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MICHIGAN STATE UNIVERSITY

THE ROLE OF COMMUNITY-BASED HOUSING
ORGANIZATIONS IN THE COMMUNITY DEVELOPMENT
PROCESS

A PLAN·B PAPER SUBMITTED TO
THE FACULTY OF THE DIVISION OF URBAN & REGIONAL
PLANNING
IN CANDIDACY FOR THE DEGREE OF
MASTER OF URBAN & REGIONAL PLANNING-URBAN STUDIES

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DECEMBER 1996

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ACKNOWLEDGMENTS

In memory of the late Mr. and Mrs. Albert Thompson, Sr.
and
the late Albert Thompson, Jr.

INTRODUCTION

There is a housing crisis in the U.S. and federal housing policies alone have been
insufficient in assisting disadvantaged people and families (e.g., low- and moderate-
income citizens) find safe, decent, and affordable homes. Community-based housing
organizations (i.e., CBHOs) are institutions which can provide assistance to these citizens
who are seeking safe and affordable housing. CBHOs provide nondevelopmental and
developmental activities to meet the housing needs of low- to moderate-income citizens.
In addition, CBHOs empower citizens with knowledge about legal issues related to
housing (e.g., landlord / tenant laws, pre-homeownership issues, mortgage counseling,
etc.). Also, CBHOs help to develop communities because CBHOs involve local residents
in the process of social change and CBHOs improve the well-being of communities.

The purpose of this paper is twofold. First, the purpose it to determine the
relationship between CBHO functions and the community development principals and
concepts in addressing the needs of low- and moderate-income citizens. Second, the
purpose of the paper is to determine if CBHOs and the community development process
in the Detroit case studies address the housing needs of low- and moderate-income
citizens.

There is evidence that supports the premise of this research, too. For instance, it
is very difficult for people to purchase and maintain a home in the United States.
Housing problems afflict people of different races, socioeconomic backgrounds, genders,
and ages. "High housing prices and low incomes are the cause of our present housing
crisis in the U.S. For the poor, finding affordable housing has become a disaster. Most
of the poor pay more than half of their income for housing, forcing them to chose

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between shelter or food. Low-income households outnumber the inexpensive apartments by two to one. Out of 13.8 million renter households eligible for federal housing assistance, only 4.1 million (29%) currently, receive it. That leaves 9.7 million households to fend for themselves in the private marketplace" (Drier and Atlas, 1992: 4-5).

The U.S. federal housing policies have been insufficient in assisting disadvantaged people and families (e.g., people who cannot afford to buy or rent a home). The U.S. can provide opportunities for safe, decent, and affordable housing by strengthening social institutions, especially CBHOs. With the emergence of the National Affordable Housing Act of 1990, CBHOs have been capable of providing assistance to citizens who have been negatively affected by past and present housing policies and programs.

To date, no analysis has been completed to determine if there is a relationship between CBHOs and the community development process in general. In addition, this research would benefit urban planners in understanding the importance of community development principles and practices.

Why is the issue of CBHOs important for Urban and Regional Planners? First of all, "housing" is an aspect of urban planning. "Urban and regional planning is a systematic, creative approach to influence and manage the social, economic, and physical change of neighborhoods, small towns, cities, suburbs, metropolitan areas, regions, and states. Planners create plans and policies to meet the social, economic, and physical needs of communities" (Kelly and Jensen, 1989: 4). Second, urban planners are responsible for creating efficient communities and developing safe and affordable homes

in our society. Urban planners are also responsible for enhancing the "quality of life " throughout urban areas. "As *housing and community development specialists*, urban planners assist in alleviating *housing* problems by meeting the social, economic, and physical needs of communities. These planners analyze housing needs and compare those to an existing supply. Housing and community development planners develop strategies to ameliorate existing housing deficiencies and to provide new and affordable housing opportunities for low- and moderate-income citizens. In addition, these planners tend to work for community development organizations, especially CBHOs" (Kelly and Jensen, 1989: 7)

Since housing and community development specialists tend to work with and often for CBHOs, it is important for urban planners to understand the principles and approaches of the community development process. CBHOs tend to adhere to the principles, practices, and approaches of the community development theory since CBHOs are a *version* of community development organizations. It is also necessary for housing and community development specialists to understand the relationship between CBHO functions and the community development process because these planners are conducting *community development* work. Therefore, these planners should understand community development theories, approaches, practices, and principles in order to effectively *develop* communities with safe, decent, and affordable housing .

There are some problems which need to be addressed, too. What are the various types of relationships between CBHOs and community development? Do CBHOs adequately address problems and/or concerns of low- and moderate-income residents? The research paper will address these issues.

The first chapter of the paper discusses U.S. federal housing policy and goals related to housing. The second chapter of the paper discusses "community-based housing organizations" (or CBHOs). This chapter will define CBHOs and state the characteristics of CBHO. In addition, this chapter will describe the purpose, goals, and objectives of CBHOs.

In the third chapter of the paper, the focus is on "community development". The formation and history of community development is described in great detail. Also, there are various approaches to community development which are used by CBHOs. They are *self help*, *technical assistance, and conflict*. The chapter ends with a discussion about the six principles of community development are highlighted.

The fourth chapter describes the relationship between CBHOs and "community development" goals. CBHOs incorporate the principles of "community development" in their efforts to assist clients alleviate housing problems. For instance, CBHOs use the various approaches to community development when empowering low-income homeowners and/or renters to alleviate housing problems in their communities. Due to the relationship of CBHOs and community development, clients are able to locate and obtain affordable housing. In addition, communities are able to provide diverse housing types for everyone within a community. This relationship also alleviates other community-related problems. For instance, the relationship between CBHOs and community development enhance economic development in communities (e.g., increasing property values or enhancing economic stability).

The fifth chapter will discuss the housing status in Detroit, Michigan. In addition, it will provide real-life examples of CBHOs and discuss the characteristics (e.g., goals,

objectives, mission, services) of each case study. For example, the paper will mention the different methods of "citizen participation" and "empowerment" issued by each case study. The sixth chapter will provide an analysis of the case studies. The seventh chapter provides a "conclusion" of the research on CBHOs and the community development process.

<u>Summary</u>

Community-based housing organizations provide assistance to low- and moderate-income citizens who are seeking safe, decent, and affordable housing. These organizations provide development and nondevelopment activities to meet the needs of these citizens, too. The purpose of CBHOs is to determine the relationship between CBHOs and the community development process. Also, this research illustrates how two Detroit CBHOs address the housing needs of low- and moderate-income citizens.

CHAPTER 1

HOUSING POLICY IN THE U.S.

The heart of the American dream consists of owning your own home. Unfortunately, it is becoming difficult for people to purchase and maintain a home in the United States. Housing problems afflict people of different races, socioeconomic backgrounds, genders, and ages (e.g., senior citizens, single parents, Whites, young families, etc.). "High housing prices, low incomes, and high rent costs are the causes of our present housing situation in the United States. For the poor, finding affordable housing has become a disaster. Most of the poor pay more than half of their income for housing, forcing them to chose between shelter or food. In addition, the affordable housing stock is also disappearing. For instance, low-income households outnumber the inexpensive apartments by two to one. Out of 13.8 million renter households eligible for federal housing assistance, only 4.1 million (29 %) currently, receive it. That leaves 9.7 million households to fend for themselves in the private marketplace" (Drier and Atlas, 1992: 4-5).

The U.S. federal housing policies alone have been insufficient in assisting disadvantaged people and families (e.g., people who cannot afford to buy or rent a home). "For instance, the Reagan and Bush administrations, slashed federal housing funds by over 70% during the 1980s. To balance their budgets and pay for needed services, local governments had to increase regressive real estate taxes on the middle class" (Drier and Atlas, 1992: 4-5). The U.S. can provide opportunities for safe, decent, and affordable housing by strengthening social institutions, especially CBHOs. Before discussing CBHOs, let's take a look at the history of federal housing policy.

"The history of federal housing policy has traveled a rocky road. It has focused on several goals, too. One goal of federal housing policy had been to create jobs and stimulate the economy in times of economic recession allowing interests rates to rise which depress new housing starts, during periods of inflation. The second goal consisted of expanding homeownership in the inner cities and suburbia. The third goal consisted of the revitalization of inner cities (e.g., destroying low-income housing and working class neighborhoods). Unfortunately, this strategy has been responsible for supposedly improving low-income neighborhoods in inner cities by providing better housing and creating higher housing costs that displace the poor and minority families. The fourth goal consisted of providing the poor with low-cost housing. Unfortunately, the end result has been the isolation of the poor in insufficient public subsidized housing units. A final goal consisted of reducing segregation by increasing opportunities for minorities to live in predominantly white areas. However, the results of the final goal was discrimination against minorities in the implementation of the Federal Housing Administration (FHA) insurance programs by failing to enforce the Community Reinvestment Act" (Drier and Atlas, 1992).

"In the 19th and 20th centuries, housing reformers focused attention on the housing conditions of the poor who lived in substandard and inhabitable housing within industrial cities. These poor housing conditions consisted of "overcrowding", "poor construction" and "unsanitary" conditions. In the 1930s, the attention of these poor housing conditions in industrial cities turned to *federal* intervention. Until the 1930s, no *national* housing policy existed. Unfortunately, only housing movements were in existence . Various interested constituencies (e.g., homebuilders, banking industry, trade

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unions, unemployed workers, minorities, etc.) pushed Washington to establish the first home financing program and the first public housing program to help with both housing and jobs" (Drier and Atlas, 1992).

The Federal Housing Act of 1934 set up the Federal Housing Administration (FHA) and the Federal Savings and Loan Insurance Corporation (FSLIC). The FHA gave private mortgages to *new* homeowners. The FSLIC guaranteed savings and loans for individual accounts (i.e., individual mortgages are guaranteed against default and banks are given the confidence to offer long-term mortgages of 30 years). The FSLIC gave people with moderate "means" of income an ability to purchase housing. In addition, the Veterans' Administration (VA) housing program offered similar help to veterans.

"The Public Housing Act of 1937 set up the framework of entire housing program for the U.S. and it was limited for public housing to the poor. Public housing authorities were suppose to run rental subsidy programs under this act (e.g., Section VIII rental assistance) and voucher programs (e.g., housing certificates). Unfortunately, public housing was sabotaged and only 1.3 million units were built" (Drier and Atlas, 1992)..

After WWII, the Housing Act of 1949 emerged on the scene. Its declared goal was to create and maintain decent homes and suitable environments for America citizens. The act set in place the Urban Renewal Program which was suppose to "renew" areas but it destroyed housing instead of revitalizing housing. In other words, it destroyed many poor neighborhoods instead of revitalizing areas. In doing so, urban renewal pushed the poor out of poor neighborhoods at the expense of commercial development and market - rate housing. "Other policies promoted low-income housing but, gave priority to high-

rise projects, concentrated in existing low-income neighborhoods, and removed 'housing'

from the commercial revitalization efforts" (Drier and Atlas, 1992: 8).

"The civil rights movement and the urban riots of the 1960s triggered a new round

of federal housing initiatives" (Drier and Atlas, 1992: 8). The Civil Rights Act of 1964

allowed access of various housing types to minorities and banned discrimination in

housing sales or rentals. In addition, the Housing Act of 1965 created the U.S.

