## **BUILDING HOPE**

A film on Community Development Corporations



1937

Housing Act passed to call for slum clearance and the construction of public housing.

1949

New Housing Act passed to emphasize urban redevelopment and citizen participation.



Housing Act amended to focus on urban renewal, with provisions for rehabilitating deteriorated housing.

Civil Rights Act passed

TWO) formed on Chicago's South Side with the assistance of organizer Saul

he Woodlawn

Gray Areas Program forges innovative solutions to urban decay

Kennedy establishes the committee on luvenile Youth Crime. of Mobilization for Youth. HARYOU-ACT and other programs that were to become models for the

programs.

rogram to pool he resources of congregation in Philadelphia to create a capital base for local housing and development Leads to the formation of the Zion Non-Profit Charitable Trust.

Rev. Leon

President Johnson declares an unconditional "War on Poverty.

Opportunity Act passed, with provisions for Action Agencies aimed at gaining the "maxim feasible participation" o renewal of their

Central Brooklyn Coordinating first "War on Poverty" conference. calling for the total renewal and rehabilitation of Bedford-

Stuyvesant.

ebellion in Los Angeles leads to the creation of the Watts Labor Community Action Committee, with the support of the United Auto Workers (UAW) and the leadership of Ted Watkins.

The Watts urban

Similar efforts grow out of unrest in Detroit Cleveland. Newark and New York.

The Center for Community Change (CCC) formed with the support of the UAW and the to help CDCs and other grassroots groups to gain access to funding

and technical assistance.

Kennedy visits Bedford-Stuyvesant at the request of the Central Brooklyn Coordinating

Senator Kennedy and Senator lacob lavits sponsor an amendment to the 1964 Civil Rights Bill to provide support to CDCs through the Special Impact Program.

The Kerner issues its report on the urban riots sweeping the nation, urging the President and Congress to take action.

Model Cities Bedford Stuyvesant Program established to Restoration undertake the Corporation, the comprehensive nation's first social, economi official CDC and physical formed to carr renewal of urban out the total communities. rehabilitation of central Brooklyn

Mississippi Action for Community Education (MACE) initiated to combat entrenched poverty and racism in the Mississippi Delta

## What are Community Development Corporations?

Since the 1960s, when American society was galvanized into fighting the conditions of poverty and discrimination, community development corporations (CDCs) have united neighborhood residents, business leaders and government to revitalize distressed communities. In the process of creating jobs, housing and social services, CDCs empower low-income people to take charge of the development of their communities. "Building Hope" is a onehour documentary that traces the evolution of this unique movement over the past 30 years. It is part of a larger Oral History Project that documents the origins and early history of CDCs in the United States.

Grounded in the understanding that poverty is the result of systemic dysfunctions that affect entire communities, CDCs employ a holistic approach to addressing social, economic and physical problems. Locally based and directed, CDCs develop strategies that are tailored to the particular needs and strengths of their communities. Their mission is to build on the capacities and aspirations of the low-income people they serve.

Inspired by the model of community organizing that Saul Alinsky created in the 1950s, CDCs often engage in advocacy campaigns to prompt government to respond to community needs, or to press financial institutions to adopt more responsible lending practices. They merge these organizing efforts with "hard" development projects that produce affordable housing, establish business enterprises and create jobs. By providing essential support services such as child care, health care, job training and counseling, CDCs enable individuals and families living in poverty to reintegrate themselves into their communities and the larger society.

According to most estimates, there are over 3,000 CDCs located throughout the United States. "Building Hope" illustrates the breadth of their geographic base, ethnicity, size, leadership styles and development strategies. With impressive organizing and development skills, these CDCs have been able to raise support for their activities from a number of sources, including foundations, business, government, churches and grassroots memberships.

