

# *21<sup>st</sup> century CDCs*

Presentation  
By  
Joseph Kriesberg  
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CDCs began in the late 1960s  
What's changed since then?

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**Just about  
everything**

# Specific changes that impact CDCs

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- Real estate markets
- Job markets
- Neighborhood demographics
- Policy environment
- The problems facing communities
- Philanthropy
- The non profit sector
- Generational shift among leadership
- Technology
- Financial services industry
- Changing meaning of the term “community development”

What has not changed?

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**Our Values**

# CDC Core Values

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- Community Leadership
- Economic Opportunity
- Inclusion

## Changes bring multiple tensions

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- People and Place
- Neighborhoods and Regions
- Comprehensive (horizontal) and Specialization (vertical)
- Demand driven community development and service delivery model
- Money and mission
- Big and small organizations

## So what does this mean for CDCs?

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- What is a CDC in this context?
- How are CDCs different than other nonprofits?
- Do we even have CDCs?
- Does it matter whether we have CDCs?
- How can CDCs succeed?

# The CED system needs CDCs

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- CED depends on resident and constituent engagement and leadership
- CED system needs a diversity of organizations, including CDCs.
- Demand-driven community development requires local capacity
- CDCs can drive comprehensive community development and “connect the dots” between/among silos
- CDCs provide long term stewardship of community assets and community change



# A proposed definition of "Community Development Corporation"

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*A CDC is a nonprofit, community-led organization that engages local residents and businesses to work together and with others to undertake community development programs, projects and activities which develop and improve urban, rural and suburban communities in sustainable ways that create and expand economic opportunities for low and moderate income people.*

## Successful CDCs are responding by

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- Collaborating with new partners within the the CED field and without
- Developing serious business models that balance money and mission
- Building their base to ensure that they genuinely represent and engage local residents and constituents

# Collaboration

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- Most important skill for 21st century CDCs
- Each CDC must know what it does well itself – what it brings to a collaboration.
- Each CDC must know when it needs partners and how to find the right ones
- Need to collaborate among CDCs and between CDCs and other CBOs
- Look for collaborations with non profits and for profits

# Business model

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- For most CDCs, the current business model is broken
- Different business models are OK, but each CDC must have hard-headed plan for being financially strong.
- Big does not equal profitable
- Smart does equal profitable

## **Bottom Line**

**Profits advance mission; mission advances profits**

# Build the base

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- Engage residents to build community power
- Ensure meaningful representation on our boards
- Community voice and leadership is what makes us special – it is our competitive advantage

## System-level solutions are needed too

- Reframe the field's diversity as a strength
- Make CED profitable
- Capacity Building or Enterprise Development
- Unify the field

# Reframe the field's diversity as a strength

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- Think of our system as an eco-system where diversity, redundancy, competition are all necessary
- Multiple organizational models
- Big and small
- Overlapping
- Placed based and constituency based
- Intermediaries, associations, etc.
- Organizations need to function as a network

# Make CED profitable

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- It needs to be possible for effective to make a profit doing this work. Not automatic, but possible.
- What's profitable is driven not by simple market dynamics, but by public policy.
- Restructure affordable housing/community development finance system to place more emphasis on on-going revenue rather than one-time developer fees



# Capacity Building or Enterprise Development

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- Must overcome capacity building fatigue
- Must foster new leadership; diverse leadership; young leadership
- Must include funding for CDCs, not just training and TA
- CHDO & CDFI are good models; NSP2 is not
- Must also include new support infrastructure – in particular on the operational side, not just the financial side.

# Unify the field

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- Our national movement is fractured
- Lots of organizations, but no unifying voice
- Practitioners, intermediaries, and issue specific groups need to join together
- Less turf; more power

# One final Comment

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- Communications are Critical for individual CDCs and for the field
- Need an updated story
- Need new language
- Need new technologies
- Need a fresh face

## For More information

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Joseph Kriesberg

[joek@macdc.org](mailto:joek@macdc.org)

[www.macdc.org](http://www.macdc.org)

[www.melkinginstitute.org](http://www.melkinginstitute.org)

<http://blog.macdc.org/>

617-426-0303 x22