

COMMUNITY ECONOMIC DEVELOPMENT:  
POLICY FRAMEWORK FOR NUESTRA  
COMUNIDAD DEVELOPMENT CORPORATION  
(NCDC)

by

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To my Father Demetrius S. Iatridis. His  
dedication and continuous search for improve-  
ments to the quality of life of the human  
race has been an inspiration to my personal  
and professional life.

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ABSTRACT

This thesis is a study for Nuestra Comunidad Development Corporation and its Economic and Employment Development Committee of North Dorchester and Lower Roxbury in Boston. It addresses the issues of comprehensive community economic development and planned approaches to stop and/or reverse neighborhood deterioration. Recommendations are presented for Nuestra and its Economic and Employment Development Committee to enhance their opportunity for comprehensive community economic development in order to reverse neighborhood decline.

Thesis Supervisor: Donald A. Schon

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I. INTRODUCTION

A. Thesis Objective

The purpose of this thesis is to develop policy recommendations that will guide the formulation of business and job development strategies by the Economic Employment Development Committee of Nuestra Comunidad Development Corporation, Inc. (Nuestra). Nuestra is the economic development agency serving the Dudley Neighborhood,<sup>1</sup> located in the boundary of North Dorchester and Lower Roxbury in Boston. This thesis includes a description of the emergence of community economic development (CED) and community development corporations (CDC), as well as an assessment of their experiences. These are reviewed in order to identify alternative business and job development strategies available to the Economic Employment Development Committee. Major strategies and their implications are also discussed in the context of their underlying policy objectives. These, in turn, lead to recommendations for a policy framework to guide the Committee's planning efforts.

B. Statement of the Problem

Although the broader antecedent problem is the underdevelopment and decline of inner city neighborhoods, the specific policy questions to be addressed by this thesis concern the choice of planned approaches to stop and/or reverse neighborhood deterioration. In other words, to identify what policy framework will be most conducive to the development of the Dudley Neighborhood. The focus of this thesis is prescriptive.

The problem is perceived and described within the context of disinvestment and decapitalization. Neighborhood decline is assured to be caused by interacting, self-perpetuating processes which cluster many of



the following factors: high unemployment and underemployment among residents; a high percentage of households under the poverty line; a largely unskilled labor force; human capital disinvestment; low quality and quantity of public services; weak local market demand; local business deterioration; lack of political power on the part of residents; alienation of many residents from the mainstream of society; lack of investment or development capital; increased threats to safety; physical and infrastructure deterioration -- all reinforcing each other and stimulating further neighborhood decline.<sup>2</sup>

These factors are thought to interact with each other and mediate neighborhood decline. For example, unemployment over sustained periods of time reduces the purchasing power and financial assets of households and increases the number of families living under the poverty line. Inadequate household income often generates disinvestment in education and training of family members and results in a dearth of skills, lower wages, and unstable jobs often in less financially-rewarding secondary markets. On the other hand, high concentration of low income people in one community reduces taxes for the community which, in turn, often leads to neglect and deterioration of public services, public facilities, and of the physical infrastructure.

These self-perpetuating processes are put in motion by economic, social, physical, and political forces. In order to reverse neighborhood decline, therefore, these areas must be addressed whenever possible by the planning effort. Yet these forces are often beyond the reach of neighborhood CDCs, and are certainly beyond the scope of any one single thesis. As a result, the emphasis of this thesis is on the economic aspects of

neighborhood development; particularly because a major potential consumer of this study, Nuestra's Economic Employment Development Committee, focuses on the economic dimension of neighborhood decline.<sup>3</sup> In addition, a number of economic development theorists argue that factors such as unemployment and underemployment are caused by insufficient demand for goods and services which, in turn, is caused by capital disinvestment.<sup>4</sup> Besides other causes of neighborhood decline and other social barriers to development (e.g., discrimination), capital investment is considered a critical prerequisite for growth in a market economy. This thesis assumes, therefore, that neighborhood economic decline can be best arrested and reversed when capital is secured and invested in a way that responds to the needs and interests of the neighborhood.

### C. Data Collection

Data were obtained from the following sources: (1) Review of the literature, in particular, studies on the Dudley neighborhood provided community data which were used in Chapter Two; the literature on community economic development and community development corporations provided the theoretical approach outlined in Chapter Three and set the grounds for the suggestions presented in Chapter Four; and industrial sector forecast studies provided the basis for suggestions regarding investment targets in growth industries presented in Chapter Four. (2) Interviews, Discussions were held with faculty and businessmen familiar with industrial location decisions, with Nuestra's staff, and with members of its Economic and Employment Development Committee. Interviews and discussions with the

Nuestra's Director and the five members of the Economic and Employment Development Committee provided an understanding of Nuestra's resources and functions outlined in Chapter Two. Interviews with sixteen MIT faculty members directed the discussion of alternative views of community economic development presented in Chapter Three. Interviews with five of Boston's businessmen provided insights regarding business trends and perceptions of business locating in inner cities, outlined in Chapter Four. (3) Census data. Demographic characteristics of neighborhood residents were obtained from Census data and were utilized in Chapter Two and the appendices. Finally, (4) The author's experience as a student-intern in Nuestra and as a member of the Economic and Employment Development Committee provided valuable information and insights.

#### D. Structure of the Thesis

Chapter Two describes Nuestra Comunidad Development Corporation's target area, its characteristics and problems. This chapter also outlines the organizational structure of Nuestra, its activities and its Economic and Employment Development Committee. The objective of this chapter is to provide the organizational and contextual background for the analysis and recommendations that follow.

Chapter Three is concerned with the emergence of community economic development, its trends, and the community development corporation (CDC) model. It also highlights the experiences of the CDC movement, and provides the basis for the recommendations in Chapter 4.

Chapter Four outlines the alternatives available to the Economic Employment Development Committee based on the experiences of the CDC model, and recommends strategies based on a set of criteria that it develops for this purpose. Chapter 4, then, is primarily prescriptive.

The Appendices provide data for extended analysis and for Nuestra's future use. These include a list of labor force training sources; potential sources for capital development and funding; and types of financial institutions to be established by Nuestra, if so desired. More detailed demographic data of Nuestra's target area are also presented.

II. NUESTRA COMUNIDAD DEVELOPMENT CORPORATION  
AND ITS DUDLEY TARGET AREA

This Chapter seeks to provide a profile of Nuestra Comunidad Development Corporation and its target area. To this effect, it discusses major problems regarding the nature of Nuestra's geographic target area, as well as its development, trends, and decline. Nuestra's mandate, organizational structure and activities are also described. Given that objective of this thesis is to provide a policy framework for Nuestra's Economic and Employment Development Committee, this chapter outlines the Committee's operation and needs.