The early CDCs

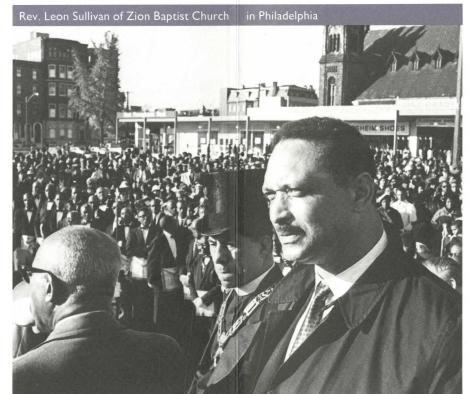
While each organization has its own unique history, CDCs share common roots in the civil rights and antipoverty movements of the 1960s. In Brooklyn, New York, the Bedford Stuyvesant Restoration Corporation (BSRC) emerged in response to overcrowded and dilapidated housing conditions, the lack of education and employment opportunities, inadequate political representation, and growing crime and juvenile delinquency. With support from major foundations including Ford, Taconic, Astor and Rockefeller Brothers - and federal assistance after Senator Robert Kennedy's famous visit to the neighborhood in 1966, BSRC has nurtured the revitalization of this predominantly black community. Today rehabilitated brownstone housing exists on treelined streets, a shopping center known as Restoration Plaza serves as a thriving business anchor, hundreds of people are employed and a solid middle class supports vital neighborhood institutions. While many problems persist, it was the strong grassroots leadership of people like Elsie Richardson and Judge Thomas R. Jones and the organizational leadership of people like Franklin Thomas and John Doar that have provided a measure of stability to weather the severe conditions of poverty that have plagued this and other communities throughout the country.

Looking South, the problems of the rural Mississippi Delta were of a different nature. Due to the vestiges of the plantation system after the Civil War, including oppressive racism and the institutionalization of sharecropping and tenant farming, many blacks in the Delta lacked economic

> and political power in the 1960s. The Mississippi Action for Community Education (MACE) was founded in 1967 to help impoverished, black residents of the region develop leadership and assert their basic civil rights.

Charlie Bannerman led MACE through a tumultuous and successful battle against segregation until his untimely death in 1986. In its early years, under Ed Brown's direction, MACE created education strategies for rural development and helped blacks establish law and medical practices to provide badly needed services to impoverished communities. More recently, under Larry Farmer's direction, MACE has empowered blacks in Mississippi to incorporate and run towns that lack basic public amenities such as water and sewer lines, police and fire protection, and street paving. In order to bring critical jobs to the nation's poorest region, MACE's sister organization, the Delta Foundation was created in 1969. It has spawned dozens of manufacturing enterprises that produce goods ranging from blue jeans to railway spikes. And to capture the indigenous culture of the area, MACE sponsors an annual blues festival in Clarksdale, featuring world famous musicians whose roots are in the Delta, among them the late Albert King and John Lee Hooker.

Back in North Philadelphia, Rev. Leon Sullivan started a religious-based movement in the early 1960s to confront discrimination that prevented blacks from getting decent-paying jobs. He organized successful boycotts against companies that denied black applicants, and provided youth with work skills through the Opportunities Industrial Center. Building on \$10 donations from his Baptist



Chicanos Por La Causa organized by young Latino eaders in South

> TELACU formed by Esteban Torres in East Los Angeles.

President Nixon declares a moratorium on all categorical development

> A "second generation" of innovative new CDCs forges the neighborhood movement of the

Act passed. Funds no longe go directly to grass roots organizations but to local through Development

Block Grants.

Development

Services Administration succeeds the Office of

Act passed as a result of the National People's Action organizing effort to halt "redlining" of low-income

neighborhoods

equity" and selfhelp movement receives national attention as a result of Carter's visit to the devastated South Bronx.

The "sweat

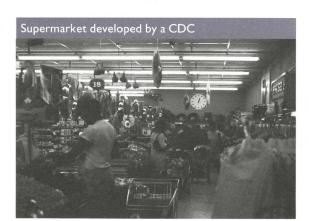
congregation, he formed the Zion Non-Profit Charitable Trust to provide a capital base for housing, education and economic development programs that continue to this day.

