims at providing a description of the principles, activities, and functioning of community development and CDCs.

Finally, the paper will argue that the combination of organizing and advocacy activities with housing and economic development and service provision carried out by CDCs might be an effective strategy to tackle from the ground-up local underdevelopment in a comprehensive way, allowing low-income communities to be directly involved in the planning process and to largely benefit from its outcomes.

Keywords

Community Development; Community Development Corporations; Community-Based Approach; United States.

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1. Introduction

Addressing the needs of low-income and poor areas has always been a key challenge in the United States. Problems of blight, poverty, unemployment, and lack of affordable-housing and social services affect a wide number of either urban or rural communities, and over the decades different approaches have been adopted in order to find a solution or, at least, to mitigate their impacts. Among these approaches, since the War on Poverty initiatives of the mid-1960s the community development approach emerged, "pursu[ing] the vision of a truly comprehensive strategy, that would integrate approaches and overcome the barriers between types of services and the government and nongovernment entities that provide them" (von Hoffman, 2012, p. 11).

"Today thousands of nonprofit community development organizations operate in the poorest urban and rural areas of the country" (ibid., p. 10), and among these, Community Development Corporations (CDCs) since the beginning characterized themselves as one of the chief vehicles for the implementation of community development. In fact, as Rohe (2009) asserted, "the CDC approach to neighborhood planning has been more enduring than most other forms of neighborhood planning. After [almost 60] years, the number of CDCs continues to grow and their collective capacity continues to expand" (p. 221).

In particular, CDCs arose as nonprofit community-controlled organizations committed "to accomplish bottom-up, comprehensive redevelopment" (Stoecker, 1997, p. 4) at local level. As Bratt (2006) noted "the various activities undertaken by CDCs are intended to contribute to the broader goal of improving the physical and social environment of a target neighborhood" (p. 340), and therefore they encompass a wide array of initiatives, spanning from social services' provision to economic development, and, above all, the production and rehabilitation of low-income affordable housing (Bratt & Rohe, 2005, p. 63; Vidal & Keating, 2004, p. 127).

The aim of this paper is to describe the main features of community development and of Community Development Corporations, ultimately arguing that, even if it has only been adopted in a limited number of neighborhoods across the United States, this approach might be an effective strategy to tackle local underdevelopment in a comprehensive way, while allowing low-income communities to be directly involved in the planning process and to largely benefit from its outcomes. Although there is a great heterogeneity – both in terms of size and organizational structure – among CDCs, the results achieved over the decades by these organizations demonstrate how it is possible to implement ground-up neighborhood revitalization programs in lagging areas, gathering the necessary technical, political, and financial support from external sources.

To the purpose I will draw upon the work of some key experts in the community development field, like for instance Bratt, DeFilippis, Gittel and Wilder, Rohe, Stoecker, Vidal, and Walker, as well as on a number of reports and surveys on CDCs' activities and impacts issued by the National Congress for Community Economic Development and by the National Alliance of Community Economic Development Associations.

Specifically, through *Section 2* I will provide a description of what is generally meant for community development and how it functions, especially considering what kind of actors enact this approach and provide support for its implementation. Through *Section 3*, then, I will focus on the description of Community Development Corporations, providing data and information on their organizational structure, activities, beneficiaries, and budget. Finally, in the *Conclusions* I will try to provide an overview of the principal features and impacts of community development and

CDCs, claiming for the significance of this approach as a ground-up strategy for the improvement of living conditions of low-income neighborhoods in the United States.

2. What About Community Development?

Providing a remedy to the problems of poverty in the places where low-income people live has been a crucial issue for US policy-making for over a century (von Hoffman, 2012). Different approaches to neighborhood planning have been adopted over the years (Rohe, 2009, p. 210). Some of these, like the 1949 Housing Act and then the redlining and displacement-based urban renewal in the 1970s, contributed to a dramatic discrimination in the housing market of many US cities and, thereby, to the raise of distressed urban areas (see for instance Chaskin, 2001; DeFilippis, Fisher, & Shragge, 2010; Stoecker, 1997; von Hoffman, 2012). Other policies, on the contrary, tackled the underdevelopment of these lagging areas through a community-based approach.