A. Nuestra's Boundaries: the Dudley Neighborhood

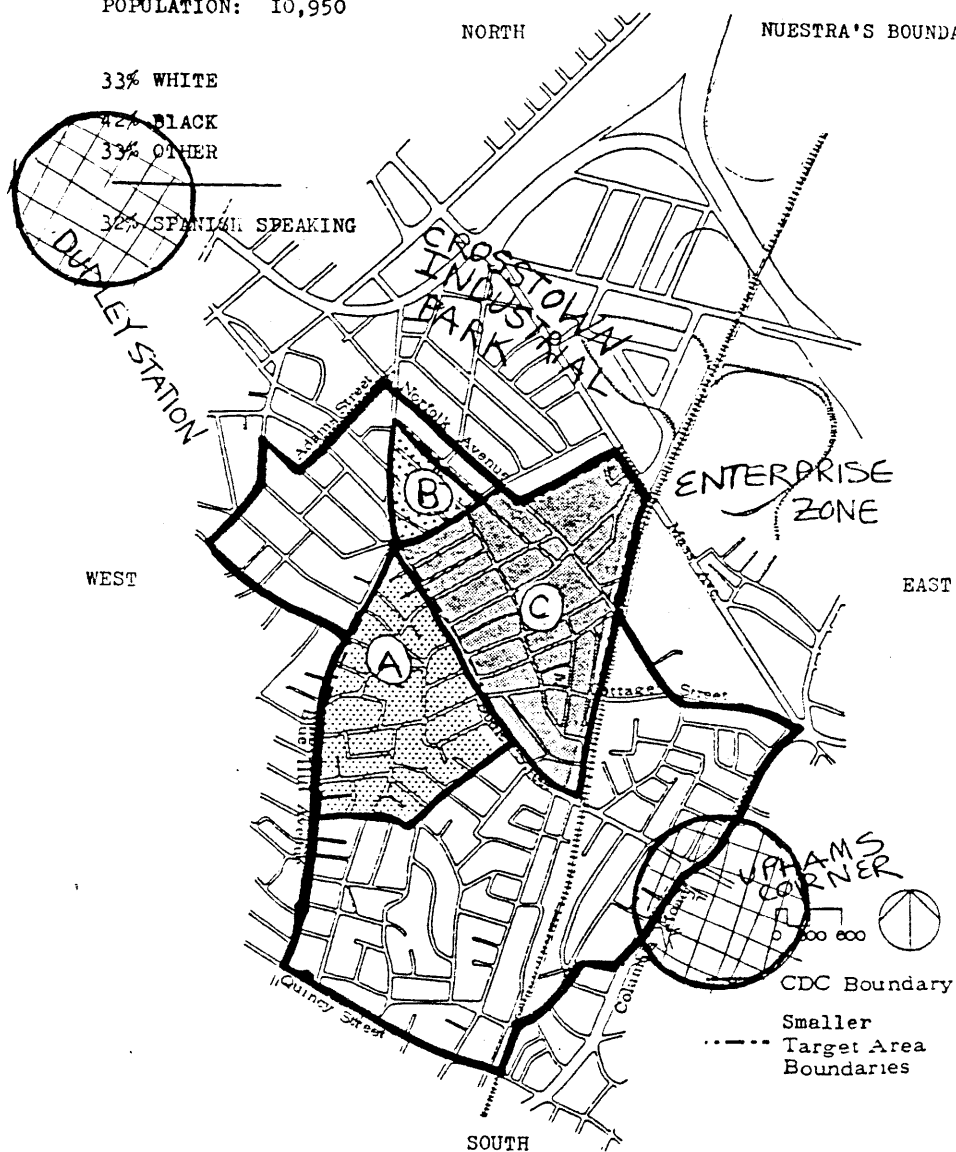
Nuestra's main target area is defined by the Dudley Station Retail Center (Northwest), Uphams Corner Retail Center (South), and one of Boston's proposed Enterprise Zones (Northeast). Uphams Corner and the proposed Enterprise Zone are at the edge of Nuestra's target area (see Diagram 1).

Analysis of Nuestra's physical boundaries indicates that the northeast boundary (Norfolk Avenue) separates the Dudley neighborhood residential area (small-scale buildings) from the neighboring Crosstown Industrial Park (large-scale buildings) -- the proposed Enterprise Zone. This boundary separates the Dudley Neighborhood and the Enterprise Zone.

The West boundary (Dudley and Blue Hill Avenues) were determined by three factors: the CDC's desire not to move far into Roxbury and overlap with the Greater Roxbury Development Corporation; the role of Blue Hill Avenue as a natural physical divider; and the absence of a significant Hispanic population, a major population target of Nuestra, on the west side of Blue Hill Avenue.

TOTAL  
POPULATION: 10,950

DIAGRAM I  
NUESTRA'S BOUNDARIES



SOURCE: Total Studio, From the  
Ground Up. Study Map  
MIT 1981

The Southwest side (Quincy Street), a weak boundary line, coincides with the census tract number 904. This is the only census tract in Nuestra's target area which has a totally black population. The other census tracts have a roughly even mixture of Blacks, Hispanics and Whites.

The southeast side (Columbia Road) is defined by the retail center (Uphams Corner). Columbia road also divides the area into two neighborhoods, one White-Irish and one Hispanic/Black.

Nuestra targetted three smaller areas in the neighborhood because they represent special problems. Within the Dudley neighborhood, Area A (Blue Hill intersection, Blue Hill Avenue, and Dudley Street) has the largest vacant land; Area B (Blue Hill intersection, Hamden Street, the industrial-residential buffer zone, and Magazine Street) has a concentrated housing stock with potential for housing development; and Area C (Blue Hill intersection, Dudley Street, the railroad tracks, the industrial-residential buffer zone and Magazine Street) has a majority of Hispanic and Cape Verdean residents.

#### B. A Brief History of the Dudley Neighborhood<sup>5</sup>

Dorchester and Roxbury, which the Dudley neighborhood partly overlaps, became densely populated between 1870 and 1914 during Boston's industrial development boom. During this period, middle-class families moved into the suburbs of Dorchester and Roxbury with the help of new transportation improvements. After World War I and during the twenties, upper middle class residents started to move out of Dorchester and Roxbury into new suburbs located further south. This exodus of the upper middle class was



accompanied by construction of lower income, inexpensive three-family houses in the area. These triple deckers were made possible by the introduction of new zoning and building codes, drafted to accommodate immigrant and working class families now moving into Dorchester and Roxbury. The Great Depression slowed down the Dorchester and Roxbury middle-class exodus. However, this pattern intensified in the late forties and fifties when new highways, higher rates of automobile ownership, and increased availability of affordable mortgages made it both desirable and possible for the remainder of the middle-class to move out of Roxbury and Dorchester into the new suburbs of Boston.

The economic, ethnic and racial character of Dorchester and Roxbury started to change dramatically in the early fifties when Blacks from the South and Hispanic (im)migrants moved into the area and occupied the houses being vacated by the middle-class and by earlier European immigrants. By the early sixties the Dudley neighborhood consisted of Blacks and Hispanics, and Uphams Corner became the center of Boston's Black community. The settlement of Hispanic residents into the Dudley neighborhood intensified during the 1970s--a period of increased Hispanic migration--when the South End and Jamaica Plain underwent rapid gentrification resulting in the displacement of many Hispanic residents.

#### C. The Decline of the Dudley Area

Since 1970, the Dudley Area has experienced continued economic decline and deterioration. Its problems are numerous. The area has faced significant building demolition which led to a thirty percent vacancy of land.<sup>6</sup>

Building demolition was necessitated by arson, property abandonment and vandalism. This vacant land has become the dumping ground of garbage and waste. Between 1970 to 1980, the Census Bureau recorded that 4,578 people moved out of the neighborhood. This caused a twenty-nine percent population decline and instigated a comparable decline in local businesses and institutions.

In 1979, the Census Bureau recorded that thirty-one percent of the remaining population was below the poverty line (see Table 2), in contrast with a national rate of eleven percent. Out of the total 2,432 households, forty-four percent were female-headed families, of which about a half are below the poverty line. This high concentration of poor households on a relatively small area multiplies problems of disinvestment and complicates development.

According to the 1980 Census, eighteen percent of the neighborhood's population over sixteen years of age were unemployed for a certain period of time in 1979, contrasted to a 5.8% national unemployment rate--although these figures are only roughly comparable, they do suggest a much greater than average unemployment rate among neighborhood residents. The 1980 Census recorded that eighteen percent of the total population five years and older speak English with difficulty or not at all. Language, then, stands as a barrier for training programs and upgrading skills of the neighborhood's labor force. Another formidable obstacle to upgrading skills (and increasing opportunities for employment) is the low educational level of the residents. Thirty-four percent of the population twenty-five years and older has an elementary education at best, while eighty-seven

Table 1  
POPULATION CHARACTERISTICS

Who Lives in the Neighborhood?

Total population	=	10,950
White	=	23%
Black	=	42%
Spanish speaking	=	32.6% (over $\frac{1}{2}$ are Puerto Ricans)
American Indian	=	1.5%
Other	=	0.9%

SOURCE: U.S. Department of Commerce, Bureau of the Census, Census Data.  
Center for Massachusetts Data Printout, Amherst, U. Mass., 1980.

Table 2

## FAMILIES &amp; NON-FAMILY HOUSEHOLDERS BY POVERTY STATUS

	<u>Families</u>	<u>Non-Family Householders</u>
Income Below Poverty Line	28.1%	24.6%
Income Between 100 & 124% of Poverty Line	9.3%	8.6%
Income 125% of Poverty Line and above	62.3%	66.5%

## TOTAL POPULATION DETERMINED BY POVERTY STATUS &amp; RACE

Above Poverty Line:	69.4%
Below Poverty Line:	31.5%

SOURCE: U.S. Department of Commerce, Bureau of the Census, Census Data.  
Center for Massachusetts Data Printout, Amherst, U. Mass., 1980.

