

Reassessing the Role of Housing in Community-Based Urban Development

Edwin Melendez and Lisa J. Servon

Milano The New School of Management and Urban Policy

Abstract

In this article, we use a random sample of urban community development corporations (CDCs) to determine whether distinct types exist and, if so, to estimate their prevalence in the industry. The typical urban CDC has a diversified portfolio of economic and social development activities, including community organizing, and is likely to have a housing development program, although not necessarily a large one because relatively few are high producers.

Large-scale housing producers, defined in the study as having produced at least 500 units during the previous 10 years, comprise 18 percent of CDCs. A large organizational capacity, an affiliation with national intermediaries, the training of staff and the adoption of computers, the length of executive directors' tenure, and the share of funding devoted to housing programs are the most important factors increasing the odds that a CDC will belong to the group of high producers.

Keywords: Community development corporations; Housing; Nonprofit organizations

Introduction

For the past several years, scholars have debated the issue of what the appropriate model of a community development corporation (CDC) should be (Bratt 1997; Stoecker 1997; Vidal 1997) and even how to characterize current and past models. Specifically, many researchers have discussed a narrative in which CDCs have evolved from small, locally based organizations providing a variety of services into large organizations that focus primarily on housing, while others have discussed a more recent shift in emphasis to go beyond housing development (Brophy & Reilly LLC 2001; Berndt 1997;

Bratt and Rohe 2004; Faux 1971; Gittell and Wilder 1999; Marquez 1993; Peirce and Steinbach 1987; Perry 1987; Reingold and Johnson 2003; Rohe, Bratt, and Biswas 2003; Rubin 1994, 1995; Rubin and Rubin 1992; Stoecker 1994, 1997; Vidal and Keyes 2005; Zdenek 1987). For the purposes of this analysis, a CDC is defined as a nonprofit, community-based urban development organization that engages in economic development activities such as housing production, commercial property development, business development, and/or job creation for the benefit of community residents (Bogart 2003; Cowan, Rohe, and Baku 1999; Gittell and Wilder 1999; Green and Haines 2002; National Congress for Community Economic Development [NCCED] 1999; Romeo and Lampkin 2002; Rosen and Dienstfrey 1999; Rubin 2000; Stoecker 1997; Stoutland 1999; Vidal 1992, 1997). Despite general agreement on the basic definition of what constitutes a CDC, models have been posited without sufficient data and analysis to test their validity and prevalence in the field.

Some of the most prominent voices in recent discussions portray an industry where nonprofit sponsorship of community-level development has induced housing to become the dominant activity of grassroots community development organizations. Housing production, in turn, propels a dynamic where it becomes difficult for these organizations to engage in other activities or to be more responsive to other programmatic mission-oriented activities. On the basis of this premise, some authors propose that this approach to development should change (Stoecker 1997, 2003; Vidal 1997) or that it functions quite well (Bratt 1997).

One narrative in the community development field is that during the formative years of the 1960s and 1970s, CDCs had broad social change missions that encompassed a wide range of activities (Eisenberg 2000; Gittell and Wilder 1999; Halpern 1994; Harrison 1974; Peirce and Steinbach 1987; Perry 1987; Stoutland 1999; Vidal 1992; Zdenek 1987). This narrative maintained that, as the field matured, CDCs became more narrowly focused on housing and economic development and increasingly professionalized. The way in which the field developed—which was a direct response to public and private funders and intermediaries—made these organizations less responsive to their constituents and less concerned with the social justice and change missions that had led to their creation in the first place.

Stoecker represents one view, claiming that the political economy of the prevalent CDC model sets up an “antagonistic relationship” between use value and exchange value (1997, 5). Further, the fact that the capital on which CDCs depend comes from outside the neighborhoods in which they

work means that CDCs cannot necessarily serve the interests of “the community.”¹ In a related critique, Fitzgibbon discusses the difficulty of CDCs’ being accountable to a range of constituencies including “the public at large, the government, donors, clients, and their own employees” (1997, 34). Questioning the viability and usefulness of “the CDC model,” Stoecker (2003) maintains that although “community organizing and community development have complementary goals, they are based on potentially contradictory worldviews and occupy potentially contradictory social structural locations” (493). The way out of this dilemma, recommends Stoecker (2003), is to separate the functions of community-based urban development: to create one set of organizations—CDCs—that will limit their activities to development and another that will focus on organizing and empowering the communities in which they work.²

An alternative view of the CDC model proposes that this dual nature as developer and as organizer and advocate for the community facilitates access to external resources and is critical for CDCs to fulfill their mission. Vidal argues that “the foundation of the movement is the cadre of CDCs that have demonstrated their ability to make a difference in their communities. Access to political and financial support *from outside the neighborhood* is critical to their ability to do this” (1997, 431).³ In other words, the fact that CDCs have been able to engage outsiders in the issues affecting poor communities is a positive aspect of their work. Her take on the fact that CDCs’ financial resources come from outside the community is markedly different from Stoecker’s (1997). Rather than separating housing development from other activities, Vidal argues that “the movement’s future vitality lies in further diversification, organizational adaptation to new roles, and identification of additional partners and stakeholders” (1997, 429). However, the evidence on whether CDCs should be more comprehensive or specialized is mixed. Although some researchers caution CDCs about the dangers of comprehensiveness (Steinbach and Zdenek 1999; Walker and Weinheimer 1998), Rohe, Bratt, and Biswas, in their 2003 study of merged, failed, and downsized CDCs, recommend diversification. For them, diversification of

¹Bratt, in a rejoinder to Stoecker (1997), rightly points out that “any given ‘community’ is composed of competing interests and needs” and that it is very difficult to determine “whose interests comprise those of ‘the community’” (1997, 24).

²Stoecker (1997) acknowledges that many CDCs do some kind of organizing (collaborative, etc.) but privileges confrontational organizing in his work, because he believes it to be the only type that can challenge current structural inequities. Fitzgibbon (1997) also notes that organizations focused on community organizing face particular challenges when it comes to defining their community.

³Emphasis added. See also Vidal and Keating 2004.

activities, geographic area, clientele, and funding sources “makes an organization less vulnerable to changes in both funding priorities and community desires” (2003, 60).⁴

Any discussion of the role and activity of CDCs must also take into account the policy context in which their work takes place. In the 40-odd years that CDCs have existed, public policy has provided incentives in various, often incongruous, directions. The early part of the community development movement was clearly marked by a more community-participatory and advocacy-driven policy framework. Although these roots are important, the passage of Community Development Block Grants brought local politics to the forefront through the allocation of funding, and the Community Reinvestment Act brought banks and other financial institutions into the mainstream of the community development industry. These forces clearly pulled CDCs’ organizational development toward a broader set of programs as opposed to a narrow housing focus.

The Low-Income Housing Tax Credit (LIHTC), which was enacted in 1986 and made permanent in 1993, introduced the need for a more technical group of CDCs that could structure complex financial transactions to take advantage of such an important federal subsidy to the affordable housing industry.⁵ The evolution of CDCs that could take advantage of the LIHTC to develop affordable housing in significant ways was in part the result of the support provided by intermediary organizations that facilitated syndication, such as Local Initiatives Support Corporation or LISC (and its affiliate the National Equity Fund) and Enterprise (and its affiliate the Enterprise Social Corporation). Also important was the availability of private sector consultants with the expertise to manage the complexities of transactions involving multiple sources of financing and tax credits.⁶ Fees from managing projects financed by the LIHTC, in turn, provided resources for staff and operational

⁴ In an earlier study, Rohe summarized existing work and concluded that CDCs “follow a comprehensive approach to development, respond to community needs, leverage foundation support, and target low-income and moderate-income areas” (1998, 177).

⁵ Rosen and Dienstfrey report that the “CDC-based production system is marked by extreme concentration of capacity” (1999, 445), with 10 percent of organizations producing half of all housing units.