The origins of community development can be traced back to the federal War on Poverty of 1964. This initiative was indeed aimed at "empowering the poor to improve their living circumstances, requiring 'maximum feasible participation' by community residents in program development, […] and directly funneling federal money to local Community Action Programs" (Vidal & Keating, 2004, p. 126). Later in the years federal urban policies experienced different seasons (Savitch & Osgood, 2010), and the community-based approach had its ups and downs. It had largely faded away from federal policy by the early 1970s (Vidal & Keating, 2004), but then the 1980s and especially the 1990s have "seen a renewed policy emphasis on community-based approaches to promoting social change and economic development, delivering services, and addressing the needs of people in poverty" (Chaskin, 2001, p. 291). Even with irregular/intermittent federal support, though, one "lasting legacy of the War on Poverty was the beginning of the community development movement" (Vidal & Keating, 2004, p. 127).

But what exactly community development is? According to Campfens (1997), on the one hand community development might be understood, "from a humanitarian perspective, […] as a search for community, mutual aid, social support, and human liberation in an alienating, oppressive, competitive, and individualistic society. [On the other hand], in its more pragmatic institutional sense, it may be viewed as a means for mobilizing communities to join state or institutional initiatives that are aimed at alleviating poverty, solving social problems, strengthening families, fostering democracy, and achieving modernization and socio-economic development" (p. 25).

More generally, following the definition of the US Department of Housing and Urban Development, community development involves a wide gamut of activities aimed at "build[ing] stronger and more resilient communities through an ongoing process of identifying and addressing the needs, assets, and priority investments". Being community development strongly context-dependent, therefore, it may span from "hardware" to "software" activities, encompassing economic development initiatives, housing production or rehabilitation, infrastructure support, creation of public facilities, public services provision, micro-enterprise assistance, and many others specifically defined according to local needs.

2.1 Who Enacts Community Development?

The types of organizations that work for the betterment of low-income communities – hence that enact community development initiatives – are considerably variable. Their connotation adapts depending on their origins, roots, and array of activities: "some are focused exclusively on affordable ownership or rental housing development, perhaps over a wide footprint. Many others focus in on a targeted geographic area with interventions that range from community organizing to job creation to school programs to beautification" (National Alliance of Community Economic Development Associations, 2010). What brings together this diverse gamut of organizations is their grounding principle. Also on the wave of the civil rights movement, an increasing emphasis on citizens' involvement in community action, in fact, set the conditions to overturn those traditional top-down institutions serving low-income communities – which were deemed of ineffectiveness – and to create new neighborhood-based institutions aimed at taking responsibility for the planning and implementation of poverty reduction programs (O'Connor, 1999; Rohe, 2009).

On the one hand, under the aegis of the War on Poverty, the earliest federal funding to communities, namely the 1964 Community Action Program (CAP) and the 1966 Model Cities Program (MCP), were directly allocated to selected communities through specifically created public local agencies. These institutions were intended to be independent from city governments and their boards included a significative share of representatives of social service agencies, local organizations, and residents (Rohe, 2009). CAP and MCP[1] aimed at "foster[ing] comprehensive revitalization plans and programs that addressed social, political, economic, and physical development issues in targeted communities" (ibid., p. 216), but both programs experienced political, organizational, and funding problems, and have therefore been dismissed by 1974 (Vidal & Keating, 2004). Since then, the formula of public-but-autonomous bodies – now called Public Housing Authorities (PHAs) – has been adopted only for the purpose of administering at city level the federal public housing program. PHAs therefore build and manage public housing and also administer the housing voucher program[2], "rely[ing] primarily (or even exclusively) on the federal government for funding, and must adhere to federal rules and procedures" (Turner & Kingsley, 2008)[3].