Table 3

## HOUSEHOLD &amp; FAMILY INCOME: 1979

(15 years and over, adding all incomes  
of each person in households or family.)

3316 = total households

2432 = total families

	<u>Households</u>	<u>Families</u>
Less than \$2500	9.7%	8.5%
\$2500 - \$4999	13.2%	10.3%
\$5000 - \$7499	12.8%	11.0%
\$7500 - \$9999	12.0%	12.7%
\$10,000 - \$12,499	11.9%	11.0%
\$12,500 - \$14,999	6.9%	7.1%
\$15,500 - \$17,499	7.1%	7.5%
\$17,500 - \$19,999	4.8%	5.7%
\$20,000 - \$22,499	2.9%	3.6%
\$22,500 - \$24,999	3.7%	3.4%
\$25,000 - \$27,499	3.9%	5.1%
\$27,500 - \$29,999	2.1%	3.0%
\$30,000 - \$34,999	3.4%	4.1%
\$35,000 - \$39,999	1.5%	1.5%
\$40,000 - \$49,999	2.5%	2.7%
\$50,000 - \$74,999	.9%	.9%
\$75,000 and more	0	0
Median	\$10,378	\$11,718
Mean	\$13,421	\$14,582

SOURCE: U.S. Department of Commerce, Bureau of the Census, Census Data.  
Center for Massachusetts Data Printout, Amherst, U. Mass., 1980.

percent have not attended college. Thirty-four percent of households receive public assistance, and the unemployment rate is among the highest in Boston.

On the other hand, the neighborhood has certain strengths and performs many indispensable functions for its residents. It provides a home for many new immigrants to Boston. Between 1975 to 1980, the 1980 Census recorded that fourteen percent of this area's population came from abroad and found low-cost housing and land. Half of the residential buildings are owner-occupied.<sup>7</sup> This suggests a present stable neighborhood core Nuestra can build on. According to the 1980 Census, residents' occupational status varies from skilled to semi-skilled (see Table 5). Twenty-eight percent of those employed are in service occupations; twenty-six percent in technical, sales administrative support and twenty-three percent are operators, fabricators and laborers. Thirteen percent of the population twenty-five years and older have attended college.

These data clearly support Nuestra's goals to reverse declining trends and stimulate neighborhood growth. The area suffers from decline, deterioration and capital disinvestment. There are multiple needs. For example, there is a need to increase the number of jobs in the target area and reduce the high local rates of unemployment and underemployment; to increase the quality of jobs so as to reduce poverty and increase income levels; to provide manpower training so as to improve the residents' skills and increase their competitiveness in the labor market (especially for those who don't speak English, since the Spanish-speaking are the largest group under the poverty level); and to provide a large number of female-

Table 4

INCOME OF UNRELATED INDIVIDUALS  
(15 years  
and over)

Less than \$1000	=	8.9%	
\$1,000 - \$1,999	=	6.2%	
\$2,000 - \$2,999	=	7.0%	1/3
\$3,000 - \$3,999	=	10.9%	
\$4,000 - \$4,999	=	9.0%	
\$5,000 - \$5,999	=	8.9%	1/3
\$6,000 - \$6,999	=	3.9%	
\$7,000 - \$7,999	=	5.5%	
\$8,000 - \$8,999	=	7.9%	
\$9,000 - \$9,999	=	2.9%	1/3
\$10,000 - \$11,999	=	9.6%	
\$12,000 - \$14,999	=	7.0%	
\$15,000 - \$24,999	=	11.8%	
\$25,999 - \$49,999	=	0	
\$50,000 or more	=	0	
Median	=	\$6,358	
Mean	=	\$7271	

Unrelated Individuals - Poverty Status:

Income above poverty level:	71.5%	55.6%	15-64 years old
		15.8%	65 years over
Income below poverty level:	28.4%	24%	15-64 years old
		43%	65 years over

SOURCE: U.S. Department of Commerce, Bureau of the Census, Census Data.  
Center for Massachusetts Data Printout, Amherst, U. Mass., 1980.

Table 5Resident's Occupation

48.5% were employed in 1979, of which:

28.4% = service, which comprised

26.5% = technical, sales, administrative support, which comprised:

23.9% = operators, fabricators and laborers, which comprised:

Occupation by Industry:

29.4% = professional and related services, of which:

14.6% - health services  
8.4% - educational services  
6.2% - other

23.7% = manufacturing, of which:

12.1% - non-durable goods  
11.6% - durable goods

12.3% = retail trade

6.3% = finance, insurance and real estate

6.0% = personal, entertainment and recreation services

5.4% = public administration

4.5% = business and repair services

3.8% = transportation

2.9% = wholesale trade

2.8% = construction

2.3% = communication, other public utilities

SOURCE: U.S. Department of Commerce, Bureau of the Census, Census Data.  
Center for Massachusetts Data Printout, Amherst, U. Mass., 1980.



headed households under the poverty line with day-care centers as an integral component of a job development strategy. Yet there are also a number of strengths, such as the existence of a relatively skilled segment of the resident population, which should be utilized in economic development planning.

D. Episodes of Decline

The general pattern of neighborhood decline documented by the quantitative data presented in the previous section, and the possible roles the CDC could play in curbing this process, can be illustrated by the following episodes:

Blue Hill Episode: This episode provides interesting insights regarding the forces of neighborhood decline, and Nuestra's revitalization development efforts. The Blue Hill Square project began in the spring of 1982 as an effort to improve the business center of the Dudley neighborhood. Located on the intersection of Hampden Street, Dudley Street and Blue Hill Avenue, this corner is the most central piece of vacant land in the area, and has the potential of becoming a neighborhood center.<sup>8</sup> Not only is it located on the intersection of two main streets, but surrounded by a few small commercial establishments, social services organizations, housing, educational institutions and major religious organizations -- all encouraging activities important to neighborhood life and development. For example, Roxbury Community College students and elementary school students come into this intersection before and after school, while waiting

for the bus and socializing with friends. At lunch time, Alianza and Nuestra's employees of nearby commercial establishments usually go to the sandwich shop (located at the intersection) for lunch.

Nuestra decided to explore the feasibility of buying the triangle lot in order to gain control and eventually to improve the physical condition of this neighborhood central area. Key projects in this location could serve to strengthen the identity of the neighborhood, create solidarity among its people, and encourage participation of residents in Nuestra's community development projects.

This Blue Hill project is on a standstill at present because of Nuestra's lack of capital and staff resources. In the meantime, Roxbury Community College, a major institution in the area is moving out of the neighborhood and abandoning the building. As a result, the rate of activity in the area has decreased as the student population declined (700 day students and 450 night students). Moreover, the building may be a threat to the future development of the neighborhood. It is already a target of vandalism, and at high-risk for arson and demolition. It may eventually contribute to the blight of the neighborhood. These and similar events keep land values low, and decrease potential for investment. All contribute to a self-perpetuating process of decline.

MBTA Episode: This episode reflects not only the residents' strong concern and commitment to their neighborhood, but Nuestra's advocacy role in a city (MBTA) project that would affect the neighborhood. The project and Nuestra's objectives are presently in conflict. The MBTA plans to

modify the transit system on Dudley Street; it claims that improvements will stimulate economic development through transit access to jobs and business. The MBTA, however, proposes to demolish twenty-four buildings on Dudley Street in order to widen the streets a total of eighty-four feet to allow for a two-way busway. Nuestra's staff believe that this demolition would further contribute to Dudley's deterioration and decline, and that an improved Dudley transit thoroughway would not serve primarily the needs of local residents. The MBTA's proposal was discussed on January 1983 at a community meeting. Twenty community residents (a roughly equal mixture of blacks, hispanics, and whites) participated in the meeting. Angry residents questioned what would happen to the people who live in the homes to be demolished, and whether there were assurances that residents would be relocated successfully. A major concern was that the neighborhood does not need more demolition of its housing stock given that it already has a 30% vacant land rate. Would the MBTA compensate the community and replace the buildings to be demolished?