Department of Housing and Urban Development to improve housing conditions of

minorities, low-income persons, and the poor. "Model Cities" was a program created

under HUD to make housing decisions in local communities. This program was

combined with physical improvements and social services but it only lasted a few years.

Even though HUD existed in the U.S., the status of ghetto housing was still

considered to be a major problem. In response, the Housing Act of 1968 set a goal to

create housing to meet the needs of low-income minorities. "This act created a target of

26 million units within ten years. In actuality, houses were not being built fast enough by

the federal government to meet the housing needs across the nation. Congress provided

incentives to the private sector for building affordable housing. These incentives included

tax incentives (e.g., tax breaks or accelerated depreciation of property) and money (e.g.,

loans, grants, or private donations) for housing rehabilitation.

The Housing Act of 1974 established two major programs: Section VIII and

community development block grants (i.e., CDBGs). "In 1974, a number of urban-

oriented programs were folded into community development 'block grants' (CDBGs)

distributed directly to cities targeted under a *needs formula*, on the theory that mayors

understood local needs better than Washington" (Drier and Atlas, 1992: 8). The purpose

of CBDG funds were to pay for public facilities, housing needs, and infrastructure. Unfortunately, CDBG funds also gave permission for some cities to ignore the *housing* needs of the poor since some communities spent money on infrastructure alone or the communities least controversial housing projects.

Along with the Housing Act of 1974, the Section VIII Certificate Program was created. This is a subsidy program for rental housing and housing in the private sector. With Section VIII, recipients only pay 30% of an income on housing. Then the Section VIII Certificate is an indicator that the government will pay the rest of your housing expenses.

"The 1970s witnessed the continued exodus to the suburbs, the steady growing potential of homeownership, and uneven housing construction tends. In return, several federal policy changes influenced lending institutions to get involved with housing issues" (Drier and Atlas, 1992: 8). Neighborhood groups pressured the federal government to review lending practices in 1977 and the government passed the Community Reinvestment Act. Under this act, banks are required to demonstrate that banks are indeed providing credit to low-income areas that had historically been unable to secure capital (e.g., black neighborhoods, ghetto areas, low-income areas etc.). Banks mortgage records are examined on a regular basis. This policy was used to ensure or force banks to invest in all types of communities. "Unfortunately, Congress in 1980 passed the first of many lending deregulation laws which would contribute significantly to the decline in homeownership rates in the 1980s" (Drier and Atlas, 1992: 8). In return, these actions affected the progress of the CRA.

During the Reagan and Bush administrations, Reagan and Bush launched a major assault on federal support for low-income housing. The Reagan and Bush administrations experienced a dry period where no construction or re-construction of low-income federal housing occurred. The HUD budget was cut from $30 billion to $8 billion in a six year period (i.e., 1981 - 1987), In addition, homelessness occurred due to *cuts* in the HUD budget and a lack of new affordable housing projects.

"In light of President Reagan and Bush's neglect, Congress and housing activists stepped in. Following the recommendations of its housing task force, Congress in 1990 enacted the National Affordable Housing Act (NAHA) which slightly increased overall HUD funding levels for the first time since the late 1970s and created a new 'block grant' program called HOME. This program directs federal funds to each state, and to many cities and counties, by means of a formula based on need for creative and innovative projects. The federal HOME program has been used as a tool by community development agencies, nonprofit agencies and for-profit private developers. HOME funds are best able to expand and improve the living environments of low- and moderate-income households. An example of categories of HOME projects that are frequently used include the following: rehabilitation of owner -occupied and rental units, housing acquisition with rehabilitation, and tenant based rental assistance. A minimum of 15% of HOME funds is targeted for **community-based nonprofit organizations**" (Drier and Atlas, 1992: 10).

Since the 1970s, most CBHOs have been providing assistance to those citizens who have been negatively affected by past and present housing policies and programs. CBHOs have received CDBG funds, HOME funds, and other funds to carry out measures

related to safe and affordable housing. CBHOs have been geared towards providing assistance to those affected by the U.S. housing crisis by helping citizens find, finance, and maintain safe and affordable housing. Therefore, CBHOs need to be discussed and defined in greater detail in order to understand their impact and importance to U.S. citizens.

Summary

The U.S. federal housing policies alone have been insufficient in assisting low- and moderate-income citizens find safe, decent, and affordable housing. It is difficult for people to purchase and maintain homes in the U.S., too. The U.S. can provide opportunities for safe, decent, and affordable housing by strengthening social institutions like CBHOs. Fortunately, CBHOs have been able to provide assistance to low- and moderate-income persons due to the National Affordable Housing Act of 1990.

The next chapter will discuss the concept of community-based housing organizations. The purpose of the chapter is to define CBHOs and its components. This chapter will also discuss the organization of CBHOs along with the challenges and outcomes of CBHOs.

CHAPTER 2

COMMUNITY-BASED HOUSING ORGANIZATIONS

A community-based housing organization (i.e., CBHO) is usually a nonprofit

organization that provides housing assistance to residents of low- to moderate-income

areas. Its purpose is transform distressed neighborhoods into healthy and safe

communities. CBHOs tend to focus on the private housing sector as opposed to

subsidized housing. CBHOs generally serve a geographic area. "These organizations

tend to operate in economically depressed areas although there may also be activity in

middle class areas as well. CBHOs are initiated *locally* by local residents (e.g.,

neighborhood residents, businesses, and other organizations) in low- and moderate-

income areas. (Williams, 1985: 78). Furthermore, CBHOs receive funding from local

state, and/or federal government grants (e.g., Neighborhood Opportunity Funds, HOME

block grants, Community Development Block Grants). In addition, CBHOs may receive

funds from banks, universities, businesses, private foundations, or private donations (e.g.,

First Chicago-NBD, Comerica, Kellogg Foundation, Ford Foundation, Detroit Edison).

CBHOs also implement development and / or nondevelopment activities. Some

development activities consist of housing rehabilitation, redevelopment, and production.

An example of a housing rehabilitation project would consist of housing weatherization.

An example of a redevelopment activity would consist of converting a single-family

dwelling into a multi-family dwelling. Nondevelopment activities would consist of

landlord/tenant counseling, community organizing, emergency shelter assistance,

mortgage counseling, down payment assistance, and other human services related tasks.

As development entities, CBHOs may be referred to as "community development organizations" (e.g., CDCs) or " community housing development organizations" (e.g., CHDOs). CDCs are nonprofit organizations who are involved with community and/or economic development activities. These organizations may or may not provide housing services. If a CDC does conduct housing activities, then it is also considered a CBHO.

On the other hand, community housing development organizations (e.g., CHDOs) are CBHOs which are recognized by the U.S. Department of Housing and Urban Development as housing agencies. The main purpose of these agencies is to produce, rehabilitate, or redevelop housing instead of providing nondevelopment activities (e.g., housing counseling and human services activities). In addition, these agencies receive HOME block grants from the federal government to develop housing for low- and moderate-income residents. Therefore, CBHOs may consist of the following: (1) CDC with housing programs; (2) CHDOs; or (3) nonprofit agencies solely dedicated to nondevelopmental activities.

The organizational characteristics of CBHOs have several elements. CBHOs tend to have full-time, paid, professional staff and a well-developed fundraising capacity. Also, CBHOs have support of a network of umbrella groups, technical assistants, and a coalition of interest groups. For instance, a CBHO staff would consist of the following: (1) executive director; (2) housing director; (3) secretary, receptionist, or administrative assistant; (4) community organizer; (5) construction / property manager; (6) fundraisers; (7) technical assistants (e.g., surveyor, proposal writer, architect, etc.); and (8) volunteers. Furthermore, CBHOs have the political thrust and concern for a public interest (Williams, 1985).

There are six goals of community-based housing organizations. The first goal deals with the community renewal process. This goal can be achieved in several ways. One way of shaping community renewal is by creating community-based housing developers and nonprofit community development organizations (i.e., CDCs or CHDOs). "The nonprofit housing sector displays a remarkable diversity of organizational forms attested to nonprofit housing development agencies: community development corporations, nonprofit development organizations, community housing development organizations, etc. Compared with other types of nonprofit agencies, CDCs may also take on nondevelopment roles (e.g., social service provision, etc.)" (Walker, 1993: 371). In addition, the largest producers of affordable housing in the nonprofit sector are citywide, metropolitan, and regional nonprofit developers.

Nonprofit housing developers' corporations, regional developers, and CDCs devise and implement two (comprehensive) community renewal strategies. One strategy involves *housing unit production*. "The basic performance test of the nonprofit development sector, for both CDCs and other types of development entities, is the number of units it produces. The term 'production' entails financial arrangements, levels of development, and private financial institutions. The level of development can include the creation of new units, substantial rehabilitation of units no longer in stock, moderate rehabilitation to preserve existing units, and emergency repair and other light rehabilitation. Moreover, unit types can consist of homeowner units, single-family rental properties, and medium- and large-scale rental buildings and cooperatives. Finally, nonprofit development can be done on a project-by-project basis or can involve participation in ongoing program management" (Walker, 1993: 372).

There are no historical data on total units produced by the nonprofit sector. However, it is possible to estimate the amounts of federally supported subsidized housing production and preservation through the nonprofit housing sector. "Total cumulative nonprofit housing production between 1960 and 1990 under federal production and preservation programs is an estimated 14 percent of all subsidized unit obligations (excluding public housing), amounting to approximately 36,000 units (Walker, 1993: 373). Nonprofit sponsorship of "preservation program" units - programs largely devoted to light to substantial rehabilitation of structures - largely has been supported under the Community Development Block Grant (CDBG) program. Once again, it is impossible to give an accurate number of units produced by the nonprofit sector but it is possible to obtain a **best guest** estimate.

Another "community renewal" strategy consists of restricting housing development to certain areas. CBHOs tend to self-identify with particular neighborhoods and restrict development activity to those neighborhoods and otherwise undertake community-building activities that typically serve only those neighborhoods. By restricting development, CBHOs show loyalty and commitment to particular areas. This practice illustrates an organization's commitment to help a community *change* its environmental situation. By identifying with a community, CBHOs show dedication towards enhancing an area and the lives of those residents within the area.

Furthermore, "community reinvestment" tends to be a community renewal technique. "Community reinvestment" involves community development mustering the political strength necessary to influence local and/or community economic conditions. An organization's strength and competence can make the difference between a thriving

neighborhood and one that is besieged by economic distress and decay. An effective

community reinvestment plan is one which truly involves active leadership of residents as

equal partners who are capable of addressing the fundamental concerns of the

community. By using this approach, residents within a community become active

decisionmakers who are steering the courses for their neighborhoods. "Community

reinvestment which truly benefits the neighborhood is the result of an organized and

politically skilled resident population, one which recognizes that the community's

strength lies in the ability to articulate and advocate a vision of the neighborhood's

function and future" (Lansberry, Litwin, Slotnik & Vaughn, 1995: 18). An effective

CBHO or community development organization requires the development and nurturing

of a neighborhood vision and the growth of an organization's capacity that is dedicated to

seeing that the resident-determined vision, mission, and goals are brought to life.

With CBHOs, "community reinvestment" involves insertion of capital into the

local area. Houses get fixed-up and new ones are built. It means houses are free from

potential intruders and the streets are safer to walk. For residents and community

members, the image of the neighborhood has improved, it feels better to live there.