On the other hand, from the late 1960s community development efforts have been pushed and/or managed by community-controlled organizations, which mainly act following two often overlapping approaches, namely *community organizing* and *community economic development*.

Community organizing is one of the earliest forms of community development, and can be traced back since the civil rights movement of the 1960s. This approach strongly relies on the potential of collective action (DeFilippis et al., 2010) whereby achieving community goals, and thus "community organizers understand organizing as developing relationships so people can press their demands collectively and gain power through that process" (Stoecker, 1997, p .11). Often promoted by charismatic local political leaders bringing people together in order to face "common sets of issues in their daily lives" (DeFilippis et al., 2010), the community organizing model entails a confrontational, conflict-oriented political approach to addressing poverty (Stoecker, 1997). In practical terms, thus, community organizing efforts are chiefly aimed at developing a strong political capital in order to gather attention and new resources (Gittell & Wilder, 1999).

Community economic development "is a process by which communities can initiate and generate their own solutions to their common economic problems and thereby build long-term

[1] For CAP, support totaled \$237 million in 1965 and \$628 million in 1966; while for MCP, allocations included \$12 million for planning grants in 1967 and 1968, and \$500 million for implementation grants in 1969. Moreover, until its demise in 1974 MCP funded 145 programs (Rohe, 2009)

[2] Federal Housing Vouchers allow low-income families to rent regular homes and apartments on the private market (Turner & Kingsley, 2008)

[3] In 2007 1.05 million households were living in public housing units and other 1.97 million were voucher holders (Turner & Kingsley, 2008)

community capacity and foster the integration of economic, social and environmental objectives" (SFU CEDC, 1996 in Roseland, 2000, p. 97). Furthermore, according to Walker (2002) investments in the development of lagging areas are not only oriented to improve the life-quality of local residents but also to trigger other external investments, which, in turn, would further improve the quality of the area (p. 6). Community economic development, therefore, is committed to prompt and implement from the ground-up comprehensive neighborhood betterment initiatives that involve housing, economic revitalization, and an array of social services and facilities tailor-made on the specific needs of the served communities.

Following these two approaches, the community development approach is mostly enacted by Community Development Corporations, which are nonprofit organizations with a community-based leadership, usually "formed by residents, small business owners, congregations and other local stakeholders" (Bratt, 2006, p. 340). Depending on the approach they follow, then, they may either use confrontational or "entrepreneurial" strategies in order to foster physical and economic assets in their communities. They typically have broad community betterment goals, and thus are engaged in sponsoring economic development and social service programs (i.e. commercial real estate development, childcare, and services for youth and the elderly). The signature accomplishment of most of them is the production and rehabilitation of low-income affordable housing (Bratt & Rohe, 2005, p. 63; Vidal & Keating, 2004, p. 127).

2.2 Who Supports Community Development?

Although mostly enacted by community-based organizations, and chiefly by CDCs, the implementation of community development initiatives is made possible only through a complex support system composed "of the interrelated people and institutions that mobilize money, expertise, and political support for community development" (Walker, 2002). Specifically, this support is provided either by federal and local governments or by private-sector sources like, i.e., foundations, bank, corporations, and others alike, independently or through intermediary organizations (National Alliance of Community Economic Development Associations, 2010; National Congress for Community Economic Development, 2005; Turner & Kingsley, 2008; Walker, 2002).

2.2.1 Public Support

Community development is strongly sponsored by the federal government, and specifically by the US Department of Housing and Urban Development (HUD). The HUD is the main source of public dollars for community development, and its two main programs, namely the Community Development Block Grant (CDBG)[4] and the HOME Investment Partnership Program (HOME)[5], over the last decade have allocated a yearly average of $5 billion [see Table 1]. According to the last National Alliance of Community Economic Development Associations (2010) report, in fact, the 93% of community developers relies at least on one of these two programs.

[4] The CDBG program provides annual grants on a formula basis to 1209 general units of local government and States. In addiction each activity must meet one of the following national objectives for the program: benefit low- and moderate-income persons, prevention or elimination of slums or blight, or address community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community for which other funding is not available.