Another early CDC with a religious base is New Community Corporation in Newark, New Jersey. It has been in operation since 1968, when community residents decided they needed to respond to the riots of the previous summer by tackling the serious social and economic problems facing the inner city. With strong community participation and the leadership of Msgr. William Linder, New Community built affordable housing and created an extended network of social services. Through its associated organizations, it currently employs 1,000 people, owns 2,400 units of low- and moderate-income housing and runs a shelter for victims of domestic violence. It also owns and operates a number of businesses, and recently opened a major shopping mall to serve community residents who used to have to travel great distances to buy basic goods and services.

The Woodlawn Organization (TWO) in Chicago was organized by a group of religious and block club leaders in 1959 to deal with slum landlords and local merchants who were charging exorbitant prices for poor quality goods and services. In order to confront the entrenched political machine, TWO enlisted the assistance of community organizer Saul Alinsky. Out of their efforts grew a strong, local voice in the revitalization of Woodlawn. Under the leadership of Dr. Arthur Brazier,

its original spokesperson, and more recently, Rev. Leon Finney and Lauren Allen, TWO has developed and maintains over 1,500 units of housing, provides direct social services to 7,500 individuals, and is actively involved in improving the public school system.

In South Phoenix, Chicanos Por La Causa took its inspiration from political activist Cesar Chavez in combatting discrimination against Latinos and advocating for better services. Over its 25 year history, it has expanded through other parts of Arizona. Its "sweat equity" housing projects are a prime example of the community participation that provides the cornerstone of its programs.



On the West Coast, another CDC emerged in response to urban unrest. The Watts Labor Community Action Committee was organized in 1965 by union leaders seeking to promote economic development in the riot-torn Watts neighborhood of Los Angeles. With the long-term guidance of Ted Watkins, a former representative of the United Auto Workers (UAW), the organization has made a great impact on the community through job training, youth programs, business development, housing and services for the elderly.

Shortly afterwards, UAW leader Esteban Torres launched The East Los Angeles Community Union (TELACU), which went on to develop a major industrial park and a series of other ventures. It rebuilt over 500 units of public housing, converting a gang-plagued project to a stable community. Mr. Torres is now a member of Congress.

1978

Development the leadership of Msgr. Geno Baroni, a clergybased commun organizer with strong ties to development

networks.

IUD Office of

the Ford Foundation to provide financing and technical assistance to the "second generation" of CDCs. Other national intermediaries, including the Enterprise Foundation and

emerge later.

Local Initiatives

Corporation

the Development Training Institute

President Reagan takes office and slashes funding for community development. New Federalism shifts responsibility for distressed neighborhoods to states and local governments.

Development Corporation emerges in response to riots in Miami to rebuild Liberty

Tacolcy

A "third generation" of entrepreneuria CDCs takes hold in communities throughout the country, despite severe cutbacks in federal funding.

Tax Reform Act passed, with provisions for a tax-credit low-income

program to build housing.

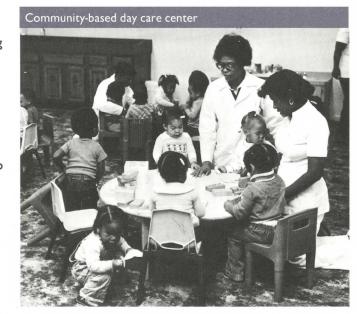
Affordable Housing Act passed. mandating support fo nonprofit community-based groups to develop low- and moderate-income housing.

## The Later Generations

During the 1970s, the neighborhood movement spawned a whole new generation of innovative CDCs. Even though funding for antipoverty and community development programs was beginning to shrink, a patchwork of public and private agencies supported CDC efforts to battle such issues as "redlining" (bank policies that discriminate against urban, disadvantaged areas) and "planned shrinkage" (government policies to cut back essential services to poor areas in order to divert scarce resources to "healthier" areas). While the emerging motto was self-help, Washington continued to support a number of federal programs for local initiatives. Federal responsibility began to shift to state and local governments, who began to enter the community development scene in greater numbers, albeit with fewer financial resources.