The implications for community development are significant. Residents' awareness and identification with the neighborhood in general and with the destruction of housing and business buildings in particular, is an important strength and a resource for planning and development strategies. Moreover, the episode shows the need for coordinating planned interventions in a declining neighborhood, as well as the need for leadership that organizations like Nuestra can provide.

E. Nuestra Comunidad Development Corporation

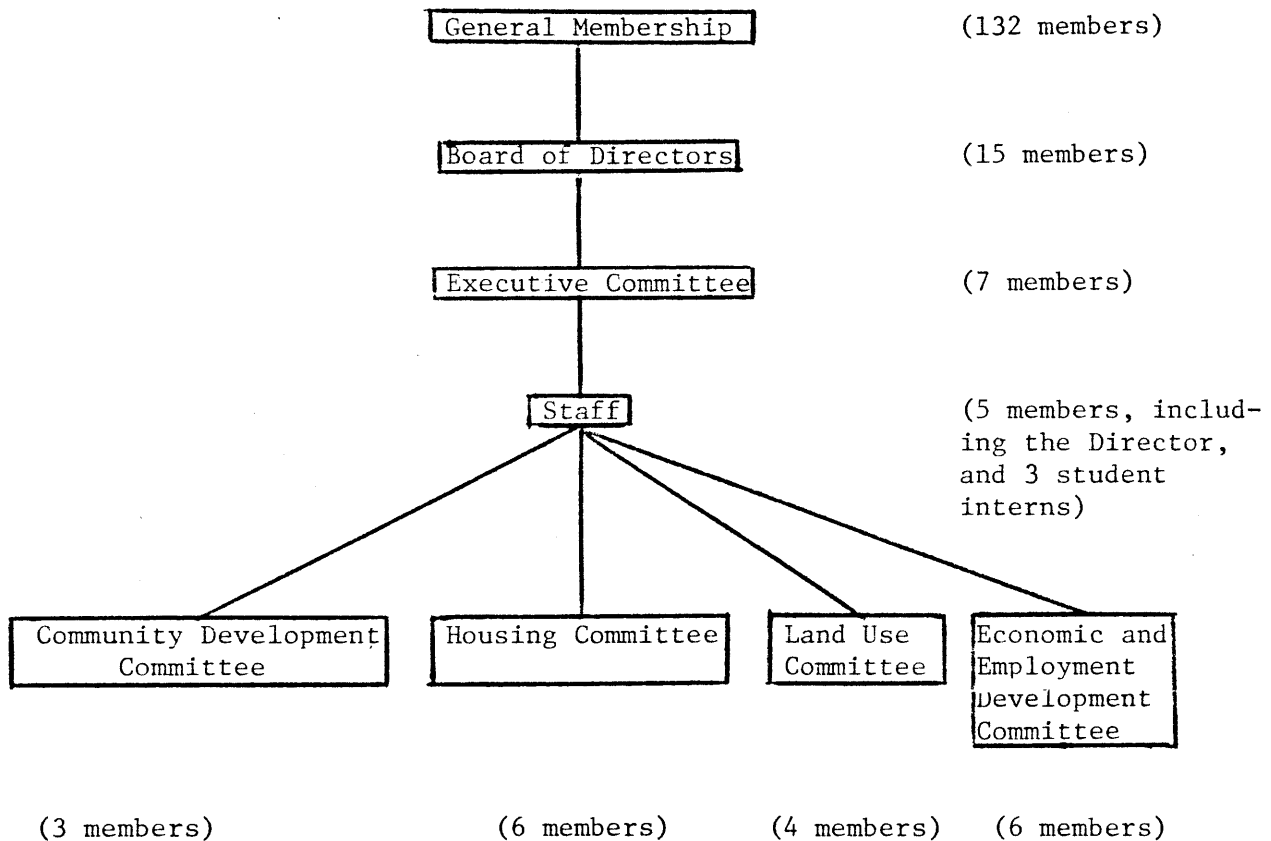
1. Purpose and Scope: Nuestra Comunidad Development Corporation (NCDC) of lower Roxbury and North Dorchester was created and incorporated in November 1981 as a non-profit community development corporation (CDC) with the assistance of the Hispanic Office of Planning and Evaluation (HOPE) --a planning and research organization serving the state--and Alianza Hispana--a social service organization serving the City of Boston. Nuestra's main goal is to stimulate community economic development in the Dudley Neighborhood:

"This corporation is organized and chartered primarily for the purpose of serving the low and moderate-income persons living in the area of Nuestra Comunidad Development Corporation by improving the housing condition of said Area; expanding the opportunities available to individuals and groups to own, manage, and operate business enterprises. The Corporation shall combat community deterioration by promoting better housing, including but not limited to housing construction, purchase, repair, sale, rental, and planning for housing in said Area. The educational programs shall lessen neighborhood tensions, eliminate prejudice and discrimination, combat juvenile delinquency, assist residents in developing entrepreneurial and management skills and assist residents and groups in preparing financial packages for banks and other funding sources. Any other legal purpose permitted under Chapter 180 of the Massachusetts General Laws, shall be deemed as an additional functional purpose of this organization."9

2. Organization and Structure: Nuestra consists of a general membership, a Board of Directors, and Executive Committee, staff, and working committees.

Figure 1

NUESTRA COMUNIDAD DEVELOPMENT CORPORATION:  
1983 ORGANIZATIONAL STRUCTURE



The majority of the Board members are elected by Nuestra's one hundred and thirty-two general membership, while some were appointed by the Board of Directors of Alianza. Board members hold three year staggered terms. Elections are held yearly. Each member is entitled to one vote. Board meetings are held monthly to review Nuestra's progress. Nuestra has four Committees:

a. Community Development Committee: Its main goal is to develop community awareness and involvement in the neighborhood's revitalization. The Committee's activities include community outreach, board and membership drives, fund-raising events, and a newsletter.

b. Housing Committee: Its main goal is the development and rehabilitation of low and moderate-income housing. The Committee's activities consist of identifying buildings that evidence mismanagement or abandonment, preventing the demolition and vandalism of abandoned buildings, exploring and implementing mechanisms for property acquisition, and developing and implementing housing rehabilitation and marketing plans for properties.

c. Land Use Committee: Its main goal is to promote optimal use of vacant land. The Committee's activities consist of identifying land suitable for gardens, parks or recreation areas, coordinating community garden projects, acquiring vacant land for community use, and coordinating maintenance mechanisms for land use projects.

d. Economic and Employment Development Committee: The Committee's major goal, for which this thesis is providing a policy framework, is to create jobs and revenues for the community by assessing the employment and training needs of area residents, identifying profitable ventures, sponsoring business ventures, and coordinating the training and employment of community residents in Nuestra business ventures.

The Committee was formed in 1982 (spring) and has had an average of five active members. All members are volunteers. Given their backgrounds,

Committee members provide a wide range of resources. The Committee membership consists of an economist, two community planners, a social worker and a student urban planner.

(1) Committee Activities: The Committee has completed several tasks: it has defined its goals, completed a forecast study of industrial growth in the Boston area, and has constructed an Hispanic employment skills profile.

The Committee has several activities at present (see Table 6): a survey of local business needs; the development of a local business identity map; a marketing brochure for attracting businesses into the Dudley area; developing bank relationships; and partnership in the development of a Hispanic business (Con Salsa Productions (CSP)), which seeks to develop radio programming, advertising, and public service information in marketable radio program modules. At present, the Committee is collaborating with CSP and assess the potential of the radio program production business in order to determine potential investment. This project will create two to three local jobs, and the possibility of technical training (studio engineers) and broadcasting field work (air-voice, script writer).