[5] The HOME Investment Partnerships Program (HOME) provides formula grants to States and localities that communities use - often in partnership with local nonprofit groups - to fund a wide range of activities including building, buying, and/or rehabilitating affordable housing for rent or homeownership or providing direct rental assistance to low-income people.

Table 1.
Total Allocations of the Main HUD Funding Programs, 2003-2014

YEAR	CDBG	HOME	TOTAL
2003	$4,354,083,348.00	$1,858,845,906.00	**$6,212,929,254.00**
2004	$4,346,223,988.00	$1,863,969,411.00	**$6,210,193,399.00**
2005	$4,124,729,454.00	$1,789,051,305.00	**$5,913,780,759.00**
2006	$3,718,181,800.00	$1,682,673,690.00	**$5,400,855,490.00**
2007	$3,713,768,293.00	$1,681,516,834.00	**$5,395,285,127.00**
2008	$3,595,096,980.00	$1,633,227,931.00	**$5,228,324,911.00**
2009	$3,643,985,331.00	$1,816,947,050.00	**$5,460,932,381.00**
2010	$3,949,540,514.00	$1,813,568,921.00	**$5,763,109,435.00**
2011	$3,304,882,926.00	$1,598,131,084.00	**$4,903,014,010.00**
2012	$2,948,666,022.00	$1,004,182,944.00	**$3,952,848,966.00**
2013	$3,077,600,121.00	$964,565,724.00	**$4,042,165,845.00**
2014	$3,029,615,268.00	$1,012,710,119.00	**$4,042,325,387.00**

Source: HUD http://portal.hud.gov

Specifically, CDBG and HOME funding are made available by the HUD to local housing and community development departments, then these agencies "use the block grant funds to support locally designed and operated programs, including programs that provide grants or loans to developers of affordable rental housing" (Turner & Kingsley, 2008, p. 9). These funding are often used in conjunction with the Low Income Housing Tax Credits (LIHTC)[6], which "are [also] distributed among states by formula, and then allocated to particular development projects by state housing finance agencies (HFAs)" (ibid., p. 9). Through the LIHTC program, between 1987 and 2008 nearly $10 billion have been allocated to for-profit companies, nonprofits, and public agencies, and contributed funding the development of more than 1.7 million housing units [see Table 2]. Then, "once tax credits have been awarded, the developers typically operate them independently, with very limited oversight from the state HFAs and the federal Treasury Department (HUD has no role in either funding or oversight of LIHTC projects)" (ibid., p. 9).

[6] The LIHTC Program is an indirect Federal subsidy used to finance the development of affordable rental housing for low-income households.

Table 2.
Statistical Overview of the LIHTC Program, 1987-2008

YEAR	TOTAL ALLOCATED	TOTAL UNITS	TAX CREDIT DOLLARS ALLOCATED PER UNIT
1987	$62,885,954	34,491	$1,823
1988	$209,779,916	81,408	$2,577
1989	$307,182,516	126,2	$2,434
1990	$213,148,840	74,029	$2,879
1991	$400,420,875	111,97	$3,576
1992	$337,032,273	91,3	$3,691
1993	$424,701,977	103,756	$4,093
1994	$494,914,237	117,099	$4,226
1995	$420,922,941	86,343	$4,875
1996	$378,920,852	77,003	$4,921
1997	$382,894,328	70,453	$5,435
1998	$368,077,833	67,822	$5,427
1999	$374,670,775	62,24	$6,020
2000	$378,749,319	59,601	$6,355
2001	$462,426,235	67,261	$6,875
2002	$524,379,530	69,31	$7,566
2003	$572,121,789	73,877	$7,744
2004	$605,786,677	75,6	$8,013
2005	$612,605,239	70,63	$8,673
2006	$758,986,603	74,278	$10,218
2007	$790,346,182	74,663	$10,586
2008	$932,794,439	91,911	$10,149
Total	**$10,013,749,330**	**1,761,245**	**$5,686**

Source: Danter Company http://www.danter.com/taxcredit/stats.htm

2.2.2 Private Support and Intermediaries

A substantial contribution to community development initiatives is also provided by the private sector. According to the National Alliance of Community Economic Development Associations (2010) report, the three major private sources are foundations, banks and corporations, from which respectively 55%, 54%, and 32% of community developers receive support.