Neighborhood rebirth means that the area is becoming more fashionable. For instance,

stately old homes, once in despair and split into several crowded apartments begin to sell

at higher prices. Finally, reinvestment must be accomplished in a equitable way,

producing the least possible harm and disruption. The basic issue is determining how the

community would be involved in the land use planning process and an agreement on

what is equitable is not easy to achieve, even if there is to be reinvestment. Therefore, the

decision-making process ought to be broad-based as it can involve all elements of the community.

The second goal of CBHOs is to create and maintain safe, affordable, and accessible rental housing for low-income residents through counseling and educational techniques. CBHOs can create and maintain safe and affordable housing in several ways. CBHOs provide some type of nontraditional code enforcement techniques where the organizations provide counseling to tenants with rental problems (i.e., maintenance and health / hazard problems). Other CBHOs offer some type of "rental assistance" education through community advocacy or outreach projects. For instance, a CBHO may use rental housing counselors to provide assistance to landlords and tenants involved in landlord/tenant disputes. These counselors may counsel the landlords and tenants about their rights and responsibilities under a state's landlord and tenant laws. In addition, these counselors may serve as "rental housing educators" who conduct presentations to interested groups within a community. As educators, presenters would conduct classes and/or sessions about "renting" property. The topics could cover every aspect of landlord/tenant laws, too (i.e., leasing, eviction, security deposit, maintenance problems, and housing discrimination).

The third goal of CBHOs would be to enhance current living conditions of rental housing. This goal may be accomplished by using several techniques. One technique involves "empowerment" where CBHOs provide residents with knowledge and tools to rectify disputes with their landlords. For example, CBHOs may provide informational materials at a nominal cost about the rights and responsibilities of landlords and tenants under Michigan's landlord/tenant laws. Another example would be a CBHOs may assist

a rental client with writing a letter which legally demands repairs to an apartment. Again, "empowerment" may include a CBHO worker conducting a one-on-one session with a rental client and the worker may guide the client through the letter-writing process. This CBHO worker may inform the client about the legal consequences involved in a legal dispute if the landlord *fails* to take any action.

Another "empowerment" techniques entails CBHOs possibly providing financial assistance to low-income renters or renters with difficult circumstances. For instance, a CBHO may assist a client of a battered woman's shelter obtain her first month's rent and security deposit. It is safe to assume that this client may not have an abundance of money to pay all of the fees at the beginning of a rental agreement.

Some CBHOs are also known for providing emergency referrals for the homeless and providing emergency shelter grants. For example, a CBHO may provide a daytime telephone number for anyone in need of emergency housing. When a client calls the CBHO, a counselor may assess the situation and determine the client's eligibility for housing. Emergency shelter grants may consist of one month's rent or a mortgage payment where that payment will prevent an eviction or foreclosure.

In addition, a CBHO may provide housing lists for renters. These listings may provide information about low-cost rental units from local newspapers and landlords. These lists may be offered at a nominal cost or no charge at all.

The fourth goal of CBHOs is to increase homeownership opportunities for individuals and families by reducing the costs of homeownership. Many of the low-priced single-family homes are old and may not currently provide a *quality* homeownership

opportunity. These homes may require major repairs and renovations. Therefore, it is difficult for low-income families and individuals to obtain the money to fix them.

In addition, some of these homes are located in unsafe and unattractive environments. Poor quality of public services may also be a detriment to investing in a home in these areas. Also, low-income families and individuals may not qualify for the purchase of a home. The purchaser of a home will most likely need to qualify for some type of financing. The accumulation of a down payment and closing costs is difficult for very low and low-income households. Furthermore, some very low- and low-income homeowners lack the financial for repairs to keep their homes safe and habitable.

CBHOs make an effort to increase homeownership in various ways. CBHOs may provide "pre-homeownership" counseling where counselors present an educational series of workshops to help familiarize participants with the process of buying and owning their own home. This program provides potential homeowners with information and training on how to shop for a home and qualify for a mortgage. Budget counseling may also be included. On the other hand, some CBHOs may provide mortgage counseling where counselors assist clients in default to assess their situations to save their homes. Also, CBHOs may provide emergency mortgage grants. For example, the CBHO provides an emergency grant of one month's mortgage payment where that payment can stop a foreclosure from occurring. Some CBHOs may provide "down payment" assistance to low-income families who could possibly qualify for mortgage financing, too. Furthermore, a CBHO may have some type of homebuyers' club and/or program where low and moderate income individuals or families are empowered with information to become homeowners.

The fifth goal of CBHOs is to create partnerships with public, nonprofit and private entities. "Public-private partnerships refer to a variety of activities in which the public sector induces the private sector to behave in desired ways" (Lyons and Hamlin, 1991: 55). According to history, cities in the U.S. relied on the federal government for assistance in effecting the development of urban areas until the 1980s. This reliance dates back to the urban programs of the Roosevelt administration's New Deal and it lasted through the community development block grant and revenue-sharing programs of the Nixon era. These programs were used to clear slums, upgrade housing, improve infrastructure, and create jobs for the unemployed. "The 1980s, however, have brought a very different order for addressing the revitalization of U.S. cities. Federal budget cuts in the programs most directly affecting urban areas have mandated that new avenues for urban development be explored. 'New Federalism' of the Reagan administration placed the burden of urban revitalization squarely on the shoulders of the cities themselves. These local entities have become more creative in their search for funds to fill the void created by federal departure" (Lyons and Hamlin, 1991: 56). In addition to this change in funding pattern, structural changes the national economy have caused firms to leave central cities. Therefore, central cities have been left to cope with social and economic problems at the same time their tax bases have declined.

Housing and urban renewal programs have traditionally set up nonprofit development corporations to assemble land, improve infrastructure, and sell improved property at below cost to private developers. "Before the Community Reinvestment Act (CRA), the participation of lending institutions in housing programs was often based upon reducing the exposure of the lending institution to a comfortable level if the

property were in the 'right neighborhood', or, at the very least, in marginal neighborhoods. With CRA, the involvement of lending institutions has become increasingly more visible throughout most neighborhoods" (Drnevich, 1995: 10).

"CBHOs have been involved in mixed partnerships, too. These partnerships tend to involve a government, the private sector, and other nonprofit organizations and may be either single-purpose or multipurpose in their functions. For instance, one mixed-partnership may be formed to deal solely with marketing or promoting the area, while another may be involved in overall planning, research, and community development" (Lyons and Hamlin, 1991: 64). CBHOs join partnerships with community residents, local nonprofit developers, human service providers, lending institutions, banks, national foundations, etc. to identify and define problems and solutions related to housing.

There are several activities of public-private housing partnerships, too. The purposes of the partnerships include: (1) influencing housing development and rehabilitation; (2) maintaining and create affordable housing; and (3) providing emergency housing programs. The benefits brought to such a partnership by the public sector include the legislative, political, and large-scale service-provision advantages not available to the private sector working alone. The private sector brings the needed investment in labor and capital sought by a CBHO. "The public-private partnership relationship is simply a matter of each entity carrying out the tasks for which it was created in harmonious concert for mutual and community-wide benefit" (Lyons and Hamlin, 1991: 72). These CBHO partnerships need local initiative which include strong civic foundations and strong leadership abilities. "Strong civic foundations" include community-wide concern, citizen participation, community vision, networking, etc.

There are several activities of CBHO partnerships. For instance, one activity may include land acquisition assistance where the public sector of a CBHO partnership assists a private developer in acquiring land in a variety of ways (e.g., locating suitable parcels of land, providing an inventory of suitable land, etc.) Another activity involves land assembly where housing partnerships buy land through eminent domain with the sole purpose of promoting private development. Other activities include:

-**Excess condemnation**: a policy of taking, by the right of eminent domain, more property than is actually necessary for the creation of public improvement and subsequently selling or leasing of this access.

-**Land readjustment**: the redrawing of property lines in a given re-development area so as to produce more rational and functional parcels of land (Lyons and Hamlin, 1991: 75-76).

Housing partnerships bring together public, private, and nonprofit parties to develop or foster development of affordable low-income housing. In the U.S., housing partnerships are generally concentrated in the Northeast and Midwest. "Over 70% of housing partnerships are found in the New England, Middle Atlantic, and East North Central regions" (Walker, 1993: 397).

The sixth and final goal of CBHOs is to redevelop or rehabilitate houses for low- and moderate-income residents. For instance, CBHOs may promote minor home repair programs where qualified residents may have the exteriors of homes and garages painted for minimal or no cost. Another example would consist of a CBHO program where qualified residents may have "porch" steps replaced or repaired for minimal or no cost.

What are the challenges of CBHOs? "CBHOs' abilities to attract involvement, support, and cooperation from a variety of actors are critical in achieving project success" (Mayor & Blake, 1981: 23). The aspects of relations to community members and outsiders that are especially important consist of the following:

-Roots in the community;

-Personal relations with funding sources;

-Political clout;

-Early aid from risk takers;

-Aspects of funding; and

-Citizen participation" (Mayer and Blake, 1981: 23).

In the community, CBHO roots and support are related to the staff and board commitment to the community and the strength of its roots is significant to project success in many ways (e.g., staff and volunteer energy for hard work, fundraising, etc.). "A CBHO's roots and support in the community may help to identify projects of genuine use to the neighborhood, design them to meet residents' needs, attract program participants, and successfully implement program activities (Mayer & Blake, 1981: 24). Also, community support may aid in attracting financial aid and technical assistance.

It is very important for CBHOs to create and maintain positive, personal relations with funding sources. Good relationships are a significant element in fundraising for projects and general support. It may be beneficial for CBHOs to develop relationships with funding sources *early* in the organization's life instead of waiting for its FIRST project to be funded. In many cases, executive directors consciously pursue personal

relationships with funding sources as part of a long-range strategy. Furthermore, it is very important for CBHOs to create these relationships if they desire success.

"Political clout has significant impact on CBHOs' ability to attract and maintain funding, obtain other services from the local government, and protect themselves from attack by outsiders By electoral vote, residents can replace local elected officials with people friendly to the CBHO (Mayer & Blake, 1981: 26). Political clout influences local government in two ways. First of all, local government agencies may support CBHOs with political contacts at the national level party. This is necessary to gain information or political support for city projects at the federal level. Second, political clout may change the behavior of less supportive administrators.

CBHOs should work with private project developers, too. This process helps CBHOs with development work. In addition, the knowledge gained from this relationship may enhance a CBHO. CBHOs may also need to find early aid from private risk-takers. Early risk-takers involve churches or local foundations who are able to provide early assistance to aspiring CBHOs. "Assistance" may entail volunteer staff, meeting places, financial resources, work crews, etc. This aid from early risk-takers is important because it allows CBHO to build tracks in the community and it meets the immediate needs of CBHOs.

"Funding" for CBHOs is extremely limited. The funding for CBHOs consists of operating and investment funds to implement community development projects. Funding may have an impact on organizational survival, the development of key aspects of major projects, the growth of CBHO capacities, the raising of other needed funds, or the productivity of funds that are already available.

"There are four aspects of funding to consider: (1) early funding, before a CBHOs track record is established; (2) sources of flexible and continuing funds; (3) leveraging funds; and (4) cycling financial resources within the community. (Mayer and Blake, 1981: 7-10).