⁶ Rosen and Dienstfrey (1999) assert that the success of the “CDC-based housing system” (454) is partly due to intermediaries’ mobilization of capital for projects, predevelopment financing, technical assistance for structuring complex financial financing, impact on organizations’ capacity development, and, as a consequence, the enhancement of organizations’ legitimacy with funders. Walker (1993) attributes CDCs’ enhanced capacity to undertake housing and community development projects to the assistance and activities of intermediaries.

capacity and helped institutionalize and stabilize CDCs. The convergence of these various incentive structures for the development of affordable housing and the interaction with a multiplicity of local needs calling for other economic and social initiatives shaped the program activities of community developers. In conjunction with other housing programs, the LIHTC clearly induced specialization in housing among a significant number of organizations in the field.

Before making normative assertions about what CDCs should or should not do, it is important to establish the status quo and to generate some hypotheses about how we arrived at the current situation. We have constructed a comprehensive data set to examine some of the key hypotheses posited about CDCs and the centrality of their housing activities. It is important that this debate be informed by accurate, more representative data because policies and funding priorities are constructed around assumptions that may or may not be true. It is in this context that we state the core research questions for this study:

1. To what extent are CDCs producers of housing?
2. What is the relationship between housing production and other programmatic activities?

We are also particularly interested in organizations that produce a relatively large amount of housing. With respect to these organizations, we would like to ascertain the answers to two interrelated questions:

1. What are the characteristics and programmatic activities of those organizations that produce a relatively large amount of housing?
2. What factors may contribute to specialization as a (large) housing producer?

To the extent that the field has evolved toward a more complex relationship between housing production and other programmatic activities, we will need to rethink assumptions, expectations, and evaluation models to take into account the nature of the field as it exists (Chaskin, Joseph, and Chipenda-Dansokho 1997; Kubisch 1996; Sviridoff and Ryan 1996).

Our findings both confirm some earlier research and begin to answer some of the enduring questions about these organizations. Specifically, we find that today's typical nonprofit community-based, urban development organization is likely to have a housing program, although not necessarily a large housing development program, and a diversified portfolio of economic and social development activities that include community organizing. How-

ever, we find that the field is more diverse in terms of the role of housing development in a broad portfolio of CDCs' programmatic activities than earlier research would lead us to believe.

We classified CDCs into four types on the basis of our analysis of housing production and other activities data: The first type consists of the fully 20 percent that produce no housing whatsoever. The second type, on the opposite side of the spectrum, consists of the 18 percent that we call "high producers." These CDCs have produced at least 500 units during the past 10 years and are characterized by higher budgets and staff and diversified economic development and social services portfolios. The remaining 62 percent are "medium" producers, which we divide into a middle group of 40 percent that engages in little or no other housing activity (the third type) and a middle group of 22 percent that engages significantly in housing production, albeit not to the extent that the large housing producers do, and engages extensively in other housing activities (the fourth type).

One of our more interesting findings is that even though we identify a group of CDCs specializing in housing production and another group of middle producers carrying a significant portfolio of other housing-related activities, all types of housing producers have, for the most part, a diversified portfolio of economic and social development programs. Another significant finding is that most CDCs have a modest housing production and housing activities portfolio or no housing activities at all. These core findings are based on a survey of community-based organizations that engaged in at least one of a broad set of economic development activities that define a CDC and thus met our inclusion criteria.

Although it is generally accepted that the organizations that do community-based urban development are diverse, we provide data about how one type of organization differs from another. Specifically, we create a typology of organizations based on housing production and other housing-related activities. Understanding the various types of CDCs, and their prevalence, should enable policy makers and funders to create more targeted interventions to build capacity and support the programs and activities of these organizations. This work would be particularly useful in areas where there is a mismatch between the need for affordable housing and the capacity of existing organizations to provide it. Understanding in a fine-grained way the characteristics of relatively large-scale housing producers may enable this kind of capacity to be built in areas that lack it.

Method and data

This study is based on a 2003 telephone survey of 393 urban, community-based development organizations (CBDOs) across the nation.⁷ Our main objective in defining the universe of nonprofit organizations that could potentially be defined as CDCs was to have the most comprehensive list possible. The universe for the study consists of two panels. The first, intended to provide a universe for the selection of a random sample of cases, includes all of the organizations identifying community development activities in the Internal Revenue Service (IRS) Form 990 data set compiled by the National Center of Charitable Statistics (NCCS), not-for-profit developers extracted from the U.S. Department of Housing and Urban Development's LIHTC Database, and organizations from lists provided by national intermediary organizations (LISC, the Enterprise Foundation, Seedco, and the Neighborhood Reinvestment Corporation), and regional associations of CDCs.⁸ A second, nonrandom panel comprising organizations included in the Vidal (1992) study was also added to allow organizations and the industry to be compared over time.⁹ In total, the universe from which to draw the sample for the study included 8,358 organizations, as described in table 1. From this universe, we selected a random sample of 992 organizations and added 110 organizations that survived from the original 130 in the Vidal (1997) study, for a total of 1,102.¹⁰ An important design feature of this study is that about half of the random sample cases came from the LIHTC or NCCS lists of organizations, most of which are presumed not to be affiliated with national intermediary or other membership organizations of CDCs, the traditional sources for earlier studies.¹¹

The first step was to develop a survey, including screening questions for determining organizations' eligibility for inclusion. The survey combined questions from earlier studies (Glickman and Servon 2003; Vidal 1992) and

⁷The Community Development Research Center contracted with the Center for Survey Research and Analysis at the University of Connecticut to conduct the survey.

⁸The total number of cases collected from these organizations was 39,076. A total of 28,296 were ineligible for various reasons: The organizations were for profit, were duplicates, or were likely to be "paper" organizations—entities that were created for tax purposes and had contact information similar to that of other organizations in the data set.

⁹The comparison of CDCs' data over time is beyond the scope of this article.

¹⁰We added the 110 organizations from the Vidal (1997) study to generate data for two points in time for a subsample of CDCs. This will allow us to assess changes in CDC characteristics and production over time and to compare these characteristics of a random sample of organizations.

¹¹For example, the NCCED (2005) census of CBDOs consisted of a mail survey of organizations listed on various membership and other mailing rosters compiled by national and state organizations.

Table 1. Data Sources, Sample, Completed Interviews and Projected Cases

Data Sources	Eligible	Sample	Percent Included in the Sample	Interviews	Adjusted Yield	Projected Cases
National intermediaries	4,160	379	9.11	92	0.23	943
Regional associations	1,558	111	7.12	32	0.25	384
Not affiliated (NCCS, LIHTC)	4,852	502	10.35	181	0.39	1,900
Rebuilding communities	110	110	100.00	88	0.80	88
Total	10,680					
Duplicates across multiple lists	2,322					
Completed interviews				393		
Partial interviews				20		
Other eligibles, including a proportion of the unknown eligibles				106		
Total	8,358	1,102	13.18	519		3,315

new questions designed to address a special topic in the field: CDCs' management culture. The survey consisted of the following sections:

1. Screening questions, which determined whether the organization would be part of the study
2. Organizational characteristics, which focused on operational budget and funding sources, organizational resources, social programs, connections to other organizations and agencies, and political and social capital
3. Programs and activities, which asked about housing development programs, commercial property development, and economic development programs
4. An organizational section, which focused on leadership and staff, management culture, and relationships with other organizations

We also asked about social and other noneconomic programs and activities, and about community organizing and advocacy.

Because they qualify organizations to be part of the study, the screening questions are a critical part of the questionnaire.¹² Following Vidal (1992), we defined a qualifying organization as a nonprofit, urban, community-based

¹²The screening questions are included as appendix A.

entity that engages in at least one of a broad range of economic development activities, such as developing or administering housing, developing or administering commercial property, or supporting or developing businesses or commercial enterprises. We also required that the organization be engaged in at least one neighborhood-based activity. We excluded organizations that did not engage in one of these economic development activities or did not focus their work in at least one targeted neighborhood. This definition also excluded any public agency that performs as a local or community-focused development organization. Similarly, those community-based organizations that engaged only in social services or advocacy and organizing but did not engage in at least one community economic development activity were not included. It is important to note, however, that many of the surveyed organizations provide social services along with their other economic development activities.