Moreover, in 2005, 44% of community developers have been able to gather resources through intermediary organizations (National Congress for Community Economic Development, 2005). "Large national financial and technical assistance intermediaries [like] Enterprise Foundation, Local Initiatives Support Corporation (LISC), and Neighborhood Reinvestment Corporation […] have made distinctive contributions to the growth of the community development movement by expanding access to capital, crafting new programs and approaches, and fostering an increasingly robust array of local support collaboratives in cities across the country" (Vidal, 2002). Intermediaries, indeed, were originated from the collaboration among governments, financial institutions, and philanthropic organizations (Walker, 2002), and since their origins "many of these institutions have channeled their support through national and local intermediaries" (Vidal & Keating, 2004, p. 128).

For instance, during the 1990s, through the National Community Development Initiative (NCDI)[7] nearly $300 million in form of predevelopment and construction loans and grants were

[7] "Launched in 1991 by a group of private foundations and financial services corporations, the NCDI pooled financial support from corporate, nonprofit, and government funders and through two national community

provided to community development organizations in 23 cities. Precisely, for this initiative the HUD has provided \$36 million, whereas corporations and foundation have respectively provided \$87.3 million and \$130.4 million (Walker, 2002). Furthermore, LISC and Enterprise "committed an average of about \$28 million per year from 1991 through 1997, before a sharp upswing at the end of the decade, with 2000 levels approaching \$60 million" (ibid., p. 25).

3. What About Community Development Corporations?

Community Development Corporations, locally-based community-controlled nonprofit organizations committed to the betterment of low-income neighborhoods in the US, are likely to be the main vehicle for the implementation of community development activities. As of 2005, approximately 4,600 CDCs were operating in either urban (52%), rural (26%) or mixed (22%) service areas across the United States (National Congress for Community Economic Development, 2005).

Especially because of a series of federal programs that either delivered resources to cities and than from cities to CDCs, allowed CDCs to access low-income housing tax credit, or provided a revenue stream under other initiatives, many Community Development Corporations became part of the housing delivery system in the United States as much as, or even more than instruments for comprehensive neighborhood development (Pendall, 2014). Yet, "because public services for poor communities are fragmented across multiple agencies and levels of government, CDCs often are the only institution with a comprehensive and coordinated program agenda" (Walker, 2002, p. 1).

CDCs can be very different among each other, especially in terms of activities and size. The mission of a CDC defines the needs of the target community and the set of initiatives that the CDC will undertake to address them, but it also constitutes the basis for the involvement of other actors and funders in the development process. (Gittell & Wilder, 1999, p. 344). Therefore, depending on the approach they follow, the specific local needs, their organizational ability, and the availability of funding and support, CDCs would shape their specific development goals and set of activities (Walker, 2002).

Nevertheless, after surveying several CDCs in the 23 NCDI cities over the 1990s, Walker (2002) noted that "by the end of the decade, about one quarter of CDCs were 'comprehensive' in terms of the number of activities they pursued, [and] nearly all CDCs do some kind of affordable housing development, […] often accompanied by neighborhood planning efforts and community organizing intended to improve the quality of services to urban neighborhoods" (p. 12). Moreover, as of 2005, "44% of all CDCs reported that they had generated more than 100 homes and apartments over their lifetime … [thus] the number of large housing producers is approaching half of all CDCs" (National Congress for Community Economic Development, 2005).