(2) The Need for a Policy Framework to Guide Committee Activities: During the one year I served as a member of the Economic and Employment Development Committee, it became evident to Committee members that projects and activities were selected on an ad hoc basis and without the use of a policy framework to guide their selection. For example, the

TABLE 6

SUMMARY OF ECONOMIC AND EMPLOYMENT DEVELOPMENT COMMITTEE ACTIVITIES (PURPOSE AND STATUS)

GOALS:	PURPOSE:	ACTIVITY:	STATUS:
<u>Employment:</u>	Define the Committee's purpose	1. Identify Goals of Committee	Completed
* Assess the employment and training needs of area residents	Assist in identifying growing sector	2. Economic Forecast of Boston's Economic Performance	Completed. Needs to be updated
* Identify profitable ventures for the generation of revenues.	Construct employment skills profile	3. Dudley Neighborhood Hispanic Employment Survey	Completed
	Examine Nuestra investment opport.	4. Survey of local business needs	Ongoing
<u>Business Ventures:</u>	Highlighting location for investment	5. Business Identity Map	Ongoing
* Identify profitable ventures for the generation of revenues	Package of benefits to entice investments	6. Brochure	Ongoing
* Sponsor the establishment of business ventures.	Financing venture information and possible source	7. Establishing Bank Relationship	Ongoing
	Create jobs and revenues	8. Con Salsa Productions	Ongoing



Committee favors Nuestra's joint venture with Con Salsa Production without considering the project's relation to other strategies, projects, or long-range objectives. In the absence of a policy framework, the Committee favors the project mainly as a target of opportunity, and does not consider alternatives which may meet more effectively Dudley neighborhood needs.

In developing a policy framework for the Economic and Employment Development Committee, it is important to review the existing literature on the trends and experiences of community economic development and community development corporations. This is useful not only to identify typical strategies of CDC but also to learn from the experiences of other community economic development efforts. The next chapter is focused on this concern.

III. COMMUNITY ECONOMIC DEVELOPMENT

A. Fundamental Concepts:

CED is a relatively new strategy to combat the decline of low income neighborhoods in the United States. It consists of concerted efforts to improve the physical, social and economic conditions of distressed neighborhoods. Therefore, it is crucial to distinguish between economic growth and economic development. Economists suggest that while economic growth generally refers to GNP increases, economic development is broader in that it encompasses changes in the economic and social system.<sup>10</sup> This distinction is reflected in the following definitions:

Economic Growth consists of the most efficient and least expensive manner to allocate scarce productive resources, and with the optimal growth of resources so as to "produce an ever expanding range of goods and services."<sup>11</sup>

Economic Development, on the other hand, is concerned with a process of balanced growth and development. It is approached through economic institutional processes, and results in the distribution of economic benefits in a way that increases the level of social and material well-being of the lower socio-economic groups. In brief, it seeks major changes in the social and economic systems through major changes in the distribution of income, wealth, services and power. It is for this reason that some economists refer to this kind of socio-economic change as structural.<sup>12</sup>

Community Economic Development is economic development of the community -- usually at the neighborhood level. This implies the consideration of the neighborhood as the physical base of the community. CED is concerned with three related dimensions: the growth of the economy, the redistribution of economic benefits, and the material and physical

conditions of the community.

B. Value, Conflict and Complementarity:

A fundamental issue reflected in the literature of CED concerns the possible conflict between orientations that seek to improve the socio-economic quality of the community as a territory (place), and those designed to improve the socio-economic status of the residents (people). Do these orientations conflict or complement each other?

The view that there is a conflict between maximizing benefits to residents (people) and maximizing benefits to the neighborhood (place) rests on the assumption that people ought to be free in respect to place, and that place ought to be free of obligations to the people who happen at any given time to live there. Consequently, each can be developed independently of the other. This separation of people from place may be used to justify the displacement of ghetto's residents and the subsequent gentrification of the residential area into a higher income neighborhood.

The opposite assumption (complementarity) rests on the view that people are not free in respect to place and that place is not free of obligation to the people who reside there. Consequently, in community development, investments in people and place must be made in conjunction with each other. The complementary approach to people and place argues the need to complement investments in the neighborhood (place) with those in its residents (people).

The latter approach focuses on both people and place in a development-in-the-neighborhood effort which reflects the CED orientation. The former focuses on either people or place in a neighborhood-dispersal

effort, and reflects earlier orientations such as antipoverty programs (people) and Urban Renewal (place).

1. The Conflict Argument Reviewed:

Supporters of this argument<sup>13</sup> claim that investment in people and place constraint and are in conflict with each other. Planners, therefore, should deal with each investment separately. If planners want to give people the best opportunity to improve their socio-economic condition, they argue, they should view the people as free in respect to place, and should try to relocate them in communities where socio-economic opportunity exists. If planners, on the other hand, want to improve the quality of a neighborhood and its economic level, they should view the place free of its obligation to the people who live there. Supporters of the conflict viewpoint argue that:

"Suburbanization of Negroes is the only long-run solution to the massive urban problems stemming from housing segregation... Human resource programs such as Head Start, increased grants for slum schools, and manpower retraining can make major contributions to solving urban problems. However, suburbanization of Negro populations should have priority...ghetto improvement programs are likely to have far different consequences than first imagined, and central city redevelopment programs are likely to remain costly and inefficient."<sup>14</sup>

The existence and development of ghettos cause several related urban problems. First, the growth of ghettos, which are typically located near the city's Central Business District (CBD), push white residential areas farther from central city workplaces. This causes a strain on commuter transportation and weakens the central city tax-base. Second, ghettos are segregated by race and income, creating undesirable environments for private capital investment, as well as for jobs and business opportunities. As the suburbs are growing faster than inner cities, it is argued, jobs and industries move to the suburbs causing a decline in

jobs available to the ghetto labor force. Therefore ghetto residents need to relocate closer to job opportunities in suburbs or ghetto employment will worsen. Supporters of this argument "damn ameliorative efforts in the inner city by dubbing them 'gliding' the ghetto."<sup>15</sup>

Supporters of the dispersal approach believe that ghetto areas next to the CBD can be redeveloped and upgraded to serve the expanding needs of the central city. The breaking of the surrounding ghetto is also favored by those concerned with the central business district. Finally, they argue, massive concentrations of poor people in distressed inner city neighborhoods make ghetto development costly and difficult, if not impossible.

Opponents of dispersal argue that there are formidable obstacles to dispersal. Ghettos must be relocated either far enough from cities to find vacant land (new neighborhoods or towns) or relocated on land now occupied by other neighborhoods, whose residents would resist displacement.<sup>16</sup> Moreover, a massive dispersal of the unskilled would create new ghettos, and there is no guarantee that the new ghetto location would break the vicious cycle of poverty. Nor is there evidence that economic advancement is easier for a non-white person in a small ghetto in Newton than a larger one in Roxbury. If experienced ghetto residents are relocated elsewhere, the ghetto will be deprived of its most confident and experienced people, those able to succeed in the ghetto despite the obstacles confronting them. Hence, dispersals which deprive the ghetto of its experienced residents may make conditions in the ghetto worse, in much the same way as the brain drain serves to deprive underdeveloped countries of potential leadership for change. A final consideration concerns the high social and economic cost of uprooting people from

their local environment in order to relocate them in an unfamiliar, often hostile, neighborhood. Forced relocation and integration are very questionable activities.

## 2. The Complementarity Argument Reviewed:

Supporters of development-in-the-neighborhood advocate that investments in the neighborhood (place) must be complemented by investment in its present residents (people), in order to result in community economic development. In contrast, the dispersal alternative requires heavy government investment, is unlikely to succeed, and may involve coercion to compel people to relocate in segregated neighborhoods. Community economic development, on the other hand, is supported by the aspiration of minority groups, who seek to develop their own economic institutions in black and Hispanic neighborhoods (e.g., Black Economic Unions, the National Economic Growth and Reconstruction Organization, and Community Corporations formed by leaders of church and social service organizations).

Some economists<sup>17</sup> support ghetto development because of the economic advantages of investing in inner cities. They argue, first, that a dollar spent on business development in the ghetto has a greater impact on development than a dollar spent in other parts of the city. This multiplier effect refers to the additional jobs created by the increased spending of those who acquired jobs in the ghetto. It also refers to the economies which occur when the presence of one business in the neighborhood lowers the cost of establishing other businesses there (e.g., sharing public facilities or selling services to each other at low cost). Second, these economists emphasize the impact of the success of minority-owned businesses on people's attitudes. This success would

give residents new hopes and ambitions, and make outsiders more willing to consider ghetto enterprise credible and, therefore, more likely to support it with loans.<sup>18</sup>

Psychologists have also expressed the view that in-the-ghetto development could generate confidence and community collaboration<sup>19</sup> which may arise from:

- a. Creating bonds between isolated blacks and helping them in the group formation needed to act in concert, to meet needs, to develop the internal cohesion and authority required for group discipline, and to develop and organize resources and power.
- b. Developing a capacity for independent and autonomous functions in black individuals and black groups.
- c. Taking initiative and exercising options about what goes on within black communities.
- d. Developing a more adaptive identity and culture in which self-esteem and a sense of worth may be justified...<sup>20</sup>

C. Emergence of Community Economic Development:

Community Economic Development (CED) emerged in the United States over the last twenty years as a strategy designed to break the poverty cycle in distressed neighborhoods. In several respects, its development reflects the evolution of the conflict/complementarity debate. CED was strongly influenced by the strengths and weaknesses of the New Frontier and Great Society programs of the 1950s and 1960s (e.g., Urban Renewal, Anti-Poverty, Model Cities, and Black Capitalism programs), when urban problems became a major public concern and ghettos were targeted for sizable investment. These earlier strategies, although well-intended, failed to provide adequately for the concerted development of people and place, or for adequate citizen participation; they provided the impetus



for CED in its various forms.