The definition of a nonprofit, urban, CBDO adopted for the study is largely consistent with the definitions adopted by earlier studies. In particular, the NCCED mail survey is sent to “community-based development organizations serving low and moderate income areas” and “actively engaged in producing or financing affordable housing, developing commercial or industrial space, operating a business, or providing capital loans to support other business enterprises” (2005, 1). This definition of a CBDO is very similar to our definition of a CDC and differs from our definition primarily in its inclusion of community-based financial institutions such as community development financial institutions (CDFIs). Our definition is more restrictive and includes only organizations that are directly engaged in housing, commercial real estate, and economic development activities.

What makes the CDC unique among community-based organizations is the hybrid legal form that allows it to function as a quasi-business and quasi-nonprofit. Not only is the CDC eligible for a number of grants from governments and foundations, but it can also generate revenues from its investments, own property, collaborate with for-profit developers, and receive tax credits (Bogart 2003; Green and Haines 2002; Rubin 2000; Vidal 1992). The dual nature of the organization, as an economic development agent or developer and as a nonprofit with a broader social mission, is what differentiates CDCs from other community-based organizations. As Rubin states, “Community-based development organizations intermediate between the empathetic world of social service providers and the dog-eat-dog, bottom-line mentality of for-profit developers” (2000, 2).

The next step in the study was to estimate the total number of urban CDCs in the United States. As illustrated in table 2, screening resulted in the

elimination of 463 organizations; most of them (338) did not meet the inclusion criteria as operationalized in the screening questions. In general, the response rate is the number of complete interviews with eligible reporting units in the sample. Although current professional guidelines provide various calculations for response rates, we estimated a rate of 79.5 percent, assuming a proportional allocation of unknown cases, and 61.6 percent, making the more conservative assumption that all the unknown cases would have been eligible to participate in the survey.¹³ If every organization in the nonrandom portion of the cases is assumed to be eligible, we estimated the response rate to be 79.3 percent. The refusal rate is the proportion of all eligible or potentially eligible cases where a respondent refuses to complete or breaks off an interview. Assuming that all unknown cases in the random sample are eligible respondents yields a refusal rate of 7.2 percent. A refusal rate that apportions unknown cases according to the same estimate (41 percent) used for response rates yields a refusal rate of 3.8 percent. The refusal rate for the nonrandom sample is 3.0 percent. On the basis of these response and refusal rates, we concluded that the study yielded a representative set of cases and data from the universe.

We used the information from the screening of cases for inclusion in the survey to estimate the size of the urban portion of the industry. The projected total number of cases or urban CDCs was estimated by multiplying the number of cases from the various lists of organizations included in the universe for the sample by the proportion of eligible cases resulting from the screening. Then, the predicted number of urban CDCs was used to determine the overall probability of selection and the weights for individual cases (the inverse of the probability of selection). According to these procedures, the estimated number of urban CDCs is 3,315. Although this estimate is similar to the NCCED (2005) projections, our study method differs from other major surveys and studies of the industry (Glickman and Servon 2003; NCCED 1999; Romeo and Lampkin 2002; Vidal 1992; Walker and Weinheimer 1998) in some important dimensions, which probably account for much of the difference in the estimated size of the industry. The two studies that have objectives more similar to ours are NCCED (2005) and Romeo and Lampkin (2002).

¹³For the Not-for-Profit Random Sample, eligibility was considered unknown if there was no answer or if no contact was made after numerous attempts; if contact was made with an answering machine or voice mail, but no human contact was made; or if a nonprofit refused to take the survey before eligibility was determined. Partial interviews were included in the analysis and are treated as interviews for calculating the response rate.

Table 2. Survey Results

Total sample	1,102
Random sample	991
Ineligible	463
Unknown eligibility	165
Unscreened refusal (unknown eligibility)	38
Partial interviews and others	20
Completed interviews	305
Response rate (with proportional allocation of the unknowns)	79.5%
Response rate (assuming all unknowns are not eligible)	61.6%
Nonrandom sample	111
Refusal	3
Completed interviews	88
Response rate	79.3%
Total completed interviews	393

Our survey differs from the NCCED (2005) study in at least three important methodological or design dimensions.¹⁴ First, in contrast to our survey, which included only urban organizations, the NCCED (2005) survey was sent to both rural and urban organizations (a 10-page survey was mailed to more than 7,000 organizations). In addition to mail responses, 180 surveys were collected from nonrespondents. In total, 999 organizations responded to the survey and, as indicated in table 3, the total number of CDCs is projected at 4,600, or about 4.5 times the number of respondents.¹⁵ Second, our study is based on a telephone survey of a random sample of urban CBDOs. This allowed us to screen organizations and to collect data on the accuracy or yield of the various lists used to compile the universe for the study. Third, the sample for our study was taken from a more comprehensive universe of potentially qualifying organizations.

Although the universe for our study is roughly the same size as the original lists of organizations in the NCCED (2005) study, we excluded rural organizations (based on the ZIP code listed for the main offices) and sup-

¹⁴NCCED has produced five reports on the trends, characteristics, and contributions of CDCs or CBDOs (1989, 1991, 1995, 1999, 2005). The most recent survey, which was written by Carol Steinbach, was implemented by the Urban Institute, with technical design and administration assistance from Aspen Systems Corporation.

¹⁵If only urban CDCs are considered, the NCCED (2005) survey estimated their number at about 3,400, a figure comparable to our estimate. The 3,400 figure includes urban CDFIs as well.

Table 3. Earlier Studies of the Community Development Field

Author/Year	Method	Definition	Scope	Estimate
NCCED (2005)	Mail survey	Housing and economic development	National	4,600
Romeo and Lampkin (2002)	NCSS database	Housing and economic development	National	9,307
Vidal (1992)	Site visits	"Mature" CDCs	30 cities	N = 130
Walker and Weinheimer (1998)	Site visit and survey	"Accomplished" CDCs	23 cities	N = 163
Glickman and Servon (2003)	Survey	Partnership CDCs and comparison group	20 cities	N = 218

plemented the lists provided by intermediaries and other industry sources with cases from two potential sources of nonaffiliated organizations, thereby expanding the universe of cases for inclusion. Thus, our estimates pertain only to urban organizations, whereas the NCCED (2005) study projections include both urban and rural CDCs.

Other studies of the industry are less comparable to our research design and method. The Romeo and Lampkin (2002) study is based on data from the Form 990 that nonprofits use to report to the IRS. Their estimate of 9,307 organizations is substantially larger than ours. The difference corresponds in part to a selection of programs rather than organizations, without controlling for duplicate entries, and in part to a selection of cases based on the keywords listed by the organizations on their Form 990, instead of actual screening. However, we used the data set of organizations filing Form 990 to supplement the universe of organizations from which we selected the sample for the study.¹⁶ The other three primary studies on the CDC industry (Glickman and Servon 2003; Vidal 1992; Walker and Weinheimer 1998) are restricted to a selection of cities and organizations and do not intend to be representative of the field as a whole. In sum, by integrating the collection of lists used by the NCCED (2005) study and organizational data from the same source used by the Romeo and Lampkin (2002) study, we assembled a more comprehensive universe of organizations. Selecting a random sample from a more comprehensive universe and screening qualifying organizations for inclusion in our study support a more reasonable estimate of the size of the industry.

¹⁶We are thankful to the authors for sharing the data set and for helping us compile the universe for this study.

Analysis: Findings and discussion

Given the aforementioned debates on the focus of CDCs' activities, we set out to determine what CDCs actually do from a programmatic perspective. There is no a priori reason to assume that one particular type of CDC would emerge or that CDCs would cluster into distinctive groups. Using housing development and housing activities as the primary discerning variables, our analysis revealed a typology of four distinct types of urban CBDOs. This typology enables us to confirm some earlier research on CDCs, such as the fact that most of them produce housing or engage in housing activities. Our work adds value by pinpointing the specific types of housing activities in which they engage and the precise amounts of housing they produce. We also move beyond earlier studies by painting a much more detailed picture of CDCs' activities. This picture prompts us to question the continued relevance of the term "community development corporation." It may be more useful to break this category down into more specific groups based on our findings.