CBHO should seek funding support at its early stages of work in addition to any federal funds it may receive. Also, federal support tends to be minimal. Therefore, CBHOs need funds at the outset of their programming efforts in order to hire staff, purchase supplies, etc. Also, CBHOs need flexible and continuing funds. These funds can be used for administration and project development. Also, CBHO funds may be used to hire and maintain a good core full-time staff and allowing for specialized funds may save time and effort in fundraising. These funds help relieve executive directors' workloads and attract staff and other support funders who are concerned with CBHO viability.

In numerous occasions, obtaining one initial set of funds was a key catalyst in enabling a CBHO to secure other funds for major projects. This technique is referred to as "leveraging funds". CBHOs are able to increase the willingness of their prime funding source to continue to support them by obtaining new sources of funding.

The "cycling of financial resources within the community" refers to money brought into a CBHO's community for the purpose of generating jobs, incomes, and other benefits when it is repeatedly represented there. This new money is considered to be valuable for the economic future of an area. In addition, money that has historically flowed out of the community can be redirected within by the CBHO.

Finally, "citizen participation" is an another challenge of CBHOs. Community participation entails using community residents as an information source on planning issues and actively involving citizens in a planning process. As an information source, residents are used as a decisionmaking body whose main purpose is to provide input regarding the future of communities. Active citizens in communities are citizens who actually construct plans, implement projects, and work in the community.

"Citizen participation is important for three reasons: (1) the greater the participation of residents in the making of a plan, the more likely it is that the plan will accurately reflect their needs and concerns; (2) the greater the participation, the greater is the sense of ownership that people have about the plan, which translate into a greater determination on their part to see that the plan gets implemented; and (3) the greater the participation, the harder it is for others, such as public officials, to ignore the plan" (Jones, 1990: 12).

There are some general guidelines to community organizing and participation. "First, community people need to be involved from the very beginning of the planning process before the crucial decisions that frame everything else are made. Second, the roles of the residents should be developed and defined. Community residents should be fully aware of the contributions of the parties involved in the planning process. Third, conduct 'teambuilders' or 'group-building techniques' to form community solidarity. Also, these exercises will give a planner / consultant and residents an idea about the background experiences of people. Fourth, stakeholders should be continuously updated about the progress of a project. Fifth, offer a smorgasbord of ways to get residents involved so there is no excuse for not getting involved. For example, offer a variety of

techniques to get the community's input or participation on projects (e.g., meetings, surveys, formal / informal dinner meetings, etc.)". (Jones, 1990: 12-13).

In addition, there are alternative methods of obtaining citizen participation and / or input. *Personal contact* involves door-to-door visits and phone calling. It is probably the most personalized method and it is the most time consuming method. Phone trees may save some time and energy during this process, too. The media can run public service announcements, and press releases through radio stations, newspapers, TV stations, etc. about CBHO progress. A field office or drop-in center can be created and utilized for the community to drop-in and learn about the planning process. Existing community-based organizations can serve as channels of communication for letting residents know of the planning process (i.e., through meetings and newsletters) of CBHOs. Finally, "displays" can be used at key settings (i.e., vacant lots, street corners, local stores, churches, malls) to educate the public about a CBHO in a community. These displays can include such things as written information, photos, maps, etc.

What do CBHOs achieve? First of all, CBHOs create affordable housing opportunities. Second, CBHOs are capable of empowering residents with information to resolve housing problems. Third, CBHOs may provide human services related to housing (e.g., landlord/tenant counseling or mortgage counseling). Finally, CBHOs make an effort to involve citizen input and participation while constructing housing plans or policies.

Summary

A CBHO is a nonprofit organization that provides assistance to low- and moderate-income residents. Its purpose is to transform distressed neighborhoods into

healthy and safe communities. This type of organization conducts nondevelopment and/or development activities. Its organizational characteristics consist of full-time and part-time professional staff members along with community volunteers. In addition, CBHOs have six goals and several challenges. Overall, CBHOs have several accomplishments. For example, CBHOs are responsible for creating affordable housing opportunities and empowering residents about housing issues.

Chapter 3 will discuss "community development" (i.e., CD). This chapter will provide a definition of CD and the history of CD will be discussed. In addition, the three approaches of CD will be identified in this chapter. These approaches are *self-help*, *technical assistance*, and *technical assistance*. The chapter will conclude with a discussion regarding the principles of CD.

CHAPTER 3

COMMUNITY DEVELOPMENT

Community development (or "CD") is defined as "a group of people working together in a community setting on a shared decision to initiate a process to <u>change</u> their <u>economic, social, cultural</u>, and/or <u>environmental</u> situation" (Christenson & Robinson, 1989: 14). It represents an approach that facilitates individual and community capabilities and/or attacks more than one problem at one time. It is primarily concerned with people as stimulators and social action processes. Also, community development fosters citizen efforts and citizen influence in decision making.

The formation of community development began in 1908 by Theodore Roosevelt's Country Life Commission. The commission's major recognition involved the need to improve <u>rural</u> life. "Its work resulted in strengthening rural sociology, creating the Cooperative Extension Service, and improving the financial institutions that serve rural America" (Booth & Fear, 1985: 28). Since 1908, community development projects and processes appeared everywhere. For instance, "a U.S. Department of Agriculture (USDA) research program provided funding for much of the early rural sociologists' work on community organization following World War I" (Booth & Fear, 1985: 28).

In 1914, the Cooperative Extension Service was established by the Smith - Lever Act. Its work involved addressing community-wide concerns and community development-related work (e.g., leadership development training, conflict management, etc.). Urban institutes were established around the U.S. in the sixties and seventies and these institutes became involved in community development work. The purpose of urban

institutes were to study urban problems and propose solutions. The CD concept was also

promoted by the emergence of city and state department during the 1960s and 1970s. In

1996, community development activities are utilized by rural towns, inner cities, faith-

based institutions, community groups, CBHOs, and universities in efforts to make

America a better place to live for everyone.

There are three approaches to community development. These approaches consist

of the following: (1) self-help; (2) technical assistance; and (3) conflict mediation. The

self-help approach to CD is the oldest approach, one that has survived the longest, and

still pervades practice and the literature. Self-help is defined as "an approach whereby

people arrive at a consensus about group social and economic well-being of their

community" (Christenson, 1989: 33). In other words, it teaches people how to improve

their own situations.

"There is an interesting and fundamental tension within the concept of self-help.

This tension has to do with the *simplicity* of the concept as contrasted with the *complexity*

of its application. As Littrell and Hobbs concluded in an article entitled, 'The Self-Help

Approach': The self-help approach to community development is a simple concept:

People have the basic right - and will be well served if they exercise that right - to

collaborate in setting common goals, in organizing themselves, and in mobilizing the

resources necessary to achieve those goals. But despite its simplicity, many more

communities pledge allegiance to that philosophy than actually practice it" (Verberg and

Lichty, 1995).

Self-help has three basic elements, too. One assertion is based on the premise that

people can, will, and should collaborate to solve community problems. "Self-help builds

a stronger sense of community and a foundation for future collaboration. Within a commitment to self-help, a community may exist as a place, an organization, or an interest group but be lacking the capacity to effectively act on its own behalf" (Littrell & Hobbs, 1989: 48). The other assertion is that self-help is "process oriented" and "task-oriented" (Christenson, 1989: 33). However, the "process" aspect is emphasized over the "task" aspect because development cannot occur if there is no *emphasis* process. In other words, the subject matter is not as important as the process through which people go to achieve a goal. Furthermore, the third assertion is that self-help is "client-centered" where the client determines what should be done. The client also decides "when" and "why" something should be done.

Self-help does have some limiting factors. "First, self-help is a strategy (or philosophy). It is not a theory. It needs to move from a 'philosophical approach' to a theory-based or research-tested procedure. The question that needs to be resolved from a scientific standpoint is whether this procedure works, why it works, and when it is most successful. For example, is the self-help orientation most appropriate for middle-class neighborhoods?" (Christenson, 1989: 34).

Second, people from disparate backgrounds can affect the self-help planning process because everyone who is affected by a project does not hale from the same experiences or mindscape. For instance, "diversity" exits in a community setting and community residents may belong to groups with different characteristics (e.g., different socioeconomic backgrounds, etc.). Therefore, citizen ideas behind goals and objectives may conflict with the interest of other community residents due to differences in citizens' backgrounds. The third factor deals with the participants' ability or inability to work in

group settings. Finally, the self-help approach is a "sharing" type of process and it is very time-consuming. Therefore, this process may exhaust the patience of aggressive community leaders and highly task-oriented members.

The next approach to community development is "technical assistance". Frank Fear, Larry Gamm, and Frederick Fisher are the authors of the article entitled, "The Technical Assistance Approach". In the article, the authors define "technical assistance" as the "provision of programs, activities, and services to strengthen the capacity of recipients to improve their performance with respect to a particular function" (Fear, 1989: 69). Advocates of technical assistance work *for* people rather than *with* people because it ignores public input or participation. "Much technical assistance qualifies as *technology transfer*. To qualify as community development, technology transfer requires a high sensitivity to match technical resources congenially not only with social goals but with infrastructural and cultural and/or social foundations. However, this is not to say that technical assistance is not intended to help communities define their problems, needs, and potential solutions and/or allow for some degree of community autonomy, or 'ownership', or problem definition and solution" (Fear, 1989: 69). This process should consider *community input* in order for technical assistance to be considered "community development".

In the technical assistance approach, the scientific method is highly-valued and technical know-how is assumed to be good (i.e., *efficiency* is a valued end). "Technical assistance emphasizes accomplishing a task such as building a bridge, stimulating economic development, designing homes, etc. The role of the technical expert is to assess the situation in a locality and, based on the best technical information, to suggest

the most economically feasible and socially responsible approaches for the improving situation. (Christenson, 1989: 35). Also, the official power structure is the sponsor of technical assistance.

There are two types of technical assistance and classifications are: 1) classification by auspices and impetus; and 2) classification by nondevelopmental and developmental technical assistance. When technical assistance is classified as auspices and impetus, technical assistance relationships may vary according to the auspices under which they are organized and the impetus (i.e., stimuli) for undertaking technical assistance. "The auspices can be categorized as: 1) legislative - having power to create, legislate, and appropriate; 2) administrative - having the power to manipulate resources, knowledge, and information; 3) educative - having knowledge, skills, and processes of a specialized nature associate largely with educational and research institutions; 4) collaborative - creating mechanisms, often mutually, for the specified purpose of providing or enhancing technical assistance in the recipient's domain, and; 5) consultative- generally, performing specific tasks by private consultants" (Fear, 1989: 73)

Also, there is a difference between "nondevelopmental" and "developmental" technical assistance. When technical assistance is classified as "nondevelopmental" or "developmental", the classification scheme involves the relationship between the *provider* and the *recipient* of assistance. Generally, technical assistance involves the desire of the provider to enable the recipients to do what the recipients are unable to do by themselves. In nondevelopmental technical assistance, the <u>agency</u> decides the community's goals and the agency will provide whatever assistance (e.g., equipment,

staff, programs, etc.) it thinks are needed to meet the needs or interests of the people it wishes to help. "For instance, if the assistance is knowledge-induced (knowledge in search of an application) or profit-induced (knowledge primarily or exclusively transferred with a profit motive in mind), then development is not likely to be served" (Fear, 1989: 76).