Concerning their organizational structure, CDCs typically work as private corporations but are community controlled. They have a board composed of a limited number of elected or appointed community members in charge to manage the administrative tasks and define the mission; an executive staff usually made of professional technicians in charge to manage the operational tasks and activities; and a – either open or closed – community-membership

development intermediaries – the Local Initiatives Support Corporation and The Enterprise Foundation – invested in CDCs and the local institutions that support them" (Walker, 2002, p. 60).

representing the residents and local stakeholders, especially during assemblies and internal elections (Gittell & Wilder, 1999).

In terms of size, CDCs tend to be small, having a median full-time staff of 7.5 people. Three quarters of them have, indeed, less than 30 full time employees, yet there is a significant number of large organizations, with 10% having a staff equal or greater than 125 (National Alliance of Community Economic Development Associations, 2010). Moreover CDCs have an average community-membership of approximately 150 individuals, with the minimum being 20 and the maximum 500 (National Alliance of Community Economic Development Associations, 2011).

Furthermore, the organizational competency is crucial for the actual implementation of the mission. Given the wide array of activities that underlie the functioning of CDCs (i.e. planning, community organizing, fundraising, and program/project implementation) the "professional competency and perspectives [of staff and board members] in large part determine the character and effectiveness of program efforts" (Gittell & Wilder, 1999, p. 344).

3.1 CDCs' Activities, Beneficiaries, and Budget

As already mentioned, the signature task of CDCs is the production and rehabilitation of low-income affordable housing (Bratt & Rohe, 2005, p. 63; Pendall, 2014; Vidal & Keating, 2004, p. 127). The National Alliance of Community Economic Development Associations (2010) in fact reported that between 1988 and 2007 CDCs have developed 644,000 new housing units, rehabilitated 723,000 units, and acquired other 247,000 units, for a cumulative total of slightly more than 1,6 million housing units. As of 2007, the 78% of the total units were developed or rehabilitated for rental, while 22% for private ownership [see Table 3]. Furthermore, Cowan, Rohe, and Baku (1999) noted that in the early 1990s "the average output of the CDCs was 21 units per organization per year [which] was similar to the average output of private, for-profit housing developers" (p. 326).

Table 3. CDCs Housing Production

SURVEY PERIOD	RENTAL UNITS	% RENTAL	OWNERSHIP UNITS	% OWNERSHIP	TOTAL per PERIOD	CUMULATIVE TOTAL
UNTIL 1998					550,000	550,000
1999-2005	350,880	68%	165,120	32%	516,000	1.066,000
2005-2007	225,000	78%	63,000	22%	288,000	1.354,000[8]

Source: NCCED, 1999 & 2005; NACEDA, 2010

Besides housing, CDCs are involved in a number of other activities, "reflecting their dual economic and social goals" (Cowan et al., 1999, p. 326). From 2005 to 2007, the NACEDA survey[9] found that surveyed community developers have developed 21.2 million square feet of commercial, office, industrial, and community facilities, and also have engaged in several activities to support economic development, spanning from retail façade improvement to operating business incubators. Moreover, "many community-based organizations are directly engaged in business enterprise assistance and micro-lending, [specifically, in the period], the 15 percent of community developers that engaged in community lending originated mortgages for over 100,000 homebuyers, totaling $6.6 billion dollars" (National Alliance of Community

[8] Over the period 2005-2007 nearly 247,000 other housing units were acquired by CDCs, but it has not been specified whether they have been addressed to rental or ownership. CDCs' housing availability as of 2007, therefore amounts to 1,614,000 units.

[9] The NACEDA surveyed member community developers in 13 US States between September 2008 and September 2009.

Economic Development Associations, 2010). Furthermore, CDCs "offered a myriad of services, engaged in training, and carried out advocacy on all levels of government" (ibid.) [see Table 4].