Typology of housing producers

Our study involved using cluster analysis to illustrate the various types of housing producers and the diversity of portfolio composition across the four types of CDCs we identified. First, because housing production is the main focus of our analysis, we used an average of 50 units produced or rehabilitated annually during the previous 10 years, or a cumulative total of 500 units, as an indicator of a large producer. On empirical grounds, this number seemed to differentiate large producers from other CDCs.¹⁷ Because housing production could be defined in terms of either the total units rehabilitated or developed as new construction or in terms of the total number of units produced for homeownership or rental, we decided to include the organizations that met the minimum threshold based on either one of these definitions.¹⁸

After defining the group of large housing producers, we integrated separate organizations with no housing production during the previous 10

¹⁷We tested various cutoff points in combination with the cluster analysis (to be explained later). Different cutoff points did not produce a better grouping of organizations when other (than production) housing activities were considered.

¹⁸We follow the definition of output used by Vidal (1992, 66): "CDCs engaged in housing development have either rehabilitated existing units or built new ones." However, by including organizations that meet the 500 threshold in either of these two measures, we reconcile some inconsistencies in the data reported by the organizations about the number of units built or rehabilitated and whether these units were constructed to be sold to the public, built as rental units kept by the developing organization, built for a client organization, or owned by the developer but managed by another organization.

years and created a second group of CDCs. We labeled the second group “non-housing producers.”¹⁹ Though these two extremes were obvious cut-offs from the distribution of the sample based exclusively on levels of housing production, the remaining middle group presented a more challenging task. The question that we faced was whether the remaining CDCs could be divided into one, two, or more groups and what the cut-off points would be if we determined that there were substantial differences in the cases. We used cluster analysis of CDCs’ participation in other (nonproduction) housing activities to divide the middle group. Cluster analysis allowed us to first differentiate structures and then to determine the number of groupings that would maximize the degree of association between CDCs if they belong to the same group and to minimize association across the resulting groups.²⁰ We used Euclidean distance to estimate the geometric distance among the multiple housing activities available from the survey (listed in table 4).²¹

The means for the variables used in the cluster procedure for the resulting groupings are shown in table 4. Ultimately, we divided medium producers into two groups. The first consisted of those with lower housing production and fewer housing activities, and the second had higher housing production and a more active housing program. Those in the second group with the highest average of housing production and development also have a higher incidence of engaging in the following programs: homeownership and loans counseling (2.36 to 0.79), tenant rights counseling (0.65 to 0.40), repair of existing units and clean-up campaigns (1.62 to 0.84), and other housing activities.

Basic descriptive and production data for the four types of housing producers are presented in table 5. The group of organizations producing 500 or more units during the previous decade (high producers) is the smallest group, with an estimated 581 organizations representing 18 percent of the total. Although like earlier studies we found that most CDCs produce housing or

¹⁹As in the case of the large group, the cut-off point for this group proved to differentiate organizations in terms of their profile of activities other than housing production.

²⁰Cluster analysis was used to test whether the grouping resulting from experiments that included both production and other housing activity variables would yield similar results. We found that combining production and housing activity data minimized the logical importance attributed to production in our analysis. Housing production was reduced to one more element among equals when determining the groupings. When we separate into two steps the procedure for developing the typology, the resulting groupings (of two, three, or four types of CDCs) did not show the same differences in production and nonproduction activities as those reported in the article.

²¹Euclidean distance is computed as distance $(x,y) = \{\sum_i (X_i - Y_i)^2\}$ —where X_i is the value of variable X at observation i , and Y_i is the value of variable Y at observation i .

Table 4. Means for the Variables Used to Generate the Two Clusters of Medium Producers

Activity	Cluster	
	1	2
Homeownership loans and counseling (0–3)	0.79	2.36
Repair existing units and clean-up campaigns (0–2)	0.84	1.62
Rental conversion and housing acquisition (0–2)	0.29	0.62
Property management (0–1)	0.53	0.57
Tenants rights, counseling, or advocacy (–1)	0.40	0.65

engage in housing activities, fully 21 percent produce no housing at all.²² The largest category of CDCs (40 percent) consists of medium producers that engage in few other housing activities. The remaining 22 percent are medium producers that do engage in other housing-related activities. This group has substantial housing activities that often exceed the level of nonproduction activities of the high group.

We find important differences in housing production and ownership among the four types of organizations over the past decade. By design, high producers have the most mean and median levels of units of housing built or rehabilitated or currently owned. These organizations have housing production or ownership that is more than 10 times that of medium producers. For example, over the preceding decade, the mean for rental and homeowner units completed was 1,088 units for high producers versus a mean of 127 for medium producers with housing activities and 106 for those with few housing activities (table 5). The difference in the median and mean levels for high producers indicates that this group is further bifurcated, with a select group of organizations achieving significant scale in housing development. Identifying this clearly distinct group of high producers is an important finding. What does table 5's distribution of CDCs across the four categories tell us about the community development field? First, it is characterized by great diversity among housing producers. One way to assess whether these four groups can be considered CDC types or "models" is to assess their overall portfolio of housing and nonhousing activities.

²²This finding differs significantly from the 1991 and 1995 NCCED reports and from Vidal (1992), all of which found that 90 percent of CDCs engaged in housing. We attribute this difference to the inclusion of a broader group of organizations added from the NCCED (2005) data set to the universe for the study. Although they carry out community economic development activities, they do not produce any housing and engage in minimal housing activities.

Table 5. Descriptive Statistics of Four Types of CDC Housing Producers

	Housing Producers				Group Total
	Not a Producer in the Past 10 Years	Medium Producer with Few Housing Activities	Medium Producer with Housing Activities	High Producer or Developer of 500 or More Units	
Valid number—sample (%)	77	152	83	81	393
Valid number—weighted (%)	698	1,317	719	581	3,315
Frequency—weighted (%)	21	40	22	18	100
500 or more units in the past 10 years (%)	0	0	0	100	18
500 or more rehabilitation and new construction units in the past 10 years (%)	0	0	0	83	15
500 or more homeownership and rental units in the past 10 years (%)	0	0	0	79	14
Mean 10-year sum of rental and homeownership housing units completed (%)	0	106	127	1,088	261
Median 10-year sum of rental and homeownership housing units completed (%)	0	60	84	850	57
Mean 10-year sum of new construction and rehabilitation housing units completed (%)	0	114	137	1,441	328
Median 10-year sum of new construction and rehabilitation housing units completed (%)	0	80	95	903	78

To assess CDCs' housing activity portfolio, we list in table 6 by group the proportion of CDCs that engage in each of the nine housing activities. While housing activities are generally highly correlated with housing production, this general finding does not apply to the ranking of activities between the high producers and the medium producers with high housing activities. The latter outrank all other groups, including the high producers, in seven of the nine housing activities we inquired about, with the exception of condominium conversion and property management. These two are exceptions in other ways as well. Condominium conversion is a negligible activity that, for example, only 6 percent of the high producers carry in their portfolio. Conversely, property management is one of the highest-ranking activities for all the groups relative to other housing programming. Housing preservation (as indicated by "weatherization and/or repair of existing units"), homeownership counseling, and property management are the activities with the high-

Table 6. Type of Housing Producers by Housing Activity

Housing Activity	Housing Producers				Group Total (%)
	Not a Producer in the Past 10 Years (%)	Medium Producer with Few Housing Activities (%)	Medium Producer with Housing Activities (%)	High Producer or Developer of 500 or More Units	
Weatherization and/or repair of existing units (%)	8	55	92	68	55
Residential clean-up or paint campaigns (%)	6	29	70	49	37
Conversion of rental units to co-op or condominium (%)	1	5	0	6	3
Housing acquisition to prevent displacement or preserve affordability (%)	4	24	62	51	33
Property management services (%)	10	53	57	73	48
Administration of loan Funds (%)	6	19	72	55	34
Anti-Predatory lending campaign or program (%)	9	19	71	56	35
Tenants rights, counseling, or advocacy (%)	12	40	65	58	43
Homeownership counseling (%)	11	42	94	79	53

est proportion of CDCs participating. The nonproducer category does not engage in much housing-related activity.