The developmental aspect of technical assistance is the opposition of the nondevelopmental approached and it highlights the advantages of technical assistance. In developmental technical assistance, the community collaborates with an external technical assistant on a "planned change team". This approach involves a collaboration based on an agreeable set of role relationships where decisions are shared between community residents and the technical assistant. "Developmental technical assistance is distinguished by:

-the provision of a resource that is needed by the community;

-provider understanding of the community situation;

-commitment by the provider and the receiver to avoid creating a dependency relationship;

-capacity of the provider to contextualize the provided resource; and

-ability of the receiver to influence in a meaningful way the course and substance of the resource provision" (Fear, 1989).

In addition, technical assistance practitioners of the developmental approach analyze the resource from the recipient's point of view and jointly create an assistance plan. Unlike nondevelopmental technical assistance, the developmental approach requires high levels

of *communityness* because community capacity building is a goal in the approach to "planned change".

There are some disadvantages to technical assistance. There are some political implications of badly handled citizen participation in the technical assistance approach. If project participation is not handled effectively, government agencies will not work cooperatively and responsively with intended beneficiaries in the future. Also, "bad" relationships between government agencies and beneficiaries could cause a community project to fail. Furthermore, future community projects may not be successful if technical assistants do not "empower" (i.e., teach) community residents the with knowledge in a particular area, especially if specific knowledge is necessary to carry out other projects.

"Conflict" is the third approach to community development. Community development work often leads to conflict and professionals (e.g., change agents) may advocate the use of *conflict* as "purposeful social intervention". There are several definitions of "conflict", too. "*Conflict* can be described as a struggle over values and claims to scarce status, power, and resources in which the aims of the opponents are to neutralize, injure, or eliminate the rivals. *Community conflict* is the process of interaction in which two or more groups are so engaged in thwarting each other's purpose that their opposition makes itself felt throughout the community. Finally, *social conflict* is a behavior threat by one party directed at the territory - rights, interests, or privileges - of another party. The threat is usually directed toward <u>limiting</u> or <u>eliminating</u> one party's access to some resource or goal" (Robinson, 1989: 89).

The philosophy of the conflict approach has an emphasis on justice and it stresses that there should be an equal distribution of resources in a society. Also, the conflict

theme focuses on societies and people with limited resources and power. The goals of conflicting parties are incompatible. "This approach emphasizes polarization of groups between opposing sides" (Christenson, 1989: 37).

There are several types of conflicts. "Most conflicts are struggles for power and are related to justice and freedom" (Robinson, 1989: 94). Some conflicts involve external forces against internal community forces (e.g., "court struggles" to get people to comply with changes). In addition, personal conflicts lead to disagreements between and within organizations (i.e., conflicts between special interests groups in the organization, etc.).

Significant and unique events are often sources of conflict. For instance, the location of a halfway house or group home may touch enough people in a community to create a conflict. This event will affect different power groups in different ways and conflict is likely to occur.

Community conflicts are caused by several factors. "Change" is a factor because it facilitates competition and promotes that adversary system. "Diversity" is another factor. "Diversity" involves people from "all walks of life" and it brings heterogeneous values. In a community setting, people belong to various groups with different characteristics (i.e., different socioeconomic backgrounds, religious affiliations, political affiliations, etc.). In addition, people within a culture or subculture have a set mindscape (i.e., their own patterns of planning, reasoning, and decision making). For instance, citizen ideas behind goals and objectives may conflict with the interest of planners and city officials when forming a neighborhood plan to revitalize a community.

A final factor involves "dissatisfaction" by members of a group large enough to initiate action. "When the community's power structure ignores the interests of a minority, conflicts are likely to occur.

"Conflicts within communities usually follow predictable stages or steps. Here is a rendition of the conflict cycle:

1) TENSION DEVELOPMENT: Parties polarize around issues; persons begin to "take sides";

2) ROLE DILEMMA: Concern grows in groups in terms of what will be expected of group members is conflict occurs; many persons experience role conflict;

3) INJUSTICE COLLECTING: Groups collect and publicize injustices caused by opponents;

4) CONFRONTATION: Incompatible values, goals, or policies that cannot be comprised lead to direct confrontation that often requires dramatic new behaviors and/or outside intervention to resolve;

5) ADJUSTMENT: Compromises and redefinition of territory occur through direct negotiation or other processes, values, goals, policies, are redefined.

In addition, the *functions* of conflict for groups consist of: (1) allowing important issues to "surface in order to be discussed; (2) provide a test of strength amongst the parties involved in a conflict; (3) help to create bonds within and between groups; (4) reduce individual and group stagnation; and (5) serve as a catalyst for the emergence of new social structures within groups" (VerBerg and Lichty, 1995)".

In the conflict approach to community development, it is important to effectively manage conflict in order to guide communities through the conflict cycle appropriately. The key is to form "win-win" agreements so opposing community interests are satisfied with the community planning process.

"Conflict" could also be used to help communities organize, collect, and analyze situations where residents are encouraged to come together and discuss opposing views. The conflict approach allows people to understand the history of problems and formulate a plan of action to resolve issues. Furthermore, this approach illustrates the importance of understanding the appropriate ways of confronting the power structure involved in a conflict situation (e.g. indirectly) in order to obtain the desired results of a situation.

Finally, there are also six principles of community development in addition to the approaches of community development. "In 1985, the National Community Development Society adopted a set of ethical guidelines for practitioners in community development. These 'Principles of Good Practice' ask that those practicing community development share a commitment to the following principles:

> 1) Promote active and representative citizen participation so that community members can meaningfully influence decisions that affect their situation;
>
> 2) Engage community members in *problem diagnosis* so that those affected may adequately understand the causes of their situation;
>
> 3) Assist community members in designing and implementing a plan to solve agreed upon problems by emphasizing shared leadership and active

citizen participation in that process;

4) Disengage from any effort that is likely to adversely affect the disadvantaged segments of a community; and

5) Actively work to increase leadership capacity (skills, confidence, and aspirations) in the community development process" (LaMore and Smith, 1994: 4-5).

Here is an example of how these guidelines could be accomplished by a community development practitioner. Imagine a community development practitioner is summoned to revitalize a particular community. The first step of the practitioner would be to encourage community involvement before any community development activities could take place in the targeted community. The practitioner could obtain community involvement by assisting the community members (e.g., residents and business owners) in creating a *vision* for the targeted community **(Principle 1)**.

Next, community members would create a community blueprint for its *vision* where the community would be responsible for the following: (1) diagnosing community problems; and (2) establishing goals and priorities to alleviate the community's problems **(Principle 2)**. Then, a community development practitioner would assist the community members by identifying strategies and resources to implement a community plan. Some of these resources would consist of "human" resources such as community organizers and technical assistants. In addition, these human resources would be responsible for carrying out tasks and specific projects of a community that are also critical to the success of a community's plan **(Principle 3)**.

Throughout this community planning process, the practitioner would implement

Principles 4 and 5 by encouraging representation from all subcommunities within the

targeted community. For instance, community representation could be accomplished by

the practitioner creating a community board for community planning purposes. This

board would have representation from every sub-population in the targeted community

(e.g., socioeconomic classes, race, religions, ethnicities, and genders) **(Principle 4)**.

Finally, the practitioner would actively work to increase the leadership capacity of

community members by encouraging relationships between resident leadership and

technical expertise. In return, experts and resident leaders could *empower* one another

with information that could help strengthen and revitalize a community **(Principle 5)**.

For instance, the experts could provide developmental technical assistance where the

experts "teach" resident leaders how to complete particular tasks (e.g., surveying) after

the expert removes himself or herself from the community. Another example would

consist of a resident leader providing socioeconomic information to a technical expert

which could serve as useful information for the expert. Maybe socioeconomic data could

assist the expert in choosing a particular implementation strategy for carrying out a

particular task.

<u>Summary</u>

Community development involves people changing their economic, social,

cultural, and environmental situations. The formation of community development began

in 1908 by Theodore Roosevelt's Country Life Commission and this theory is still being

utilized by communities and organizations today. Community development can occur

through three different approaches. These approaches are *self-help*, *technical assistance*,

and *conflict*. Also, these approaches have unique functions and consequences. Finally, there are six principles that practitioners should utilize when developing communities.

Chapter 4 will discuss the relationships between CBHOs and the community development process. This chapter will focus on the relationships between the practices and principles of community development and CBHO functions. It will also discuss how CBHOs utilize the three approaches to community development in order to alleviate housing problems of low- and moderate-income residents.

CHAPTER 4

THE RELATIONSHIP BETWEEN CBHOs & COMMUNITY DEVELOPMENT

There are three relationships between CBHOs and community development. First of all, CBHOs and community development share the same philosophy. Second, CBHOs (in general) utilize the three approaches of community development. Finally, CBHOs follow the same principles of community development. Let's take a closer look.

First of all, CBHOs follow the same philosophy or concepts as community development. "*Community development* is defined as a group of people in a locality initiating a social action process (i.e., planned intervention) to change their economic, social, cultural, and/or environmental situation" (Christenson and Robinson, 1989: 14). Like the theory of community development, CBHOs involve people in a particular locality improving the social, economic, and cultural well-being of an area by providing safe and decent housing for citizens. Therefore, CBHOs work *with* and *for* communities.

As "community" organizations, CBHOs have ties with communities and involve community residents in the planning activities of these organizations. "Community" can include a particular *place, territory, social interaction, community identification, land,* or *geographical boundary*. Therefore, CBHOs tend to be locally-initiated and work within geographical boundaries.

As *development* organizations, CBHOs also *develop* communities. "*Development* entails the social transformation in the direction of more egalitarian distribution of social goods such as education, health services, housing, participation in political decision making, and other dimensions of people's life chances" (Christenson and Robinson, 1989: 9). Development also entails "community improvement" where efforts are made

among residents and organizations to improve communities. CBHOs help community residents and the community "improve" the environment through the following development mechanisms: (1) the creation and implementation of housing programs (e.g., home improvement loans, housing rehabilitation programs, etc.); and (2) the empowerment of residents within a community about housing issues. *Empowerment* is a mechanism in which community residents and communities gain mastery over their fates. "Empowerment" entails higher competencies, confidence, sense of citizen duty and lower feelings of helplessness amongst citizens when dealing with housing issues.

Overall, the relationship between CBHOs and the community development process is evident in the fact that CBHOs benefit the communities they serve. CBHOs have the ability to bring about major changes in improving neighborhoods and community areas. Economically, CBHOs revive areas within inner cities by broadening the city's tax base through increasing a community's property values. For instance, CBHOs can stimulate its residential, commercial, and industrial development since housing is a viable community resource. In return, the property values of the community may rise. Consequently, housing supports commercial and industrial development by creating safe, decent, and affordable housing stocks for the employees of businesses. Culturally, CBHOs provide people with an opportunity to interact with a diverse groups of people (e.g., people of different races, ethnicities, socioeconomic classes, etc.) by providing *diverse* housing types for all groups of people within a community, especially low-income residents and minorities who tend to face locational constraints and transportation disadvantages which keep them in great distances from the workforce. This technique of CBHOs allow people of different walks of life an opportunity to live in

"multicultural" communities. Multicultural communities could consist of citizens from various socioeconomic backgrounds, ethnicities, genders, ages, races, religions, etc. For instance, CBHOs may provide citizens with housing programs (e.g., down payment assistance, housing discrimination lectures, etc.) to empower and educate minorities and low-income residents on home buying strategies in order to avoid discriminatory practices (e.g., identifying race and ethnic discrimination tricks, etc.) since these types of citizens traditionally have had limited housing choices and resources.