Urban Renewal: The first major effort of the 1950's to solve urban problems, focused on the ghetto as a place. By tearing down single, old, rundown dwellings in inner city slums, the program tried to provide new housing and facilities. In reality, however, urban renewal produced less housing for the poor than the dwellings it destroyed. From 1949 to 1967 the program "demolished 400,000 homes mostly for low income people; while only 107,000 new housing units were built with the result that for every four homes destroyed, only one was built for low income people."<sup>21</sup> Investments in place were not integrated with investments in people. As a result, many poor people were displaced from their neighborhoods because, after their houses were destroyed, there was no longer suitable housing for them. Many small neighborhood businesses, unable to financially absorb the disruptive effects of the move, closed down -- "40% of these businesses ceased to exist."<sup>22</sup> The overall impact of Urban Renewal on low income neighborhoods was quite disruptive; it represented a place investment strategy rather than a balanced people/place development approach. "Urban renewal agencies in many cities demolished whole communities inhabited by low income people in order to provide land for the private development of office buildings, sports arenas, hotels, trade centers, and high income luxury dwellings."<sup>23</sup>

Anti-Poverty Program:<sup>24</sup> The anti-poverty programs of the 1960s in turn, reflect an "investment in people" approach. The approach was premised on the view that the problem was ultimately that the poor have low-productivity, do not work enough (or hard enough), have insufficient skills, qualifications, and poor attitudes. Proponents argued that any

truly effective policy would have to strike at these root causes. The program was targeted at the poor themselves, and at the upgrading of their skills. Programs of manpower training, institutional and on-the-job, were designed (e.g., Job Corps, the Neighborhood Youth Corps, the Manpower Development and Training Act, and WIN). To remedy the educational inadequacies of the children of the poor, special programs were launched like Head Start, Upward Bound, Follow Through, Teacher Corps, and Title I of the Aid to Education Act. Moreover, and to the extent that low performance in school and on the job was due to deficiency in diet, Emergency Food Aid and school lunch programs were established. To reduce the debilitating effects of illness and disability on job performance of the poor, the War on Poverty provided the poor with subsidized medical care through neighborhood health centers, and Medicaid. There were also programs to coordinate the wide range of social services to the poor (e.g., the Community Action Program, and the Legal Services Program) which also sought to reduce the political poverty of low-income groups and racial minorities. This strategy reflects the premise that public policy could alter the characteristics of the poor and, thereby, improve their economic status.

The appraisal of the results of this approach became a complex and controversial issue debated for many years. It is reasonable to conclude however, that the direct contribution of this approach to raising the income of the poor does not appear to have been great.

Model Cities: Like urban renewal, the program focused mainly on investment in the ghetto (place) but unlike its predecessor, it broadened its scope to integrate both people and place investments. Introduced in 1966 by the federal government, Model Cities replaced the Urban Renewal

concept with its limited focus on the ghetto's physical characteristics, and provided federal resources delivered directly to local communities. The negative public reaction to Urban Renewal encouraged the more balanced development approaches (i.e., social, economic, and physical) to distressed urban neighborhoods. The planning shifted from strictly physical to socio-economic-physical; and from the individual dwelling unit to broader consideration of the entire neighborhood and city. The program, however, did not emphasize adequately the non-physical aspects of development and failed to stimulate sufficient socio-economic development in inner cities. It did not significantly meet local housing needs, did not create sufficient jobs for low income families, and did not meet the needs of local minority enterprises. Most importantly, it did not provide for citizen participation in decision-making, or for community control of development. When Congress later mandated "maximum feasible participation" by the poor, Model Cities programs were in part stymied by conflict and power plays between City Halls and local communities competing for priorities and uses of funds.<sup>25</sup>

Black Capitalism: Although a relatively smaller program compared to Urban Renewal and Model Cities, it provided an important impetus to CED and to the people-investment strategy. In contrast to the previous strategies which did not focus directly on community control of development and minority enterprises. It did not, however, address the needs of neighborhoods as autonomous units in their own right, and thus it helped only isolated individuals rather than neighborhoods. Its contribution to broader community economic development through jobs and increased capital flow, therefore, was minimal.

D. Community Economic Development Reviewed:

The War on Poverty of the 1960's and the results of the strategy of its programs have influenced CED's nature in several ways. Urban Renewal indicated that investment in single dwellings (place) was insufficient to improve the quality of the neighborhood and its residents (people). The Anti-Poverty Programs showed that investment in low-income people only was insufficient, and did not stimulate community development. Model Cities was an investment in place without significant community participation. And Black Capitalism was an investment in individual entrepreneurs (people) but not in place.

In CED, however, there is an emphasis on integrated socio-economic and physical development of the ghetto as a unit, and on citizen participation to help residents guide their neighborhood's development. While there are several definitions of the process of CED, which is still unfolding, Stewart Peroy's descriptions seem most appropriate:

"Community economic development is the creation or strengthening of economic organizations (or, more technically, economic institutions) that are controlled or owned by the residents of the area in which they are located or in which they will exert primary influence. The institutions that are owned or controlled locally can include such forms as business firms, industrial development parks, housing development corporations, banks, credit unions, and the cooperatives, and CDCs (community development corporations) themselves as the most broadly generalized, guiding institutions. They might also include organization (or services) that upgrade the human and social environment in such a way as to increase the economic value and energy of the community."<sup>26</sup>

By this definition, then, CED is more than just economic or just social, or just physical development. It is all these things combined together under the guidance of the local residents in order to increase their influence and power. In this end, traditional public and private socio-economic and political institutional processes (e.g., business

firms, industrial development corporations, housing development corporations, banks, etc.) are not effective in providing the right climate for development. Major changes in the community system are necessary, therefore, in order to bring about a reversal in the future of communities. Two main approaches to CED have been proposed: Separatism and Integration.

Separatist Model:<sup>27</sup> Originally developed by Dubois for black separation from capitalist America, the model rejects private property, promotes collectivist approaches to public ownership and aims to create self-sufficient, autonomous neighborhoods which produce goods and services for outside markets. It emphasizes absolute community worker control of local industry, housing, services, education and other community institutions. Most importantly this model's objective is to guarantee adequate annual income for all residents.

Opponents argue that this approach is unrealistic because neighborhoods, being subsystems of larger systems (city, state, federal), cannot change independently of their larger system. In a market economy, they argue, the nature of peoples' behavior is not to share but to compete for benefits, and socialist approaches are unlikely to succeed.

Integration Model:<sup>28</sup> In contrast to the separatist approach, this model aims to bring investment and job opportunities into distressed areas so that neighborhoods can be integrated into the mainstream of American life. As traditional economic and social institutions no longer serve local neighborhoods in distress, alternative community-controlled institutions are necessary to guide community economic development.

E. Community Development Corporation (CDC):

The CDC is an institutional vehicle designed to give residents control of community decisions, especially regarding funding priorities and community-wide comprehensive planning which benefits the majority of the residents in the ghetto. In 1966, Senators Kennedy and Javits proposed a "Special Impact Program" -- an amendment to the Economic Opportunity Act -- to provide funds for the creation of community-based, non-profit development corporations (CDCs). As a result, existing grass root community-controlled organizations dating back to the sixties, in order to resist federal anti-ghetto programs, started to take the form of Community Development Corporations (CDCs), and focused on locally-controlled Community Economic Development.