Overall, these data reveal great variation among urban CDCs' portfolio of housing activities, with the medium producers with housing activities having the highest overall engagement in housing activities other than housing development. Taken together, these significant variations in housing production and other (nonproduction) housing activities validate a typology of CDCs based on the relative importance of housing in their overall portfolio.

The prevalence of nonhousing activities in CDCs' portfolios

Thus far we have assessed differences among the four types of CDCs based on housing activities. An important question that follows from our review of the literature is whether housing production is associated with a more or less diversified portfolio of activities. To gauge the intensity of each category's involvement in various non-housing-related activities, we created a scale of the various activities that comprise the organizational

portfolio.²³ An examination of the portfolio composition of the four types of producers reveals that CDCs engage in a substantial amount of non-housing-related activity and that, for the most part, they are not narrowly focused on housing.

Table 7 shows the scores for various indexes of nonhousing economic development and social service and educational activities. As a group, CDCs engage in a wide range of community development activities. However, contrary to expectations based on the literature, the data suggest that specialization in housing production and activities is not associated with a less diverse program portfolio. In all activities except incubator programs, large and medium producers with housing activities have a higher index of nonhousing activities than nonhousing producers or medium producers with few housing programs. In fact, medium housing producers with housing activities exhibit the highest scores in three of the four nonhousing activities categories. The data in table 7 also suggest that the portfolio of nonhousing producers is somewhat less diversified than that of housing producers and that housing production might actually be the foundation for a more diversified community development portfolio. These findings clearly contradict the contention that housing specialization is associated with less engagement in other community development activities (Goetz and Sidney 1994; Stoecker 1997).

Further, examination of budget data clearly refutes the notion that housing development and other housing activities typically prevail over a more balanced portfolio where nonhousing activities play a significant role. Rather, an examination of the budget allocation data for core economic development activities including housing (presented in table 8) supports the perspective that there is significant diversity within the field. The reported housing budget as a percentage of the overall budget for the three categories of CDCs that produce housing was approximately 33 percent (not shown in table 8).²⁴ Housing may represent the largest portion of their budgets, but the

²³The grouping of variables is based on factor analyses conducted for each of the types of activities (social and educational, economic development, and housing). For example, the scale identified as “home loans and counseling” includes the three yes/no variables: administration of loan funds, anti-predatory lending campaign or program, and homeownership counseling. The loading of these variables in the factor analysis indicated that these activities are often implemented by the organizations as complementary activities.

²⁴As is the case with other studies, the data reported here are affected by the fact that CDCs budget in very diverse ways. The information used in our analysis was obtained by asking CDCs what their “total annual (core operating) budget, excluding construction” was for the past fiscal year. In addition, respondents were asked to indicate for a variety of specified funding sources, including other sources, “the approximate dollar amount of funding they provide for [their] core operating budget.” In a few cases, the total of these funding sources was superior to the reported operating budget. In those cases, we used the highest value in our budget analysis.

Table 7. Social, Educational, and Economic Development Activities by Type of Housing Producers

	Housing Producers				Group Total
	Not a Producer in the Past 10 Years	Medium Producer with Few Housing Activities	Medium Producer with Housing Activities	High Producer or Developer of 500 or More Units	
Social and educational activities					
Job training and educational (scale 0 to 5)	1.39	1.32	1.94	1.87	1.56
Social services (scale 0 to 5)	0.80	1.13	1.57	1.18	1.16
All social and educational activities (scale 0 to 10)	2.19	2.45	3.51	3.05	2.72
Economic development					
Incubator (scale 0 to 6)	1.67	0.58	0.94	0.88	0.94
Venture capital (scale 0 to 3)	0.10	0.11	0.11	0.22	0.13
Community equity (scale 0 to 3)	0.19	0.09	0.26	0.13	0.15
Commercial development (scale 0 to 1)	0.43	0.25	0.30	0.42	0.33
All economic Development scale (0 to 12)	2.39	1.03	1.61	1.65	1.55
Total of nonhousing activities (scale 0 to 22)	4.58	3.48	5.12	4.70	4.27

lion's share is used for other activities. The 21 percent of CDCs that do not produce housing tend to give priority to economic development activities, which account for 27 percent of their budget; for other CDCs, expenditures for economic development programs represented a small fraction of the overall budget. At the same time, housing clearly remains important to the field. These findings lend credibility to Vidal's assertion that "CDCs that truly are interested in doing 'only' housing are few and far between. Much more common are the CDCs that have a broad mission of community improvement and to that end engage in a variety of community improvement activities" (1997, 430).

Characteristics of high producers

Given the finding of a well-defined group of 18 percent of CDCs that produce a relatively large amount of housing compared with other CDCs, we wanted to gain a better understanding of the characteristics associated

Table 8. Economic Development Budget Categories as Percentage of the Total Budget

	Housing Producers				Group Total
	Not a Producer in the Past 10 Years	Medium Producer with Few Housing Activities	Medium Producer with Housing Activities	High Producer or Developer of 500 or More Units	
Housing budget as part of the annual budget (%)	6	33	36	40	28
Economic development budget as part of the annual budget (%)	27	2	3	4	7
Commercial property development budget as part of the annual budget (%)	6	2	1	3	3

Note: The reported budgets are corrected to be consistent, because not all CDCs reported all the budget information (between 5 and 18 percent of CDCs in each group did not at least report one budget category). In cases with differences in the total budget reported and the sum of the budget by categories, we used the sum of the budget by categories to report percentages.

with high production. This is important because of persistent concerns about scalability and because of the presumption that larger producers would have greater expertise and resources. Specification of these characteristics may also facilitate support for the creation and stability of these types of organizations. As noted previously, we find that most CDCs engage in a relatively diverse range of activities. If the nonhousing activities portfolio is “comprehensive” (a concept widely used in the field), the question then becomes: What are the types of activities that are more conducive to housing production or are more associated with high housing production? We use a logistic regression model to explain the odds that a CDC will belong to the high group. The logistic regression equation is as follows:

$$\text{logit}(P) = \alpha + \beta_1 X_1 + \dots + \beta_i X_i \quad (1)$$

where $\text{logit}(P)$ is the log of the odds that a CDC will belong to the high housing producer group (Highhpd), α is the constant of the equation, and β is the coefficient of the predictor variables X . The dependent variable Highhpd (0,1) equals 1 if the organization completed 500 or more units of new construction or rehabilitation or 500 or more rental and homeownership units over the past 10 years. Table 9 specifies the definitions of the variables included in the model and summarizes their means and standard

Table 9. Definition of Variables for Survey Logistic Regression Model

Definition	Mean	Standard Deviant
Dependent variable		
Highhpd Housing producers and the developers that have produced 500 or more units in the past 10 Years	0.18	0.38
Independent variables		
large Large capacity, as determined by having a budget of \$1 million or higher and a staff size of 26 or more	0.20	0.40
age Age of the CDC	21.5	13.3
loghstok Log of the housing stock in the area served by the CDC	10.4	1.62
affil Affiliation with national intermediaries	0.42	0.49
comptrai Staff computer training	0.30	0.46
prctbres Local residents as a percentage of the board	72.8	33.2
tenure Tenure of the executive director (years)	9.27	7.76
staffturn Professional staff turnover (based on the total of part-time, full-time, and volunteer professional staff) (%)	11.0	18.0
phousb Housing budget as a percentage of the corrected annual budget	22.9	34.7
prctbbus Representatives of local businesses and financial institutions as a percentage of the board	29.4	23.5
housact Housing activity (scale 0 to 9)	3.40	2.46
jobtraedu Job training and education (scale 0 to 5)	1.56	1.33
socserv Social services (scale 0 to 5)	1.16	1.54
econdev Economic development (scale 0 to 12)	1.22	1.90
orgact Number of community organizing and advocacy activities (scale 0 to 4)	2.16	1.41

deviations. For instance, about 20 percent of CDCs have a large capacity as measured by a large staff and budget, 42 percent are affiliated with national intermediary organizations, and 72.8 percent of board members of the typical urban CDC are local residents.