Table 4. Other Major CDCs' Activities 2005-2007

ACTIVITY	% of COMMUNITY DEVELOPERS
EDUCATION AND TRAINING	43%
COMMUNITY ORGANIZING	37%
LOCAL-LEVEL ADVOCACY	35%
YOUTH PROGRAMS	29%
STATE-LEVEL ADVOCACY	28%
HOMELESS SERVICES	24%
TENANT COUNSELING	23%
SENIOR PROGRAMS	23%
JOB SKILLS TRAINING	22%
GREEN BUILDING PROJECTS	21%
JOB READINESS TRAINING	20%
COMMUNITY SAFETY	19%
FEDERAL-LEVEL ADVOCACY	17%
JOB PLACEMENT	16%
ARTS AND CULTURE	15%
HELP IN ESTABLISHING INDIVIDUAL DEVELOPMENT ACCOUNTS	15%
EMERGENCY FOOD ASSISTANCE	15%
CHILD CARE	15%
TRANSPORTATION	11%
CRA ADVOCACY	10%
HEALTH CARE	10%
DRUG PREVENTION/TREATMENT	8%
IMMIGRATION SERVICES/ESL	6%
PRISONER RE-ENTRY PROGRAM	6%

Source: NACEDA, 2010

Even if the income profile of CDCs' housing and services beneficiaries may vary according to the requirements or restrictions of the specific program funding the project[10], the National Alliance of Community Economic Development Associations (2010) reported that, as of 2007, the 85% of households served by CDCs' housing or activities had an income lower than the 80% of the Area Median Income (AMI) and, specifically, 35% had a low income, 27% had a very low income, whereas the 23% of the households served was living under the poverty threshold[11] [see Table 5]. Furthermore, concerning the racial profile of beneficiaries, the same report noted that 46% were black, 32% white, and 14% Latinos [see Table 6].

[10] For instance the HOME rental housing program requires that at least 90 percent of benefiting families must have incomes that are no more than 60 percent of AMI and the rest must be under 80 percent.

[11] Above Moderate Income households earn above 115% of AMI; Moderate Income earn between 80%-115% of AMI; Low Income earn between 50%-80% of AMI; Very Low Income earn between 30%-50% of AMI; while the Poverty Level is set for incomes below 30% of AMI.

Table 5. CDCs Activities Beneficiaries by Income Level

INCOME LEVEL	%
POVERTY	23%
VERY LOW	27%
LOW	35%
MODERATE	12%
ABOVE MODERATE	3%
TOTAL	100%

Source: NACEDA, 2010

Table 6. CDCs Activities Beneficiaries by Race

RACE	%
BLACK	46%
WHITE	32%
LATINO	14%
ASIAN	3%
INDIAN	1%
MULTI	2%
OTHER	2%
TOTAL	100%

Source: NACEDA, 2010

Tending to be, for the most part, small organizations, CDCs also have rather small budgets. The last available wide-range studies on the topic date back to the end of the 1990s (National Congress for Community Economic Development, 1999) and the early 2000s (Walker, 2002), however their findings are still of interest.

On the one hand, the study from the NCCED provides an estimate of the average yearly budget of all CDCs, which as of 1999 was of approximately $300,000. On the other hand, the narrower study conducted by Walker in the 23 NCDI cities recorded data above this average, probably because of its smaller sample, but also provided more details. According to this study, in 1999 22% of CDCs conducted one or two activities with a median operating budget of $425,000 and a median staff of 5.5 people; 52% conducted three or four activities with a median operating budget of $680,000 and a median staff of 11.5 people; 26% conducted five or six activities with a median operating budget of $1,108,000 and a median staff of 22.5 people. On average, all CDCs surveyed had a median operating budget of $676,000 and a median staff of 11.5 (Walker, 2002).

It has been argued, however, that CDC projects are frequently undercapitalized, which makes their survival particularly tenuous. Gittell and Wilder (1999), thus, highlighted that it is crucial for CDCs' success to compose their budget through a multiplicity of sources, on the one hand because it "allows for flexibility in organizational and program efforts, [on the other because] it reduces program vulnerability to cutbacks and the potentially negative effects of political changes" (p. 344). In their study[12], Cowan et al. (1999) reported that this is a common strategy for CDCs: in

[12] Cowan et al. relied on the NeighborhWorks survey of nearly 160 organizations between 1990 and 1995

fact "for all but one of the study years, investments from sources other than the CDC itself amount to between 83.3% and 83.5% of total direct investment" (p. 328).