CDCs were controlled by their fee-paying membership (generally restricted to residents within the CDC's geographical boundaries) and an elected board of directors responsible for policy and administration. This section reviews the literature on the community-based institutions which implement Community Economic Development.

1. CDC's Objectives and Assumptions:

The literature<sup>29</sup> indicates that particular CDCs differ in their priorities according to a neighborhood's specific needs and resources. The following objectives and assumptions represent a synthesis of all major objectives for Community Economic Development in distressed neighborhoods.

a) Capital:

One of the major objectives of CDC's is to attract capital to the neighborhood. Community advocates<sup>30</sup> assume that insufficient wealth is the main problem of poor neighborhoods. The channels for

wealth accumulation present in stable neighborhoods are often absent in low income neighborhoods; as a result, profit capital tends to flow out of the neighborhood. Hence, capital and channels for wealth accumulation are needed to keep the flow of money in the community.

b) Jobs:

Another of CDC's major objectives is to create jobs.<sup>31</sup> Unemployment rates are usually high in low income neighborhoods while the few jobs available are low grade, secondary labor market employment. Business relocations trends in the last decade has caused a decline in the number of central city jobs, and an increase in the suburbs. Hence, the attention paid to the establishment of community business start-up and expansion in inner cities in order to generate capital and increase jobs for residents.

c) Benefit Distribution:

A fair distribution of benefits is a major CDC's objective. It is related to society's maldistribution of wealth, income, knowledge, services, and power. The distributive objective of CDC's is twofold: it aims to acquire a sufficient share of society's output of goods for the community and to distribute these benefits equitably within the community.

d) Infrastructure:

Another major CDC objective is the development of the community as an entity in its own right, with emphasis on its infrastructure; that is, on its socioeconomic, physical facilities and equipment (e.g., public community services and amenities, utilities, land-development and land-uses, man-made structures, parks, schools, roads, transportation, parking). The infrastructure of poor communities

generally enjoys low public revenues from taxes. Yet, improvements in the neighborhood's infrastructure can attract business investment and new housing settlements, both because service delivery will become more adequate and more local jobs will be created.

e) Housing:

The improvement of the housing condition (quantity, quality, and cost) is another major CDC objective. Low income residents pay a higher proportion of their income for housing and home improvement than average; that is, they pay more than 25 percent of their income for housing -- usually as high as 30 to 45 percent.<sup>32</sup> Landlords, on the other hand, disinvest in housing maintenance and improvements because of low profit returns and high risk. This generates serious tenant-landlord problems. CDC's do not only focus on this problem to protect the rights of tenants, but they also address the added problem of displacement of residents. As ghettos develop, rental costs and housing prices increase; as a result, low-income residents are uprooted and displaced from the neighborhood.

f) Social Services:

The provision of social services is another objective, usually considered in conjunction with other CDC activities. Day care, health care, training, and in general human services are indispensable to community economic development, and greatly needed in poor communities.

g) Community Control:

Community control and ownership, as well as citizen participation in decision-making for development, are central objectives of CDC's. Not only do they direct the development effort to community-wide interests, but they generate individual self-respect, pride, and



community identity through active democratic participation.

2. CDC's Funding:

Both federal and state governments finance CDCs. In 1972, Congress established Title VIII CDG programs; funding CDCs first through the office of Economic Opportunity (OEO), then through the Community Service Administration (CSA), and later through CDGB and Urban Development Action Grants, Neighborhood Self-Help programs, Section 8, and Economic Development Administration.

The State of Massachusetts developed in 1978 a Community Development Finance Corporation (CDFC) which provides capital (equity or debt capital) for community business ventures. In 1979, the newly created state Community Economic Development Assistance Corporation (CEDAC) collaborated with CDFC and provided CDCs with training in business planning and management, and technical assistance. The third state agency created in 1979 was the Community Enterprise Economic Development (CEED), which provides funds for CDC core staff as well as for business ventures. Massachusetts has today about fifty CDCs -- forty have been established in the last eight years.<sup>33</sup>

3. CDC Activities:

The following CDC activities are presented to illustrate the CDC objectives outlined in the preceding section.

a) South Bronx:

In the South Bronx, New York, a CDC focused mainly on infrastructure development, converting organic waste into "Humus" which is a critical component of topsoil for gardening. The product was distributed free of charge to residents who converted some vacant land into parks and gardens. The CDC exports now humus and invests its profits

in the neighborhood.<sup>34</sup> This activity illustrates four CDC objectives identified in the previous section. First the activity provided a product to the residents which was used as investment in neighborhood land development. Second, the product was distributed free of charge to the community. Third, the product created community capital when it was sold outside the neighborhood. Fourth, the activity provided participation and control for residents, which served to generate self-respect and stronger identification with the community.

b) Las Vegas:

In Las Vegas, Nevada, a CDC focused its effort on social service development. It provided health care, child care, and employment skills programs to low income black residents. The fact that the neighborhood was "surrounded by employment opportunities which residents were seemingly unable to reap the benefits"<sup>35</sup> contributed to the selection of this objective. The CDC combines now its social service programs with real estate and businesses development. This is a good illustration of how CDCs can respond to the most essential neighborhood needs and provide the support systems necessary to link residents with existing economic opportunity.

c) Harlem:

In Harlem, New York, a CDC purchased a large manufacturing plant which was closing down. With the help of the First National City Bank, the CDC bought the plant and saved 150 residents' jobs.<sup>36</sup> As a result, the CDC prevented unemployment and its associated increased costs to the community (e.g., welfare transfers and unemployment benefits), while at the same time increased the community's control of its development.

d) Roxbury:

Boston's CDC in Roxbury focused on vacant land development, job creation, and industrial facilities. With federal funds received in 1977 from the Economic Development Administration (EDA) the CDC assisted the Digital Equipment Corporation in preparing the site and its construction in order to relocate in Boston's Cross Town Industrial Park.<sup>37</sup> The relocated new facility provides 300 permanent skilled jobs today. Job creation and investment in infrastructure can complement each other.

e) Boston:

Inquilinos Boricuas en Accion (IBA), considered one of the most effective CDCs in the nation, focused on housing, and developed 800 units in the South End neighborhood. This CDC was established in response to an urban renewal plan which, if implemented, would have resulted in the displacement of many low income Hispanic households. The CDC now provides opportunities for active citizen participation in the planning process, in new community business, in tenant selection, maintenance, rent collection, and in housing construction.<sup>38</sup> Clearly, housing as an objective can result into increased benefit distribution to residents, in opportunities for community control and active citizen participation, as well as in increased self-respect and pride.

4. CDC Experiences:

This section is concerned with literature<sup>38a</sup> describing the experience of CDCs during the last fifteen years, the major types of CDCs that evolved, and problems associated with this method of community development. Available information about CDC's experiences, problems and accomplishments is limited, and there are no studies which have planned

and/or implemented the comprehensive CED model advocated in this thesis. Most of the CDC studies focus on evaluating CDC programs supported by public funds, and are concerned with the utilization of public investment in these corporations. More specifically, the studies address mainly questions of implementation (whether or not implementation reflects targeted objectives) and issues regarding viability of CDCs and their record of survival. What can we conclude from the literature on CDCs?

A major conclusion is that CDCs differ considerably from each other in prioritizing their goals, in the way they respond to local needs, and in the kind of programs they establish.

a) CDC Types:

A recent study by Rachel G. Bratt and Kenneth Geiser<sup>39</sup> suggests four CDC types: The first type emerged as a grass roots response to citizen protests against programs imposed on their community -- become later major, locally-controlled development efforts. In this respect this CDC type emerged from the failures of public programs, and became a major component of the CED movement's objective to create jobs, capital and housing and the like.

The second type emerged from the availability of public resources funding distressed neighborhoods. Corporations of this type advocate the typical CED objectives which is generally a prerequisite to receiving public funds. In general, they are later newcomers in the scene and, as such, they tend to be less experienced than the better organized grass-roots groups.

The third type grew out of efforts to preserve the neighborhood as a unit by focusing on preservation and prevention rather than change and development:

"These neighborhood movement CDC's reflect the strong values attached to stability, the human scale, self-help and neighborliness. They are less part of a movement of change and more concerned with preservation of the area against the market forces that would otherwise transform it."<sup>40</sup>

Even though this CDC type is a grass root organization, it does not encompass such essential CED objectives as job creation, capital generation, and housing development. CDCs in the fourth type are concerned more with creating business incentives and less with the typical CED objectives of jobs and capital.