Table 10 presents the results for two types of models. The first is a baseline model with control variables for organizational capacity. Following Vidal's (1992) analysis of mature CDCs and the work on CDC capacity by Glickman and Servon (1999, 2003), we assume that organizational characteristics influence the "scale of their physical output" (Vidal 1992, 90–91). These characteristics include the organization's size as measured by large budgets

and staffs, the importance of the program area (as measured by housing's share of the total annual budget), and the group's experience and leadership stability (using the age of the organization, professional staff turnover, and the tenure of the executive director as proxies). Other organizational variables are the proportion of representatives of local businesses and financial institutions and local residents on the CDC's board and the proportion of employees receiving computer training. Finally, the baseline model includes control variables for the size of the market where CDCs operate (as measured by the housing stock of the target area) and for whether the CDC is affiliated with a national intermediary (an indicator of network capacity). To estimate the second logistic regression model, we add to the core model or baseline equation some variables to measure the importance of the portfolio as a determinant of high housing production. In addition to housing activities, variables for program activities include job training and education, social services, economic development, and the number of community organizing and advocacy activities.

In the context of these models, the odds ratio is a way of comparing the effect of a given variable in the odds that a CDC will belong to the high housing producer group versus the odds that it will belong to any of the other groups, controlling for, or net of, the relative effects of other variables in the model. The baseline model shows primarily two things: first, that resources and organizational stability increased the odds that an organization will belong to the high group and, second, that the boards of directors of this group are composed differently from the boards of other such organizations. As to the first finding, both the variable that combines staff size and budget (large) to control for resources and the specialization in housing (as measured by the share of housing activities from the total budget) have, as expected, greater than 1 and significant odds ratios for large housing producers. Having a large capacity increases the odds of belonging to the high group by a factor of 5.409, while a 1 percent increase in the share of the budget devoted to housing increases the odds by a factor of 1.018.²⁵ Large staff and budget have the highest odds among all other variables for belonging to the high group. Although the age of the CDC is not a significant factor in the equation, other variables used as proxies for organizational stability improve the odds of being a large housing producer. High professional staff turnover reduces the odds of being a high producer (0.964), while the tenure of the executive directors increases the odds (1.033). Affiliation with

²⁵An odds ratio of 1 implies that the CDC is equally likely to belong to either group. An odds ratio of greater than 1 implies that the CDC is more likely to belong to the high group.

Table 10. Survey Logistic Regression Results for Belonging to the High Group

	Model 1 (Baseline)	Model 2 (Baseline and Programs)
large	5.409*** (2.080)	6.627*** (3.127)
age	0.998 (0.013)	1.001 (0.016)
loghstok	1.322*** (0.115)	1.428*** (0.168)
affil	2.800*** (0.994)	2.257** (0.866)
comptrai	1.976** (0.695)	1.983* (0.745)
prctbres	0.989** (0.005)	0.986*** (0.986)
tenure	1.033* (0.020)	1.022 (0.020)
staffturn	0.964*** (0.013)	0.956*** (0.014)
phousb	1.018*** (0.005)	1.015*** (0.005)
prctbbus	1.020*** (0.007)	1.018** (0.008)
housact		1.392*** (0.154)
jobtraedu		1.024 (0.178)
socserv		0.739** (0.091)
econdev		0.975 (0.095)
orgact		0.975 (0.164)
n	393	393
N	3,315	3,315
Prob > F	0.0000	0.0011

Note: Standard errors appear in parentheses.
* $p < 0.10$. ** $p < 0.05$. *** $p < 0.01$.

national intermediaries and the housing stock of the service areas targeted by the organizations (with odds ratio of 2.800 and 1.322, respectively) also improve the odds of belonging to the high group. Finally, it is important to highlight that high-producing organizations are predicted by the presence of a larger proportion of business partners (1.026) and a lower proportion of community representatives (0.987) on the board.²⁶ This finding is relevant for the debate within the community development field over the extent to which CDCs remain rooted in their communities. We will discuss this finding in more detail later.

The second logistic regression model reveals the importance and complementarities of housing activities for the likelihood of belonging to the high group. The odds ratio for the scale of nine housing activities (*housact*) is 1.392 and is significant at the 0.01 level. The implication is that a more diversified housing portfolio increases the odds that a CDC will be a high housing producer instead of belonging to any of the other groups by a factor of 1.392. Of all the other programmatic portfolio activities, a higher score in the social services index reduces the odds that an organization will belong in the high group by a factor of 0.739. These findings lead to an important observation. High housing producers specialize in housing production but are also more likely to participate in other nonproduction housing activities than the other CDC types used as a reference group. Other economic development, educational and job training, or organizing and training activities were not related to a CDC's belonging to the high group.

The results from the logit models are consistent with our prior analysis of the data. Overall, the evidence indicates that housing is the foundation for a more comprehensive set of community development activities than would be expected from discussions of this topic to date. Although some scholars have pointed to the diversity of activities pursued by CDCs (Brophy & Reilly LLC 2001; Vidal 1997), others maintain that CDCs are much more narrowly focused on housing. Eisenberg, for example, asserts that many CDCs "dropped their organizing, advocacy, and community leadership development activities" to focus almost exclusively on housing (2000, 3). Our research shows, however, that having few or no housing activities is strongly associated with a less comprehensive portfolio. In other words, organizations that produce housing tend to engage in a range of other activities as well, while those that produce no housing tend to focus on a narrow range of activities such as economic development.

²⁶ An odds ratio of less than 1 implies that a high proportion of community residents on the board reduces the odds that the CDC will belong to the high group.

CDCs' connection to communities

If we associate the larger proportion of business and financial institutions on the boards of those CDCs that specialize in housing with external control, then the findings from the logit models support the contention that these CDCs may have strayed from their roots (Eisenberg 2000; Stoecker 1997). However, these results are tempered by the fact that the overwhelming majority of CDCs—79 percent—engage in organizing activities. Specifically, as illustrated in table 11, 73 percent of all CDCs organize around community planning issues; 55 percent develop community organizations such as neighborhood associations, block clubs, neighborhood watch associations, and youth groups; 58 percent organize around community issues; and 31 percent conduct voter registration drives. CDCs' engagement in organizing and advocacy lends credibility to Bratt's assertion that "numerous CDCs, particularly those that have been in operation for a while, are actively engaged in building the power base of their communities, despite the fact that they also own and manage affordable housing, and maybe even commercial property" (1997, 27).²⁷

Table 11. Community Organizing and Advocacy Activities

	Housing Producers				Group Total
	Not a Producer in the Past 10 Years	Medium Producer with Few Housing Activities	Medium Producer with Housing Activities	High Producer or Developer of 500 or More Units	
Organize community planning (%)	67.3	62.2	91.1	80.6	72.8
Organize around community issues (%)	48.1	50.9	75.2	65.0	58.1
Develop community organizations (%)	38.8	49.8	71.0	68.7	55.4
Conduct voter registration (%)	20.9	27.6	40.3	37.7	30.7
Perform one or more of the above activities (%)	73.2	76.1	96.3	88.3	82.0
Number of activities (scale of 0 to 4)	1.75	1.89	2.78	2.51	2.16

²⁷Our data do not allow us to gauge the depth and breadth of this organizing work, but rather only whether or not they engage in it.

How do we reconcile our findings with contending views in the field? Our evidence clearly supports the view that large housing producers are more likely to have a different board composition than other organizations. But the composition of the board, which indeed shows an organizational preference for a more businesslike decision-making structure, does not necessarily imply an abandonment of community organizing and advocacy. In fact, high housing producers have above-average participation in all of these activities (80.6 percent compared with an average of 72.8 percent for the Organize Community Planning category). High producers exceed nonhousing producers and medium producers with few housing activities (which together constitute 61 percent of the industry) in all six categories of these types of activities. This evidence supports the view that high housing producers have not abandoned the social activism mission embraced by the community development field in general. Our findings also are consistent with case study research that suggest that community organizing and building connections to external stakeholders are complementary, rather than competing, strategies when building civic capacity in urban neighborhoods (Saegert 2006).