Socially, CBHOs may improve the attitudinal environment in a community or area by enhancing the quality of life. CBHOs may advocate local housing concerns and bring housing problems and opportunities to the attention of government. Also, CBHOs encourage resident and/or community input and involvement in the organizations in order to better serve the community's needs. By encouraging community input and participation, CBHOs utilize a principle of community development which involves promoting active citizen participation so that members can positively affect their situation. In other words, citizens can make decisions that affect them directly or indirectly. Environmentally, CBHOs can be responsible for creating an "attractiveness" of a particular area through the creation of housing rehabilitation programs, home improvement programs, housing development, etc. By creating an attractive environment, CBHOs enhance the physical environments of neighborhoods in addition to providing affordable housing. CBHOs can create a sense of "livability" where visitors and potential businesses are interested in possibly entering into the community for business or pleasure. In other words, CBHOs are indirectly responsible for creating a pleasant community environment.

The second relationship between CBHOs and community development involves the utilization of community development approaches by CBHOs. As it was mentioned in Chapter 3, there are three approaches to community development. These approaches are *self-help*, *technical assistance*, and *conflict*.

CBHOs utilize the self-help approach by serving as *advocacy* organizations. As advocacy organizations, CBHOs utilize the following concepts of "self-help": (1) provide the skills and knowledge needed to facilitate the decision making process of the people involved; (2) serve as an advisor or counselor for issues; and (3) help people help themselves. As an advocate, the CBHO is a provider of housing information. It is responsible to the client and its goal is to transfer housing information (e.g., rental housing lists, emergency shelter information, mortgage information, etc.) which would alleviate housing problems for low- and moderate-income residents. The CBHO's advocacy role is educational, too. As a "teacher", the CBHO's mission is to provide community residents with planning skills so the residents would be able to make and implement plans affecting their territory. For instance, a CBHO would empower residents with "surveying" skills (e.g., through classes, workshops, or seminars) so residents could perform their own housing surveys. In return, these residents could assist CBHOs with housing plans, housing inventories, etc.

In an advocacy setting, the CBHO would be responsible for empowering community residents with knowledge about community resources that could enhance current living environments or residents. For instance, the CBHO could serve as a landlord / tenant counselor who is responsible for educating community residents about Michigan's landlord and tenant laws. This CBHO would provide counselors or classes to

"teach" low-income renters the skills in taking legal action against a landlord or the agency would teach the renter how to legally make demands toward a landlord (e.g., how to demand maintenance repairs, etc.).

Overall, this type of CBHO would be responsible for providing educational opportunities so that citizens are able to take self-initiated actions to alleviate housing problems. In addition, the CBHO is responsible in encouraging citizens to work cooperatively with others (e.g., community leaders, organizations, city officials, etc.). and make informed housing choices.

Another example would the advocacy role would be "community organizing". A CBHO would serve as a community organizer and the CBHO would be responsible for obtaining community input about current and / or future housing programs. This agency would have the job of informing other groups, including public agencies, of the conditions, problems, and outlook of the group the advocate represents. The CBHO would also be responsible for encouraging community participation in CBHO decision-making processes and encouraging community members in problem diagnosis. When citizen participation is utilized, citizens have the control of planning the future of a community. In other words citizens are encouraged to solve problems through the tactic of community involvement. For instance, the agency would actively involve community residents in conducting rent strikes or writing "letters of concerns" to management companies. Another example would be an agency teaching "rental housing counseling" skills (e.g., landlord / tenant laws) to community residents so these residents could empower other local residents.

Another approach used by a CBHO is "technical assistance". CBHOs hire or contract technical assistants to perform various tasks. In CBHOs, technical assistants would perform tasks that a CBHO may not be equipped to do on its own. For instance, a technical assistant would write a proposal for a grant if the CBHO did not have a grant writer on staff. In return, the technical assistant could educate the CBHO staff and community members about "proposal writing" so the organization could write its own proposals in the future. Another example of technical assistance would consist of a technical assistant conducting housing surveys for a neighborhood to determine its housing stock (e.g., substandard, standard, poor, etc.). Other examples of technical assistance work include: (1) constructing site plans for housing development or redevelopment; (2) preparing technical reports; (3) preparing graphic displays of housing projects, zoning, or current land use; (4) accounting or bookkeeping; (5) fundraising; (6) financial packaging; (7) legal assistance; etc.

The third approach utilized by CBHOs is the conflict approach where CBHOs serve as *mediators* or *negotiators*. As mediators, CBHOs often resolve issues among conflicting community interests. In the conflict approach to community development, the CBHO plays an important role in effectively guiding communities through the conflict cycle (see Chapter 3) and managing conflict appropriately. The role of the CBHO in the confrontation approach is not to lead, but to help organize. CBHOs should understand the basic strategies of conflict. "First of all, CBHOs should *use* conflict. Second, CBHOs should *prevent* conflict. Finally, CBHOs should *manage* conflict (VerBerg and Lichty, 1995).

CBHOs should use conflict to help communities organize, collect, and analyze situations. In other words, CBHOs should encourage people to come together and discuss opposing views. The CBHOs use community organizers to show people how to understand the history of problems and formulate a plan of action to resolve issues. Finally, the CBHO use conflict to show communities how to confront the power structure involved in a conflict situation (i.e., never confront the power structure directly).

CBHOs could show tactics for *conflict prevention strategies* to communities. For instance, the community organizer of a CBHO could encourage residents to tackle a conflict in its beginning stages. The specialists should encourage a community to fragment the conflict and work with the individual pieces of conflict (i.e., reducing the proposed project to a series of smaller components). The community organizer can provide educational programs related to conflict resolution, project management, leadership training, etc.

In managing conflicts, the community organizer can serve as a "third party" and the CBHO staff and counselors can help a community cope with conflict. The community organizer serves as an *intervener*. As an intervener, the community organizer's purpose is to help powerless groups and enable weaker parties to make their own best decisions. This negotiator or mediator (i.e., community organizer) understands the nature of the conflict in order to help adversaries develop adjustments. "The mediator must be fair, alert, objective, skillful, decisive, insightful, and at times forceful" (Robinson, 1989: 14). The overall goal of the CBHO is to form "win-win" agreements where the mediator (e.g., a staff member of a CBHO) encourages opposing sides of a housing issue to constructively voice their opinions independently (i.e., give each parties

an opportunity to listen to other parties). After each side listens to all points of view, the mediator (e.g., CBHO staff member) is responsible in guiding each party to work on resolutions independently an together. During the process, each side focuses on the "problem" at hand. The parties do NOT focus on the people involved in the process. The mediator asks questions and encourage both parties to ask questions during the conflict-resolution process. Each party discusses proposals and provide constructive criticisms about the proposals. In addition, the mediator should help both parties see any costs and benefits associated with the proposals and encourage the parties to formulate alternatives to any decisions.

Overall, the goal of the CBHO is to formulate a "win-win" situation. In win-win agreements, every member of each party agrees with the outcome of a decision. On the flip side, "compromises" involve people agreeing to terms they may be uncomfortable following on a regular bases. Therefore, CBHOs should not seek compromises (Fisher, Ury, and Patton, 1981) when settling housing disputes among parties.

Finally, CBHOs follow the principles of community development in various ways. As it was mentioned in Chapter 3, there are five principles of community development. CBHOs adhere to **Principle 1** by creating and maintaining "volunteer" staff positions for community residents. These positions may be full-time or part-time, too. Also, CBHOs follow **Principle 1** through "community organizing" efforts where residents are encouraged to participate, plan, evaluate, discuss, and *envision* community plans.

CBHOs adhere to **Principle 2, Principle 3, Principle 4,** and **Principle 5** collectively by empowering citizens with knowledge and tools to resolve their own

housing issues. For instance, CBHOs assist community residents in identifying their own inabilities in renting, purchasing, or maintaining homes. CBHOs help low- to moderate-income residents identify *problems* related to rental housing (e.g., no money for security deposits, first month's rent, or application fee) and homeownership (e.g., lack of money for downpayment on a home). In return, CBHOs educate the public and teach citizens "how" to obtain safe and affordable housing (e.g., landlord/tenant counseling, mortgage counseling, etc.). Also, CBHOs allow residents to serve as board members of CBHOs in order to represent the views and ideas of the community regarding housing issues. Furthermore, CBHOs increase the leadership capacity of community residents by teaching renters and homeowners legal methods of handling housing problems by themselves (e.g., how to sue a landlord to small claims court without using a lawyer).

Summary

In conclusion, there are several relationships between CBHO functions and the community development process. CBHOs utilize the approaches of community development in order to alleviate housing problems for low- and moderate-income residents. CBHOs also share the same concepts as community development. Finally, CBHOs adhere to four community development principles.

Chapter 5 will discuss two CBHOs in Detroit, Michigan. The names of the CBHOs are the United Community Housing Coalition (i.e., U.C.H.C.) and Genesis Community Development Corporation (i.e., Genesis). U.C.H.C. is a housing counseling agency in the city of Detroit and it conducts nondevelopmental activities for Detroit residents. Genesis is a nonprofit development organization which conducts development

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and nondevelopment activities within its geographical boundaries. The history, mission, and functions of each organization will be mentioned in great detail. This chapter will also provide information about "housing" in Detroit.

CHAPTER 5

CASE STUDIES

Overview of Detroit, Michigan

Detroit, Michigan is the eighth largest city in the United States of America. It was founded in 1701 and it is located in southeastern Michigan. According to the statistics provided by the City of Detroit's Planning and Development Department and the Detroit Economic Growth Corporation, Detroit is known internationally for automobile manufacturing and trade and it ranks high in the production of machine accessories, metal fabricating, and plating. The city is at the hub of the metropolitan freeway network and the railroads provide a link to the region and beyond. It also serves a gateway to Canada. The city of Windsor, Ontario lies directly across the Detroit River and it is connected to Detroit by a vehicle tunnel and the Ambassador bridge.

According to the 1990 Census, Detroit has a population of 1,027,794. The Census also states that approximately 476, 814 of the population are males and 551, 160 of the population are females. The median age in Detroit is 30.3 years old. The number of housing units, according to the 1990 Census, consists of 410,027 units. The number of owner-occupied housing units are 197,929 whereas the number of renter-occupied housing is 176,128 units. The median household income in 1990 was $18,742 and the median family income in 1990 is 22,566. The average annual household income is $25,662 and the per capita income is $9,443 per year. Only 27.2% of the total population ages 25+ have a high school diploma and 3.8 of the same population have 4+ years of college. Finally, the City of Detroit Planning and Development Department reports that

the 1994 total labor force participation consists of 387,250 people. The annual average "employed" labor force of 1994 consisted of 345,625 and the "unemployment" population consisted of 41, 625 or approximately 10% of the total labor force.

According to the City of Detroit HUD Consolidated Plan (1995), the city has 373,057 households and approximately 40% are estimated to have at least one housing problem. As the level of housing need goes up, the income of the "needy" goes down. The Consolidated plan also states that approximately 83% of total renters and 74% of total owners have housing problems of some type. "In the very low-income group (0-30% Median Family Income or "MFI"), 79% of the households have a housing cost burden of at least 30% (i.e., housing and housing related costs which consume at least 30% of the household income). These percentages include both owners and renters. Among the households with 31-50% median family incomes the cost burden is somewhat less severe. Sixty-five percent of all renters and 39% of owners have housing problems. Of these 58% of all renters and 73% of owners experience a cost burden of a t least 30%. Other low-income households (those with incomes 51-80% MFI) are at a level of 24% renters and 17% owners with housing problems. The large families in all categories have the highest percentages of housing problems" (City of Detroit, 1994: 9).

