



## What Is A Community Development Corporation?

Community development corporations, or “CDCs”, have been an integral part of American community revitalization strategies for more than 40 years. CDCs are generally non-profit 501(c)3 organizations that are initiated on a grassroots level. They tackle public benefit projects and other redevelopment activities in areas that have difficulty attracting private capital or lack development expertise to undertake complicated public/private financing strategies. Typical activities include:

- Facilitating and/or constructing affordable housing
- Assisting in the growth and development of small businesses and economic development
- Developing underutilized real estate
- Facilitate linkages and partnerships throughout the community such as neighborhood police effort and clean and safe programs
- Providing a comprehensive organizational structure to engage in a variety of activities to aid the healthy development of downtowns and neighborhoods;
- Facilitate financing and developing financing tools

The economic downturn is forcing communities to re-think traditional approaches to downtown and community development and CDCs are becoming more widely used to foster growth and development. The CDC movement is being led by private sector downtown management organizations, institutions such as universities and hospitals as well as local government. The new relevance of CDCs to downtowns and community development is driven by the following factors:

- Downtown and community development strategies are increasingly incremental and entrepreneurial
- CDCs tend to take care of the details – infill development that is often overlooked by large plans and public financing agencies
- CDC approaches are tactical and project-based
- CDCs create a proven mechanism for including more diverse markets and constituencies within the umbrella of traditional downtown and community management organizations

As downtowns and neighborhood business districts continue to be seen as competitive destinations for both investors and customers, they are becoming increasingly multi-dimensional environments supporting a variety of uses, including employment, shopping, entertainment, recreation and living. To create the “24-hour city”, or at least push the clock beyond 9 to 5, CDCs can provide downtowns and neighborhood business districts with more nimble tools in an increasingly complex tool box. CDCs can be effective at both creating and deploying these development tools.

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