In the 1980s, CDCs suffered severe cutbacks in funding and other support. Poverty and depressed economic conditions rose sharply in urban and rural areas. With remarkable tenacity, and the ability to tread on paths blazed by earlier community development leaders and advocates, an entrepreneurial "third generation" of CDCs took hold, despite Washington's scarce support. One example is the Tacolcy Economic Development Corporation (TEDC), located in Florida, where most tourists never venture beyond Miami's beach front condos and Coconut Grove. In 1981, however, urban riots tore through the neighborhood of Liberty City. While

the nation viewed the familiar images of police in riot gear and businesses ruined by looting and burning, TEDC emerged to rebuild the community. Today a new supermarket and two shopping centers with locally operated businesses and affordable housing exist where water cannon once had to put out fires. By getting banks, government and local residents to reinvest in the area, TEDC has managed to bring new found hope to the community. In the words of one local merchant, "Now everybody is committed to staying in this neighborhood. Why leave now? We sweated out the worst. Ain't nothing to do but look forward now."



Asian Americans for Equality (New York, NY)

Bedford Stuyvesant Restoration Corporation (Brooklyn, NY)

Chicanos Por La Causa (Phoenix, AZ)

Dineh Cooperatives, Inc. (Chinle, Navajo Nation, AZ)

Drew Economic Development Corporation (Los Angeles, CA)

Harlem Commonwealth Council (New York, NY)

Mexican American Unity Council (San Antonio, TX)

Mississippi Action for Community Education (Greenville, MS)

New Community Corporation (Newark, NJ)

South East Alabama Self-Help Association (Tuskegee, AL)

South East Community Organization (Baltimore, MD)

Southern Development Foundation (Lafayette, LA)

Spanish Speaking Unity Council (Oakland, CA)

Tacolcy Economic Development Corporation (Miami, FL)

The East Los Angeles Community Union (East Los Angeles, CA)

The Woodlawn
Organization (Chicago, IL)

United Durham, Inc. (Durham, NC)

Watts Labor Community Action Committee (Los Angeles, CA)

Zion Non-Profit Charitable Trust (Philadelphia, PA) **BUILDING HOPE**Produced by
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Executive Producer Charles Hobson

Director and Writer David Van Taylor

Co-Director and Editor Nancy Kennedy

Coordinating Producer Valerie Kontakos

WETA Executive-in-Charge Tamara E. Robinson

Music Composed and Conducted by Carman Moore

Keyboard and Percussion Eric Johnson

Woodwinds Dale Kleps

Camera
Tom Alexander
Geoff Dills
Brian Dowley
Ronald Gray
John Heller
Kevin Keating
Steve Nitzberg

Sound
Paul Alvarez-Moran
Charles Blackwell
Steve Bores
Michael Daras
Peter Took

Assistant Editor Rebecca Haggerty

Research Coordinator

Creative Consultant Ed Apfel

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CDC Oral History Project Pratt Institute Center for Community and Environmental Development (PICCED)

Director Ron Shiffman

Associate Director Rudy Bryant

Architectural Director Joan Byron

Senior Fellow Bernard McDonald

Associate Director Brian T. Sullivan

Program Development Associate Eva Neubauer

Administrator Naomi Johnson

Oral History Project
Advisory Panel
Ron Shiffman, Chair
Arthur Brazier
Robert Curvin
Ruby Duncan
Paul Feinberg
Nathan Garrett
Henry Hampton
Arabella Martinez
Susan Motley
Andrew Mott
Hugh Price
Avis Vidal

Oral Historian James Briggs Murray Schomburg Center for Research in Black Culture **UNDERWRITERS**Major funding provided by The Ford Foundation

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PICCED is a universitybased planning, technical assistance and training organization that has worked with communitybased organizations for thirty years. In the mid-1960s, it assisted the Central Brooklyn Coordinating Council to create a comprehensive community development strategy for Bedford-Stuyvesant. That effort led to the formation of the nation's first CDC - the Bedford Stuyvesant Restoration Corporation.

For additional information about Building Hope and the CDC Oral History Project, please contact:

Pratt Institute
Center for Community
and Environmental
Development (PJCCED)
379 DeKalb Avenue
Brooklyn, New York
11205
(718) 636-3486
(718) 636-3709 Fax

To order copies of Building Hope call PBS Adult Learning Service at (800) 257-2578



In memory of Charles Bannerman, Bernard McDonald, Ted Watkins and other leaders of the movement who are no longer with us.