The City of Detroit HUD Consolidated Plan (1995) states that the racial and ethnic background of the Detroit population, according to the 1990 Census, shows:

Race/Hispanic Origin	Number	% of Population
Total Population	1,027,974	100
White, non-Hispanic	212,278	22
Black, non-Hispanic	774,529	75
Other races (not Hispanic)	12,694	1
Hispanic Origin (all races)	28,473	2

There is an overall 33% poverty rate for the City of Detroit. Obviously, the number of persons, or families in need will be highest among blacks in the population. According to the HUD Consolidated Plan, the city also has the largest concentration of poor households in the metropolitan area.

Finally, there are housing affordability problems in Detroit, too. For instance, "significant declines in household income, combined with housing cost increases for renter households and a decrease in the supply of low cost rental units, have contributed to the growing problem of housing affordability in the Detroit area. The shrinkage of the low-rent housing supply in the Detroit area is partially a result of a decline in the number of private low-rent units that do not receive a government subsidy. The housing outlook for poor households in the Detroit metropolitan area is bleak. Local trends suggest that the overall improvement in the local economy since 1985 did not lead to significant gains in housing affordability for the poor. Increases in income were largely consumed by increases in housing and other costs" (City of Detroit, 1995: 27-28).

CBHOs in the City of Detroit are making an attempt to assist the city with its housing crisis. The next case studies highlight two CBHOs that are currently active in the city of Detroit. These CBHOs were chosen for their diverse housing programs activities. These CBHOs were selected through a snowball sample (i.e., *samples* chosen through *referrals*) where one of the CBHOs (i.e., CHDOs) was referred by the Local Initiatives Support Corporation (i.e., LISC) of Detroit, Michigan The other CBHO was referred by the Housing Resource Center of Lansing.

Genesis Community Development Corporation is a LISC organization in Detroit, Michigan. The LISC organizations were investigated and identified as potential CBHOs for a case study because these organizations are recognized nationally and locally as CBHOs with nonprofit status. After LISC made referrals for 24 CBHOs in the city of Detroit, each CBHO was approached with a request (i.e., by letter and phone) to release and discuss information about its particular organization. Only the Genesis Community Development Corporation agreed to discuss and release information about the organization. In addition, Genesis conducts both nondevelopment and development housing activities. Therefore, Genesis was selected as a case study.

The United Community Housing Coalition was identified through a referral from the Housing Resource Center of Lansing, Michigan (i.e., HRC). The United Community Housing Coalition is the only nonprofit housing counseling agency in the city of Detroit. In addition, this agency is conducts nondevelopmental activities.

Case Study #1 -United Community Housing Coalition

The United Community Housing Coalition is a nonprofit housing counseling agency in Detroit. It is located at 47 East Adams on the eastside of the city. It has been in existence since 1973 and it has been dedicated to improving housing for low- and moderate-income people. This agency serves all low- and moderate-income citizens in the entire city, too. This organization works with tenants, homeowners, community groups, churches, advocacy organizations, and homeless Detroiters. Its main goal is to improve and preserve affordable housing for Detroiters. Its services consist of : (1) tenant organizing; (2) landlord/tenant counseling; (3) housing placement counseling; (4) housing related legal representation; (5) housing and homelessness related community

presentations; (6) tenant escrow account (i.e., a savings account used to collect rent money for renters while renters *withhold* rent from "dead beat" landlords) ; and (8) affordable housing landlord network (i.e., a database with the names of metropolitan Detroit landlords who assist the U.C.H.C. in finding homes for Detroit citizens).

The United Community Housing Coalition's mission statement reads: " The U.C.H.C. has as its purpose to improve and increase the availability of decent and affordable housing in the City of Detroit. We will work to: (1) organize tenants, emphasizing low-income tenants; (2) do crisis intervention, preventing utility shut-offs, obtaining critical housing repairs and defending against evictions; (3) educate our target population and the general public regarding the reasons and solutions of the housing crisis in Detroit, and to find resources, create networks, share information and build support; (4) empower individuals and groups to become self sufficient in their own housing and related needs, enabling them to work to effect societal change. We will strive to cultivate volunteers' leadership skills in their areas of interests; (5) enforce and monitor laws at all levels of government to preserve, maintain and improve decent...and affordable housing; (6) build coalitions among tenants, homeless, community groups and housing advocates to formulate and impact federal, state, and city housing policies to insure the availability of decent and affordable housing" (Ellis, 1996).

The staff consists of one full-time Office Manager/Interim Executive Director. Other staff positions include: (1) two part-time attorneys; (2) two full-time accountants; (3) one part-time, volunteer secretary; (4) one volunteer Housing Placement Supervisor; (5) one full-time Housing Placement Counselor; and (6) two full-time Tenant Organizers.

The U.C.H.C. is funded by CDBGs, Neighborhood Opportunity Funds (i.e., NOF funds), Children and Youth Services contracts (i.e., CYS), and the Family Independence Agency. Technical assistance is provided by an attorney from Michigan Legal Services and the attorney provides legal counsel to U.C.H.C. clients with public housing issues. Also, U.C.H.C. has an in-house attorney who handles landlord / tenant cases. This attorney works part-time at U.C.H.C. and serves at the 36 District Court in Detroit. Finally, U.C.H.C. receives assistance from interns at Wayne State University and University of Michigan with housing projects and programs.

Case Study #2 - Genesis Community Development Corporation

According its archives, the Genesis Community Development Corporation evolved because of Pastor Walker's concern for the deteriorating condition of the neighborhood surrounding his church, Oakland Avenue Missionary Baptist Church. The pastor assigned his associate minister to create the Genesis Community Development Corporation in order to organize and empower community residents to fully participate in the community's housing issues. This housing corporation became a Michigan nonprofit organization in 1988 and a 501(c)3 corporation in 1992. The corporation opened its office in January 1994. In addition, Genesis was designated as a CHDO (i.e., Community Housing Development Organization) in August 1996 by the Michigan State Housing Development Authority (MSHDA). Its goals consist of providing neighborhood revitalization, humanistic, and cultural programs and projects that respond to the area's needs. The corporation is located at 317 Harper and its community boundaries extend from East Edsel Ford(s) to East Grand Blvd. (n) to Woodward (w) and I-75 (e). The name of its community is Medbury Park. Furthermore, the housing stock of the area

consists of structurally sound multi-unit and single family dwellings. According to the

1990 Census, the population of the Medbury Park area consists of the following:

POPULATION		HOUSING	
Total	454	Total units	291
Male	245	Owner occupied	24
Female	209	Renter occupied	213
Under 18 yrs. old	16.1%	Vacant housing units	54
Between 18-65	68%	White householders	40
Under 65 yrs. old	16.7%	Black householder	196
White	45	Asian-decent householder	1
Black	408		
Asian decent	1		

Genesis is fairly new and it has just created its first comprehensive revitalization

plan for its community, Medbury Park. This plan is the 16 block area of Medbury Park

and a property ownership database has been completed for the community. In addition,

the corporation has performed a "condition of buildings" survey for the area with the

assistance of the City of Detroit Planning and Development Department.

Genesis is also currently implementing a Minor Home Repair program which

gives grants to resident homeowners to fix up their homes. According to Genesis'

archives, the organization recently agreed to a tripartite, residential, commercial, light

industrial plan for the community in addition to the revitalization plan mentioned

previously.

Finally, Genesis purchased a vacant, single family unit in the community and it

has an Option Agreement on a 12 unit apartment building. The address of the single-

family dwelling is 262 Harper and it is a 2 1/2 story, vacant, single family dwelling. It is

the first unit the corporation plans to rehabilitate. This work will include some repair of

the major systems: electrical plumbing, heating, and some masonry work. This project is expected to be completed in December 1996.

The apartment building is located at 287 Edsel Ford and the corporation is seeking a $75,000 predevelopment forgivable loan from LISC and a $75,000 low interest loan from Seedco to acquire the apartment building. The corporation is currently receiving funding from the Community Foundation for Southeastern Michigan to have a housing feasibility/marketing study done for Medbury Park. Also, Genesis is working with First Chicago-NBD Bank and Comerica Bank to start a housing rehabilitation and/or construction projects within the community.

The funding for Genesis' projects comes from MSHDA, City of Detroit, First Chicago-NBD Bank, and Comerica Bank. The corporation is receiving technical assistance from the Urban Planning Program at Wayne State University, WARM Training Program, Kadushin Association of Architects and Planners, Center of Urban Studies at Wayne State University, and the City of Detroit Planning and Development Department for its development projects and revitalization plan.

In addition to housing services, Genesis provides humans services to the Medbury Park area. These services are designed to assist in the human development needs of the Medbury Park population. The human services activities consists of the following: (1) food and clothing program; (2) Girls Scouts; (3) youth sports; (4) Mayor Archer's Initiative Against Devil's Night Arson; (5) two annual clean-ups; (6) crime reduction and prevention initiatives; (7) community meetings; (8) Empowerment Zone initiatives and meetings; (9) campaign to fix street lights; (10) NOF Minor Home Repair Meetings; (11) present development plan meetings; (12) implementation o Minor Home Repair Program.

For instance, Genesis' human service activities provide food and clothing to Medbury's homeless and low-income populations. Its youth sports activity provides recreational activities for young men and women (i.e., basketball and softball teams for young people to join). A final example is Genesis' community meetings for Medbury Park. These meetings bring together residents and business owners to discuss community issues related to low-income residents and stakeholders in the community.

The staff of Genesis consists of a full-time executive director, Alvin Wigley. Other staff members include: (1) a volunteer bookkeeper; (2) a part-time Housing and Economic Development Director; (3) two interns from Wayne State University (i.e., a Master's Degree candidate in Psychology and a Master's Degree candidate in Urban Planning) to address crime, safety, and urban planning issues; and (5) a Food Program Coordinator. In addition, there are ten community volunteers who donate their time to providing assistance to the human services activities of the organization. Currently, the corporation is seeking funds to support more staff (e.g., community organizer, etc.). Finally, the executive director and the housing and economic development director possess Master's Degrees in Urban Planning.

CHAPTER 6

ANALYSES OF CASE STUDIES

Case Study #1 - United Community Housing Coalition

There are some similarities and dissimilarities between the United Community

Housing Coalition (i.e., U.C.H.C.) functions and theoretical CBHO functions discussed

in Chapters 2 and 3. Overall, the U.C.H.C. adheres to most of the CBHO characteristics

and functions mentioned in Chapter 2. Also, the U.C.H.C. does utilize most of the

community development (i.e., CD) approaches and principles mentioned in Chapter 3.