It is also important to consider the composition of the boards more broadly, as an indicator that CDCs continue to be responsive to their communities. Our survey data show that more than 93 percent of all CDC boards contain local residents (table 12). On average, local residents make up the majority—73 percent—of the total board. A total of 8 percent are religious leaders, 7 percent are government officials, and 29 percent are people from the business and financial worlds.²⁸ These findings revisit conclusions based on previous, nonrepresentative studies asserting that one-third (Vidal 1992) to one-half (Kelly 1977) of board members live outside the CDC's service area. One possible explanation for this finding might be the impact of the board composition requirement for community housing development organizations (CHDOs) applying for local government aid and the state's HOME funding. This important source for affordable housing funding contains a 15 percent set-aside for CHDOs.²⁹ And while some have found that male dominance of CDC boards may lead to a business orientation in CDCs (Kelly 1977; see also Gittell et al. 1994, which is cited in Stoecker 1997), we find

²⁸Totals add up to more than 100 percent because of overlapping categories.

²⁹The Cranston-Gonzalez 1990 National Affordable Housing Act created, among other things, the HOME Investment Partnership Act, commonly referred to as the HOME program, which has a 15 percent set-aside for CHDOs. They are eligible to apply for all HOME money, as well as the set-aside. CHDOs are required to have a minimum of one-third of their board composed of residents living in low-income neighborhoods, low-income residents, or those who are elected representatives of low-income neighborhood organizations but who are not public officials (these are counted as part of a different required category).

Table 12. CDC Types by Board Composition^a

	Housing Producers				Group Total
	Not a Producer in the Past 10 Years	Medium Producer with Few Housing Activities	Medium Producer with Housing Activities	High Producer or Developers of 500 or More Units	
CDC with board (%)	100.0	99.1	100.0	100.0	99.6
Mean of total board members	15.80	14.60	30.35	16.23	18.57
1 to 9 board members (%)	6.5	6.3	6.9	6.9	6.6
10 to 14 board members (%)	7.2	6.5	6.1	6.6	6.6
15 to 19 board members (%)	6.8	7.6	7.2	7.6	7.4
20 to 24 board members (%)	8.4	8.1	8.4	8.3	8.3
25 or more board members (%)	8.1	8.6	8.4	7.6	8.3
Board members include the following groups					
Local residents (%)	93.3	98.0	97.9	99.8	97.3
Local religious leaders (%)	39.2	49.9	45.2	47.9	46.2
Representatives of local businesses and financial institutions (%)	82.0	78.8	91.1	88.7	83.9
Local government officials (%)	48.9	30.4	38.1	40.7	37.8
Board member groups as a percentage of the total board ^b					
Local residents as a percentage of the board	66.3	79.0	73.3	66.4	72.8
Local religious leaders as a percentage of the board	8.9	8.9	5.7	6.1	7.7
Local government officials as a percentage of the board	9.8	5.8	6.0	7.4	7.0
Representatives of local businesses and financial institutions as a percentage of the board	33.3	24.2	29.1	36.6	29.4
White board members (%)	63.2	62.0	57.6	57.7	60.5
Black board members (%)	3.7	3.5	6.2	5.3	4.5
Hispanic board members (%)	6.5	7.7	5.5	9.9	7.3
Female board members (%)	33.1	43.9	44.7	42.5	41.5

Note: Between 5 and 18 CDCs did not answer one or more of these questions and were left as missing.

^aThe figures represent weighted data.

^bThe local categories may overlap.

that women constitute 40 percent of CDC boards. These findings do not necessarily translate into community control, but they do indicate a different board composition profile from the one that previous studies had suggested.

Conclusions

In what ways do our findings help us to build knowledge and recommend policy for the community development field? First, one of the common narratives describing the evolution of the field—that it shifted from broad to narrow, with a focus on housing—is not entirely true. While one group of CDCs has become focused on housing and economic development, most of the field remains diverse. Our findings contradict the notion that CDCs that produce larger amounts of housing have less diversified portfolios and fewer connections to the community. Housing appears to serve as a foundation for high producers, versus organizations with less housing production or none at all, to offer other community development activities.

With respect to the debates we discussed in the introduction to this article, our research shows that most CDCs continue to engage in a diverse array of activities, lending support to Vidal (1997) and Rohe, Bratt, and Biswas (2003). At the same time, we find significant subgroups of CDCs that have opted to specialize in housing or not to produce any housing at all. However, most CDCs have a diversified portfolio of housing and nonhousing activities. To fully investigate Stoecker's (2003) claim that development and organizing should be separated, it is important to develop measures of success for both activities and to explore the extent to which it is possible for these activities to be complementary and, by implication, for a CDC to be able to do both well. This kind of investigation would be a logical next step from this research. Another useful next project would be to investigate the factors underlying CDCs' decisions to focus on either organizing or development.

Given the diversity of types and emphases, CDCs cannot be judged by the same yardstick. Our findings may even signal the end of the useful life of the term "community development corporation." Our research indicates that we must rethink the way that we study, evaluate, and support CDCs, regardless of their nomenclature. One next step might be to develop distinct evaluation frameworks and support strategies to be used for each type of CDC. Such frameworks would be useful for rewarding CDCs based on their intent, rather than on an overly general or inaccurate idea of what a CDC is supposed to be.

Appendix A

Section A: Screening Questions

SC1. Does your organization develop or preserve rental or homeowner housing or engage in commercial, economic development, or other revenue-generating activities?

Yes

No (terminate the interview)

DON'T KNOW (terminate the interview)

REFUSED (terminate the interview)

SC2. What would you say is the geographic scope of your organization?

Is it

SC2. Neighborhood or community based?

Yes (continue to Q1)

No (terminate the interview)

DON'T KNOW (terminate the interview)

REFUSED (terminate the interview)

SC3. Would you say it is local, county, or city based?

Yes (continue to Q2)

No (terminate the interview)

DON'T KNOW (terminate the interview)

REFUSED (terminate the interview)

Authors

Edwin Melendez is a professor at Milano The New School of Management and Urban Policy, and Lisa J. Servon is an associate professor at Milano The New School of Management and Urban Policy.

The authors acknowledge the financial support of the Ford Foundation to the Community Development Research Center, as well as the valuable assistance of the Urban Institute's National Center for Charitable Statistics, the Enterprise Foundation, the Neighborhood Reinvestment Corporation, the Local Initiative Support Corporation, Seedco, and other groups that provided lists for the universe of community development corporations. The data set was prepared by Christian Villenas and Edwin Melendez, with the assistance of Joy LaChelle Bailie from a project funded by Living Cities. The survey was designed by a joint team of researchers from the Community

Development Research Center (Edwin Melendez, Lisa J. Servon, and Alex Schwartz) and researchers from a project sponsored by Living Cities (Aida Rodriguez, Rikki Abzug, and Mary Watson). The survey data were collected by the Center for Survey Research and Analysis at the University of Connecticut under the supervision of Chase Harrison. The Fannie Mae Foundation provided financial support for conducting the data analysis.

The authors are particularly grateful to the organizations that participated in the survey and facilitated the collection of information. Finally, the authors acknowledge the helpful comments of Kristopher Rengert and Kil Huh, as well as those from two anonymous reviewers. Any errors or omissions are the responsibility of the authors.

References

Berndt, Harry E. 1997. *New Rulers in the Ghetto: The Community Development Corporation and Urban Poverty*. Westport, CT: Greenwood.

Bogart, William T. 2003. *Civic Infrastructure and the Financing of Community Development*. Washington, DC: Brookings Institution.

Bratt, Rachel G. 1997. CDCs: Contributions Outweigh Contradictions—A Reply to Randy Stoecker. *Journal of Urban Affairs* 19(1):23–28.

Bratt, Rachel G., and William M. Rohe. 2004. Organizational Changes among CDCs: Assessing the Impacts and Navigating the Challenges. *Journal of Urban Affairs* 26(2):197–220.

