FROM THE GROUND UP

SUPPORTING A NEIGHBORHOOD-BASED COMMUNITY DEVELOPMENT ECOSYSTEM FOR LOUISVILLE

EXECUTIVE SUMMARY 2019

Center For Neighborhoods
VISION. KNOWLEDGE. ACTION.
The Way Forward

Invest in Community Organizing
Often the success and sustainability of a community initiative relies on the involvement and ownership of neighborhood residents. The key barrier is the lack of funding that organizations have to support the engagement hours that staff spend in order to engage community in projects and build leadership for long-term change.

Invest in Organizational Capacity Building
Louisville’s CDC’s expressed the need for organizational development and supports in order to continue and enhance their work. Funders have the opportunity to address funding disparities by directly supporting administrative, planning, training, fund development, and other daily needs of smaller organizations.

Build, Develop, and Sustain Collaboration
Interviewees provided insight into the widespread mistrust throughout Louisville’s community development system and stated a desire for more collaboration. Significant work is needed locally to build trust and collaborative networks that support organizations in working together and building a more authentic system that puts community residents at the center.

Develop and Advance New Policy
A significant amount of policy barriers were named, particularly around affordable housing and access to land. Partnerships are needed between organizations, with community involvement, to develop new policy alternatives and advocate as a community development system for needed improvements.

Commit to Transparency and Equitable Leadership
Resident representation and ownership of community development initiatives is imperative for authentic engagement and impact. Louisville needs a top-down commitment to racial and neighborhood equity, starting with engagement, investment, and transparent processes.

All levels need to “lean in” to building the system: policy makers, practitioners, funders, and community members.

Download the full report at www.centerforneighborhoods.org
Executive Summary

**Neighborhood-based community development corporations (CDCs) can be an impactful vehicle to bring about resident-led neighborhood development and provide base support services and programs.** Since the 1960s, CDCs have been a frontline tool to support resident-driven change in disinvested neighborhoods across urban cities and rural towns alike. CDCs have garnered a reputation particularly for spurring investments that often lead to dramatic neighborhood improvements. At their best, CDCs meaningfully engage residents in governance and decision-making to ensure that current residents are among the first and primary beneficiaries of neighborhood development. Many CDCs in peer cities have proven both impactful and adaptable as new challenges emerged.

This report confirmed that neighborhood-based CDCs have been an underutilized vehicle for community development in Louisville when compared to peer cities.

In February 2019, Center For Neighborhoods commissioned original research and analysis by the McNary Group to begin to explore what is needed to enhance Louisville’s current community development ecosystem and the factors that impact the functioning and success of neighborhood-based CDCs in Louisville. Interviews were conducted with nine local CDCs and emerging neighborhood groups in Louisville, as well as with CDCs, policy makers, and intermediaries in three peer cities: Cincinnati, Indianapolis, and Memphis. A scan of the policy/regulatory; financial resources; and organizational capacity landscapes that impact CDCs was also included.

Interviews confirmed that many CDCs in Louisville face similar issues related to organizational capacity, funding, community engagement, and problematic policy. Participants identified barriers and systemic issues, including: the lack of community voices in development projects; competition for financial resources and lack of cooperation among CDCs; lack of authentic inclusion and diversity in community development leadership and governance; and continuing neighborhood decline, gentrification and displacement. Additionally, there are resident groups and small non-profits that are wanting to enter into the community development space, but lack the resources or supports to do so.

In all three peer cities, collaborative work among CDCs exists to address these common barriers. In many cases, an intermediary organization provides one or many of the following services: capacity building through trainings and consulting; staffing for basic needs such as accounting, community education and engagement; community planning; and advising on best practices. There is also a member-based network for CDCs in each city and other organizations to work collaboratively on issues such as policy advocacy and coordinated financial investments and grants.

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First and foremost, a successful community development ecosystem is going to require that all stakeholders – residents and community leaders, policy makers, and financial partners – lean in. Investment is needed in four key areas:

1. **Grassroots Community Organizing**
   Centering resident engagement and ownership is critical to the success of many CDCs. Needs include training on effective community engagement; resources for paid staff focusing on community engagement and community organizing; supports that enable community participation (i.e. childcare); resources for long-term community engagement that provide space for trust building, relationship building, and exploration of new policy or advocacy ideas; and transparent, resident-friendly processes for activities such as planning and accessing land and capital.

2. **Organizational Capacity Building**
   Supports are needed that include: training for staff and neighborhood leaders; operational staff; financial supports, including access to capital and grant funding; expertise and financial resources for policy work, advocacy, community engagement, and administration.

3. **Collaboration Supports**
   Shared trust and ample space for convening are needed to develop shared visions and plans are fundamental for effective partnership. A lack of resources and financial support for collaboration results in real and perceived competition for resources among CDCs. There is a strong desire for more collaboration in order to develop organizational capacity; leverage financial resources; and support peer-to-peer networking and learning. There is a desire to establish a Louisville-focused, centralized network that could:
   - Share best practices and trainings;
   - Engage community;
   - Inform about policy impacts;
   - Enable combined advocacy efforts;
   - Enhance communication; and
   - Share administrative functions.

4. **Policy Research & Advocacy**
   There is a lack of resources to assist CDCs in understanding and utilizing policies and regulatory and financial mechanisms (i.e. Opportunity Zones) that can critically impact their success. Distrust between community and city government has also been exacerbated by inconsistent local and state, non-transparent, inconsistent processes and a general lack of accountability in the implementation of plans and policies. Fears exist around involuntary displacement and lack of creative solutions and strategies.

**The Way Forward**

There is great opportunity to lift up neighborhood-based and grassroots groups. This is a critical time for the Louisville community to enhance how we do community development in order to benefit all residents. **Five** actions were identified that will support the community development ecosystem and its tools, resources, and technical expertise to support neighborhood-based CDCs and, ultimately, residents:

1. **Invest in Community Organizing**
   Often the success and sustainability of a community initiative relies on the involvement and ownership of neighborhood residents. Disinvested neighborhoods are also most likely to lack established neighborhood associations or have effective neighborhood leadership and voices. The key barrier is the lack of committed funding for organizations to support the staff hours they need for community engagement in projects and building the leadership necessary for long-term change.

2. **Invest in Organizational Capacity Building**
   There was an expressed need for support in organizational development and capacity building, particularly from smaller and neighborhood-based groups that receive a limited share of funding and/or investment. Funders have the opportunity to address this disparity and
support the fundamental operational needs of smaller organizations by proving direct funding in the areas of administration, training, planning, and fund development.

3. Build, Develop, and Sustain Collaboration
Interviewees provided insight into the widespread mistrust throughout Louisville’s community development system and stated a desire for more collaboration amongst organizations. Significant work is needed locally to build trust and collaborative networks to support organizations in working together and building a more authentic system that puts community residents at the center.

4. Develop and Advance New Policy
A significant amount of policy barriers were identified, particularly around affordable housing and access to land. Partnerships are needed between organizations, with community involvement, to develop new policy alternatives and advocate as a community development system for needed improvements.

5. Commit to Transparency and Equitable Leadership
Resident representation and ownership of community development initiatives is imperative for authentic engagement and impact. Louisville needs a top-down commitment to racial and neighborhood equity, starting with engagement, investment, and transparent processes.

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