As compared to the functions of CBHOs, the U.C.H.C. is a nonprofit organization

and it has 501(c)3 status by the IRS. The U.C.H.C. provides assistance to low- and

moderate-income people in Detroit, Michigan. This organization works within a defined

geographic area. This area consist of the entire city of Detroit and Detroiters are the only

residents that can receive housing assistance from the U.C.H.C. This organization is a

housing counseling agency and it only provides nondevelopment assistance where

housing counseling and *community organizing* are its main functions. The purpose of the

U.C.H.C. is to transform distressed neighborhoods into healthy and safe communities by

improving or increasing the availability of decent and affordable housing. This purpose

can be accomplished through the following efforts: (1) community and tenant

organizing; (2) crisis intervention; and (3) educational seminars related to affordable

housing. Like the theoretical functions of CBHOs, the U.C.H.C. has an

organizational structure with a fundraising capacity. This structure has a mixture of full-

time, part-time, and volunteers along with an Interim Executive Director. Even though

the organization does not have a designated "fund-raiser" position, this responsibility is shared by staff in place.

The U.C.H.C. utilizes the goals of CBHOs. The U.C.H.C. enhances living conditions of renters and creates affordable rental housing for Detroiters through landlord / tenant counseling, legal counseling, housing placement, and the affordable housing landlord network. The U.C.H.C. has created partnerships with the City of Detroit Housing Commission, Michigan Legal Services, United Methodist Church, and Cass Corridor Neighborhood Development Corporation. These private, public, and nonprofit partners have provided the U.C.H.C. with "meeting" spaces, legal services, advising, and volunteer workers.

The U.C.H.C. 's challenges consist of *citizen participation* and *funding*. "Citizen participation" in U.C.H.C. programs tends to be *reactive* where residents are reacting to negative outcomes to decisions. Some examples of *reactive* indicators consist of tenant protests, rent strikes, and "housing demolition" protesters. However, there are community residents who do serve as U.C.H.C. Board Members and other citizens work as volunteers in the U.C.H.C. office. On the other hand, funding tends to be very limited on a regular basis. Currently, the U.C.H.C. does not have money to permanently hire a secretary, Executive Director, housing placement supervisor, and Office Manager. The U.C.H.C. is currently looking at national foundation organizations for money to hire staff, too.

The U.C.H.C. shares the same philosophy as the theories of CD, also. Like the theory of CD, the U.C.H.C.'s mission is to improve the social, economic, and cultural well-being of low- and moderate-income Detroiters by providing counseling. In return,

this counseling helps these residents obtain and secure affordable and decent housing. The U.C.H.C. utilizes the *self-help, technical assistance*, and *conflict* approaches of CD.

The U.C.H.C. utilizes the self-help approach by providing skills and knowledge needed to facilitate the decision-making process of low- and moderate-income Detroit renters through landlord / tenant counseling tenant organizing and housing placement counseling. The U.C.H.C. utilizes the technical assistance approach since the organization hired accountants take care of all U.C.H.C. financial matters (i.e., nondevelopmental technical assistance) and an attorney to address landlord / tenant issues in court (i.e., nondevelopmental technical assistance). The in-house attorney provides developmental technical assistance to the U.C.H.C. and its clients by providing instruction on how to handle the following rental situations independently: (1) maintenance problems; (2) housing discrimination; and (3) illegal evictions.

The U.C.H.C adheres to the conflict approach by using community organizers to organize low- and moderate-income Detroiters negatively affected by housing decisions. The community organizer's role is to make sure the community receive satisfaction when there are conflicts over housing issues.

Furthermore, the U.C.H.C. adheres to four of the CD principles discussed in Chapter 3. The U.C.H.C. adheres to Principle 1 by using citizens as board members and staff (i.e., volunteers) to carry out U.C.H.C. work and make decisions. In addition, the U.C.H.C. adheres to Principles 2, 3, 4, and 5 collectively where citizens may identify substandard housing conditions and seek U.C.H.C. assistance to alleviate problems. In addition, community members sit on U.C.H.C. Board and make decisions and plans affecting housing situations of Detroit residents.

In contrast, the U.C.H.C. does not adhere to some of the theoretical functions and practices of CBHOs or community development. The U.C.H.C. does not participate in development activities, therefore, it does not participate in "increasing homeownership" or "redeveloping and/or rehabilitating houses". Also, the U.C.H.C. does not have in place evaluation tool to gauge the organization's successes.

Case Study #2 - Genesis Community Development Corporation

There are some similarities and dissimilarities between Genesis Community Development Corporation functions and theoretical CBHO functions. Overall, Genesis adheres to most of the CBHO characteristics and functions mentioned in Chapter 2. Also, the Genesis does utilize most of the community development (i.e., CD) approaches and principles mentioned in Chapter 3.

Like the functions of CBHOs, Genesis is a nonprofit agency with an IRS 501(c)3 status. In addition, Genesis is recognized as a Community Housing Development Organization (i.e., CHDO) by the Michigan State Housing Authority (i.e., MSHDA). Genesis has defined geographic boundaries and its area of focus is known as Medbury Park. Genesis conducts nondevelopment and development activities consist of the Minor Home Repair Program, a housing rehabilitation project (i.e., 262 Harper Ave.), and a redevelopment project (i.e., an apartment building on 287 Edsel Ford). Its nondevelopment activities consist of human services activities, such as, community clean-up efforts, and Girls Scouts. Furthermore, the purpose of Genesis is to transform Medbury Park neighborhoods into healthy and safe environments by conducting housing rehabilitation / redevelopment projects and human services activities (e.g., crime prevention, food, clothing) to meet the needs of area residents.

Genesis also meets the goals of CBHOs. Genesis shapes the community renewal process of Medbury Park by targeting its development and rehabilitation activities to this community. This shows loyalty and commitment to a particular area. By identifying with a particular area (i.e., Medbury Park), Genesis shows dedication towards enhancing an area and the lives of those residents within the area. Genesis enhances current living conditions in Medbury Park through housing rehabilitation and redevelopment projects within the 16 block area.

Genesis has created partnerships between public, private, and nonprofit entities. Genesis's partners are Oakland Avenue Missionary Baptist Church, MSHDA, City of Detroit Planning and Development Department, and First Chicago-NBD Bank. These partners provide the following assistance: (1) meeting spaces; (2) funding; (3) community volunteers; and (4) technical assistance. In addition, Genesis increase homeownership opportunities for local Medbury Park residents by revitalizing homes and creating decent low-income housing for low-income people and first-time buyers.

The challenges of Genesis consist of a lack of citizen participation and funding. Medbury Park citizens have provided *input* about Genesis's projects. However, these citizens have not been empowered by Genesis to conduct planning processes or implement housing development plans. This dilemma could be conquered by adding a "community organizer" to Genesis's staff. Funding is limited for Genesis and it is desperately needed to hire more full-time and part-time staff (i.e., community organizer, full-time bookkeeper).

Genesis's philosophy is similar to the philosophy of CD where Genesis's goal is to provide neighborhood revitalization, humanistic, ad cultural programs to change the

social, economic, environmental, and cultural situation of Medbury Park. Genesis only utilizes the nondevelopmental *technical assistance* approach of CD. For instance, Genesis seeks support from the Urban Planning Department of Wayne State University, WARM Training Program, Kadushin Association of Planners and Architects, City of Detroit Planning and Development Department, and Urban Studies Program at Wayne State University. Wayne State University graduate students are used to complete housing surveys, grant and proposal writing, and crime prevention strategies. The WARM Training Program is used to do "rough cost estimates" for redevelopment and rehabilitation projects. Furthermore, Kadushin Association of Architects and Planners composed the Harper Avenue Infill Housing Development Project Plan. Genesis practices nondevelopmental technical assistance because the technical assistants do not *empower* residents with "know-how" to community residents. Genesis's technical assistants appear to work *for* the organization instead of *with* the Medbury Park community residents.

It appears that Genesis only adheres to Principle 1 and Principle 2 of the community development process (see Chapter 3). Genesis seeks community input about community housing problems rather than community participation. Since community members of Medbury Park only provide *input*, these residents *indirectly* influence decisions that affect the environment of Medbury Park.

In contrasts, Genesis does not adhere to the CBHO goals of "creating affordable rental housing" or "enhancing the current living conditions of renters" since Genesis is not involved in housing activities for renters. Genesis does not encourage citizen participation in designing, implementing, or evaluating community plans. Therefore,

Genesis does not follow Principles 3, 4, and 5 of community development. Also, Genesis does not have a mechanism to gauge any Genesis efforts which may adversely affect the disadvantaged segments of Medbury Park. Finally, Genesis does not engage in the *conflict* approach of CD and Genesis does not have an evaluation tool in place to gauge its accomplishments.

Summary

In conclusion, the United Community Housing Coalition and Genesis Community Development Corporation are CBHOs in Detroit, Michigan. Both organizations are nonprofit organizations with 501(c)3 status and these entities share the same philosophy as the theory of community development. Genesis and U.C.H.C work within designated geographical boundaries and share the same theoretical purpose of CBHOs. Genesis and U.C.H.C. use citizens in the decision-making process for housing programs services. In addition, both organizations are involved in partnerships with other organizations. However, both organizations do not have an evaluation tool to gauge the accomplishments of housing services and these institutions do not adhere to Principle 4 of the community development process. Finally, the U.C.H.C. is a housing counseling agency which does not engage in development activities and Genesis is a community development corporation which engages in development and nondevelopment activities.

CHAPTER 7

CONCLUSION

CBHOs are nonprofit organizations that provide assistance to residents of low- and moderate-income areas in order to help transform distressed neighborhoods into healthy communities. Historically, U.S. federal housing policies have been insufficient in assisting disadvantaged people and families obtain and secure affordable housing. Therefore, CBHOs have evolved to provide assistance to these disadvantage citizens who have been negatively affected by past and present housing policies. CBHOs receive CDBG funds, HOME funds, and other funds to carry out measures related to creating safe and affordable housing. Economically, CBHOs revive areas within cities by indirectly broadening the city's tax base through housing rehabilitation and redevelopment programs. Culturally, CBHOs provide people with an opportunity to interact with diverse groups of people by providing <u>diverse</u> housing types. Socially, CBHOs may improve the attitudinal environment in a community or area by enhancing the quality of life. Environmentally, CBHOs can be responsible for creating an "attractiveness" of a particular area through the creation of housing rehabilitation / redevelopment projects.

CBHOs conduct nondevelopment and development activities in order to meet the housing needs and human service needs of low- and moderate-income families. Theoretically, a CBHO follows six goals and its organizational characteristics consist of an Executive Director along with other permanent staff members.

Also, there is a relationship between CBHOs and the CD process. The theory of CD has several principles and three approaches. The approaches consist of *self-help, technical assistance, conflict*. Overall, CBHOs have the ability to bring about major

changes in improving neighborhoods and community areas through adhering to the approaches and principles of CD.

In addition, two CBHOs are highlighted in the research through case studies and these organizations are located in Detroit, Michigan. These CBHOs were the United Community Housing Coalition and the Genesis Community Development Program. These organizations utilize most of the theoretical CBHO functions and CD processes. For instance, both organizations are nonprofit organizations with 501(c)3 status and these entities share the same philosophy as the theory of community development. Genesis and U.C.H.C. work within designated geographic boundaries and share the same theoretical purpose for housing programs services. In addition, both organizations are involved in partnerships with other organizations. However, both organizations do not have a tool to indicate the accomplishments of housing services.

Finally, the issue of CBHOs is important for Urban and Regional Planners for several reasons. First of all, "housing" is an aspect of urban planning. Second, urban planners are responsible for developing safe and decent homes in this society. Third, urban planners often work as *housing and community development specialists* who work *with* and *for* CBHOs. Therefore, these planners need to understand the principles, approaches, and practices of community development in order to be efficient planners.

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