Brophy & Reilly LLC. 2001. *An Environmental Scan of the Community Development Field*. Columbia, MD.

Chaskin, Robert J., Mark L. Joseph, and Selma Chipenda-Dansokho. 1997. Implementing Comprehensive Community Development: Possibilities and Limitations. *Social Work* 42(5):435–44.

Cowan, Spenser M., William Rohe, and Esmail Baku. 1999. Factors Influencing the Performance of Community Development Corporations. *Journal of Urban Affairs* 21(3):325–40.

Eisenberg, Pablo. 2000. Time to Remove the Rose-Colored Glasses. *Shelterforce Online* 110 (March/April). World Wide Web page <<http://www.nhi.org/online/issues/110/eisenberg.html>> (accessed June 2007).

Faux, Geoffrey. 1971. *CDCs: New Hope for the Inner City*. New York: Twentieth Century Fund.

Fitzgibbon, Michael. 1997. Accountability Misplaced: Private Social Welfare Agencies and the Public in Cleveland, 1880–1920. *Nonprofit and Voluntary Sector Quarterly* 26(1):27–40.

- Gittell, Ross, and Margaret Wilder. 1999. Community Development Corporations: Critical Factors That Influence Success. *Journal of Urban Affairs* 21(3):314–61.
- Glickman, Norman J., and Lisa J. Servon. 1999. More Than Bricks and Sticks: Five Components of Community Development Corporation Capacity. *Housing Policy Debate* 9(3):497–539.
- Glickman, Norman J., and Lisa J. Servon. 2003. By the Numbers: Measuring Community Development Capacity. *Journal of Planning Education and Research* 22(3):240–56.
- Goetz, Edward G., and Mara Sidney. 1994. *Revenge of the Property Owners: Community Development and the Politics of Property*. St. Paul, MN: University of Minnesota Housing Program.
- Green, Gary P., and Anna Haines. 2002. *Asset Building and Community Development*. Thousand Oaks, CA: Sage.
- Halpern, Robert. 1994. *Rebuilding the Inner City: A History of Neighborhood Initiatives to Address Poverty in the U.S.* New York: Columbia University Press.
- Harrison, Bennett. 1974. Ghetto Economic Development: A Survey. *Journal of Economic Literature* 12(1):1–37.
- Kelly, Rita M. 1977. *Community Control of Economic Development: The Boards of Directors of Community Development Corporations*. New York: Praeger.
- Kubisch, Anne C. 1996. Comprehensive Community Initiatives: Lessons in Neighborhood Transformation. *Shelterforce Online* 85 (January/February). World Wide Web page <<http://www.nhi.org/online/issues/85/compcominit.html>> (accessed April 1, 2005).
- Marquez, Benjamin. 1993. Mexican-American Community Development Corporations and the Limits of Directed Capitalism. *Economic Development Quarterly* 7(3):287–95.
- National Congress for Community Economic Development. 1989. *Against All Odds*. Washington, DC.
- National Congress for Community Economic Development. 1991. *Changing the Odds: The Achievements of Community-Based Development Organizations*. Washington, DC.
- National Congress for Community Economic Development. 1995. *Tying It All Together: The Comprehensive Achievements of Community-Based Development Organizations*. Washington, DC.
- National Congress for Community Economic Development. 1999. *Coming of Age: Trends and Achievements of Community-Based Development Organizations*. Washington, DC.
- National Congress for Community Economic Development. 2005. *Reaching New Heights*. Washington, DC.
- Peirce, Neal, and Carol Steinbach. 1987. *Corrective Capitalism: The Rise of America's Community Development Corporations*. New York: Ford Foundation.

Perry, Stewart. 1987. *Communities on the Way: Rebuilding Local Economies in the United States and Canada*. Albany, NY: State University of New York Press.

Reingold, David A., and Craig L. Johnson. 2003. The Rise and Fall of Eastside Community Investments, Inc.: The Life of an Extraordinary Community Development Corporation. *Journal of Urban Affairs* 25(5):527–49.

Rohe, William M. 1998. Do Community Development Corporations Live Up to Their Billing? A Review and Critique of the Research Findings. In *Shelter and Society: Theory, Research, and Policy for Nonprofit Housing*, ed. C. Theodore Koebel, 177–99. Albany, NY: State University of New York.

Rohe, William M., Rachel G. Bratt, and Protip Biswas. 2003. *Evolving Challenges for Community Development Corporations: The Causes and Impacts of Failures, Downsizings, and Mergers*. Chapel Hill, NC: University of North Carolina at Chapel Hill, Center for Urban and Regional Studies.

Romeo, Sheryl, and Linda Lampkin. 2002. *Finding a Needle in a Haystack: An Analysis of Search Strategies to Identify Community Development Corporations*. Washington, DC: Urban Institute.

Rosen, Kenneth T., and Ted Dienstfrey. 1999. The Economics of Housing Services in Low-Income Neighborhoods. In *Urban Problems and Community Development*, ed. Ronald F. Ferguson and Williams T. Dickens, 437–520. Washington, DC: Brookings Institution Press.

Rubin, Herbert. 1994. There Aren't Going to Be Any Bakeries If There Is No Money to Afford Jellyrolls: The Organic Theory of Community-Based Development. *Social Problems* 41(3):401–24.

Rubin, Herbert. 1995. Renewing Hope in the Inner City: Conversations with Community-Based Development Practitioners. *Administration and Society* 27(1):127–60.

Rubin, Herbert J. 2000. *Renewing Hope within Neighborhoods of Despair: The Community-Based Development Model*. Albany, NY: State University of New York Press.

Rubin, Herbert, and Irene Rubin. 1992. *Community Organizing and Development*. New York: Macmillan.

Saegert, Susan. 2006. Building Civic Capacity in Urban Neighborhoods. *Journal of Urban Affairs* 28(3):275–94.

Steinbach, Carol F., and Robert O. Zdenek. 1999. Lessons from a Fall: What Went Wrong at ECI? *NeighborWorks Journal*, Fall, pp. 10–13.

Stoecker, Randy. 1994. *Defending Community: The Struggle for Alternative Redevelopment in Cedar-Riverside*. Philadelphia: Temple University Press.

Stoecker, Randy. 1997. The CDC Model of Urban Redevelopment: A Critique and an Alternative. *Journal of Urban Affairs* 19(1):1–22.

- Stoecker, Randy. 2003. Community-Based Research: From Practice to Theory and Back Again. *Michigan Journal of Community Service Learning* 9(2):35–46.
- Stoutland, Sara E. 1999. Community Development Corporations: Mission, Strategy, and Accomplishments. In *Urban Problems and Community Development*, ed. Ronald F. Ferguson and Williams T. Dickens, 193–240. Washington, DC: Brookings Institution Press.
- Sviridoff, Mitchell, and William Ryan. 1996. *Investing in Community: Lessons and Implications of the Comprehensive Community Revitalization Program*. New York: Comprehensive Community Revitalization Program.
- Vidal, Avis. 1992. *Rebuilding Communities: A National Study of Urban Community Development Corporations*. New York: New School for Social Research, Graduate School of Management and Urban Policy, Community Development Research Center.
- Vidal, Avis. 1997. Can Community Development Re-Invent Itself? The Challenges of Strengthening Neighborhoods in the 21st Century. *Journal of the American Planning Association* 63(4):429–38.
- Vidal, Avis C., and W. Dennis Keating. 2004. Community Development: Current Issues and Emerging Challenges. *Journal of Urban Affairs* 26(2):125–37.
- Vidal, Avis, and Langley C. Keyes. 2005. *Beyond Housing: Growing Community Development Systems*. Washington, DC: Urban Institute.
- Walker, Christopher. 1993. Nonprofit Housing Development: Status, Trends, and Prospects. *Housing Policy Debate* 4(2):369–414.
- Walker, Christopher, and Mark Weinheimer. 1998. *Community Development in the 1990s*. Washington, DC: Urban Institute.
- Zdenek, Robert. 1987. Community Development Corporations. In *Beyond the Market and the State*, ed. Severyn Bruyn and James Meehan, 112–27. Philadelphia: Temple University Press.