Whether it is possible to grasp a consistent knowledge about how CDCs finance themselves, on the contrary it is extremely difficult to provide a reliable average breakdown of their expenses, and particularly to differentiate the portion of the CDC budget used for the "core" administrative costs and that devoted to specific projects or programs (ibid.). The only information available on the matter is provided by the National Congress for Community Economic Development (2005) that reported data on the annual salary of CDCs' executive directors, being of $40,000 or more in the 81% of the cases and of $75,000 or more in one-third of the cases.

4. Conclusions

Community development emerged in the mid-1960s as a new approach towards the revitalization of low-income neighborhoods across the United States. Since then new community-based institutions aimed at managing the planning and implementation of neighborhood betterment programs have been created in order to replace those traditional top-down public institutions serving poor areas that were deemed of ineffectiveness.

Particularly, community development is meant to build stronger and more resilient communities through a comprehensive set of initiatives as much as possible tailor-made on the specific needs of the target area. It thereby encompasses both "hardware" and "software" actions, particularly focusing on the development of affordable-housing units, on the promotion of local economic development, as well as on the provision of a wide array of social and community services.

Community-based organizations, and chiefly Community Development Corporations, are possibly the principal vehicle for the enactment of community development initiatives. These organizations, mostly adopt two – often overlapping – strategies: on the one hand they can follow a confrontational approach (community organizing) aimed at inducing external actors and decision-makers to devote their attention to community needs and bring resources to lagging areas; on the other hand CDCs can adopt a more "entrepreneurial" strategy (community economic development) aiming at promoting, implementing, and managing neighborhood betterment initiatives from the ground-up.

Specifically, CDCs are nonprofit organizations with a community-based leadership that provide a wide array of services, are engaged in training, and carry out advocacy at all government levels, but whose signature accomplishment is the production and rehabilitation of low-income affordable housing (Bratt & Rohe, 2005, p. 63; Vidal & Keating, 2004, p. 127).

By 2007, all the approximately 4,600 CDCs operating across the country, had provided more than 1.6 million affordable-housing units, and through their services have benefitted, for the most part, households either with low and very low incomes or living under the poverty threshold. These figures show that the actions of CDCs can address the needs of only a very limited portion of US low-income neighborhoods, yet, where present, they provided housing and services in areas of disinvestment, therefore contributing to the overall improvement of local living conditions.

In order to implement their initiatives, CDCs draw their resources from a variety of supporters, either public or private. On the public side, the US Department of Housing and Urban Development is the most important federal contributor for community development, and though its principal programs – CDBG and HOME – over the last decade has made available on average $5 billion per year of grants, and between 2003 and 2008, on average, has provided other yearly $712 million in tax credit. On the private side, support is largely provided by foundations, banks, and corporations, either independently or through the collaboration of national intermediary organizations, whose main task is to gather resources from a myriad of funders nationwide and then funnel them to local CDCs.

According to Gittell and Wilder (1999), to be successful CDCs ultimately need to design programs and strategies capable of fitting into the requirements and goals of their supporters; they need strong political influence to have their plans approved in the decision-making arena; and they need a good organizational competency in order to effectively build, implement, and manage their activities. If a CDC would satisfy these conditions, then, it may establish itself as a key player for the regeneration of its target neighborhood.

It appears, in fact, that over the last sixty years, where adopted and when successful, the community development approach significantly contributed to the redevelopment of a number of lagging neighborhoods across the United States. Particularly the combination of organizing and advocacy activities with housing and economic development and service provision carried out by CDCs seems to be an effective strategy to tackle local underdevelopment in a comprehensive way, as well as to allow low-income communities to be directly involved in the planning process and to largely benefit from its outcomes.

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