Overall, the first two CDC types reflect the typical CED objectives previously listed. Types three and four focus on preservation (rather than development) and business development, respectively. It is unfortunate, however, that unavailability of data makes it impossible to conclude whether or not these CDCs utilize a comprehensive framework of CED activities.

b) CDC Problems:

In spite of the diversity of CDC activities, there are a number of common problems, as suggested by the literature. These problems can be grouped into five categories: Project fragmentation, goal conflict, investment risks, expertise, and community participation in decision-making.

(i) Fragmentation of projects and ad hoc establishment of projects which do not derive from a central policy framework are usually less effective and de-emphasize community-wide development goals. Some CDCs responded to needs for capital investment but not to job creation; others focused on job creation but ignored the need for human services (e.g., day care). This resulted in a fragmentation of CED activities and

a de-emphasis of more comprehensive planning approaches. In a sense this was encouraged by the way public sources made funds available to CDCs. Nevertheless, ad hoc projects tend to reflect considerations associated with the activity itself (micro level), rather than broader community-side criteria or comprehensive CED objectives.

(ii) Goal Conflict is best illustrated in the dual CDC's commitment to promote business interests, on the one hand, and to increase jobs for local unskilled labor, on the other. For example, some businesses discontinue hiring workers when the marginal cost is greater than the marginal product (i.e., marginal productivity theory), and make reinvestment decisions based on the interest of the business rather than on a commitment to develop the community.

Equity vs. efficiency illustrates another goal conflict. Should CDCs invest in projects which promote efficiency (and generate therefore more capital) but are not equitable? Should they prefer investment in projects which are equitable but inefficient (generating less output)?

(iii) Investment Risks are typically high in poor communities and act as barriers to attracting capital and businesses. Some examples include weak or nonexistent local markets, capital scarcity, unskilled labor, high cost in assembling local land for production and development, high crime rates, lack of safety, and the reluctance of insurance corporations to cover risks in slums;<sup>41</sup> all act as barriers to economic development. Moreover, low income neighborhoods have a weak local market demand for goods and services, and cannot compete effectively with high market demand environments. Private capital lenders view low income community business projects as too risky for investment. Government lenders, on the other hand, provide only limited capital, and

are increasingly cautious in financing ventures. Training unskilled labor in low income communities is very costly, and frequently non-competitive. While land is relatively inexpensive in low income neighborhoods, the cost of assembling it for community business or housing is high.

(iv) Expertise: CDCs, especially those recently established, lack experienced personnel in organizing and operating high risk ventures.<sup>42</sup> Many CDCs are directed by unskilled staff and volunteers, increasing thus the probability of ineffective planning, irrelevant research, and misleading analyses.

(v) Lack of Community Participation: this is a major problem in CDC organization and planning.<sup>43</sup> The few able and committed volunteers attracted by CDCs and its committees are not necessarily typical of the neighborhood residents or their characteristics. Their interests are limited usually in specific areas or projects rather than expanding to include all CDCs objectives. Moreover, community participation increases in activities which affect directly the residents' everyday living, but increases or discontinues in situations which affect them less directly.

#### F. Conclusion:

This Chapter focuses on the emergence of CED strategies and on the need for comprehensive neighborhood planning approaches designed to improve the socioeconomic condition of residents and the quality of their neighborhood. Limited available data on CDCs, however, makes it difficult to evaluate the actual CDCs experience regarding the comprehensiveness of CED's activities.

All CDC objectives (outlined in Section E) however, are comprehensive in nature. Some CDCs have acquired a comprehensive orientation, but the majority have not. Nuestra Comunidad Development Corporation's potential for more comprehensive approaches is significant. The objectives of Nuestra's four committees encompass most of CEC's objectives. Only the social services objective is excluded. Alianza Hispana, a social service organization located in the same area as Nuestra, however, attends to the neighborhoods social service needs and fills this gap.

CEDs tend to experience common problems which have been grouped here into five categories. The chapter which follows presents selected strategies to address these problems. Nuestra's Economic Development Committee has already focused on two aspects of CED objectives: job and capital creation. The last chapter is concerned mainly with this Committee's potential and its problems. In the process, it focuses on a reformulation of the Committee's objectives and outlines a strategic planning framework.



IV. RECOMMENDATIONS

While the previous chapter emphasized comprehensive economic development as an integrated socioeconomic and physical development strategy in distressed neighborhoods (i.e., an investment in people and place), this chapter focuses on a strategy for comprehensive economic development to guide Nuestra and its Economic Employment Development Committee. More specifically, this chapter: (A) provides overall principles for solutions of critical CDC problems outlined in the previous chapter; (B) reviews Nuestra's constraints and potential for comprehensive CED planning; and, (C) proposes a specific comprehensive CED framework for the CDC's Economic Employment Development Committee, considering Nuestra's constraints for comprehensive community economic development.

A. Overall Principles for CDCs Operations:

The review of typical CDC problems discussed in the previous section suggests the following five related principles:

1. A Unifying Comprehensive Framework should guide policy and implementation to avoid fragmentation or ad hoc activities, and to increase cohesiveness of projects and their impact.
2. A Realistic Systematic Look at Goals promotes clarity and articulation of objectives as well as operational definitions. CDC's often have vague or multiple goals. Vague goals or unclear priorities limit the efficiency of a CDC. Conflict may arise when a CDC tries to achieve multiple goals without defining priorities and clearly specifying their objectives.
3. Minimizing Investment Risks in the Ghetto: If comprehensive CED is to play any part in improving the community by attracting outside resources, problems which create risks to capital investment must be

addressed. In this sense, CDCs can utilize existing community resources and strengths in order to minimize business risks. Furthermore, marketing local goods and services in growing sectors or regions (usually located outside the local neighborhood) minimizes ghetto business investment risks and provides opportunity for ghetto development if profits are reinvested in the distressed area.

4. Management Assistance: Lack of adequately skilled internal management has contributed to a number of failures in achieving CED objectives. It is important to secure expert advice and guidance as well as experienced staff.

5. Community Control and Participation is one of the most crucial components of CED, and should permeate CDC's policy-making, implementation and evaluation processes. Community participation is a means of mobilizing underutilized resources, a source of knowledge regarding community needs and reactions, and an affirmation of participatory democracy which reduces the alienation and promotes self-respect and identity within the neighborhood.

B. Review of Nuestra's Potential and Constraints for Comprehensive CED Planning:

Nuestra's structure and activities provide a sound basis for expansion toward a more comprehensive orientation similar to the CDC objectives outlined in the preceding sections. The activities of Nuestra's four committees already encompass most CED objectives with the exception of the social service component which is not currently included. Nuestra's committee, however, do not function in a way that encourages comprehensive planning. This is because each committee functions independently,

and with limited relation to one another. Without an overarching framework committees cannot but function in an ad hoc manner. To this end, the following recommendations are outlined for Nuestra. First, each committee should develop a new method of functioning. For example, each committee should clarify its goals in a very specific way; develop the arguments which support these goals; and define the implications of these goals. Furthermore, each committee should work out broad strategies and a range of possible approaches to be realized by specific projects. This recommendation is related to the second principle outlined in Section A of this chapter. Each committee should utilize existing community resources and strengths and invest in growing sectors or regions to minimize investment risks.<sup>44</sup> This recommendation is related to principle number three. Finally, each committee should avoid project fragmentation and consider mechanisms to promote integration of efforts and efficiency across Nuestra.

Second, Committees should share information with each other in order to make strategic decisions in the light of what other committees are planning and doing. Perhaps a core group (central planning group) can be developed by Nuestra to coordinate all of the committees. For example, the core committee could coordinate projects and direct efforts into a specific neighborhood location activity where projects can reinforce each other. New housing projects could be planned near newly developed businesses. Also, projects can be integrated to serve more than one objective. Can both create new jobs and provide low-cost housing for the poor? The section which follows illustrates the application of several principles in the Economic Employment Development Committee.

C. Nuestra's Economic and Employment Development Committee:

1. Reformulation of EED Committee's Objectives:

Given the need for a broader comprehensive approach, the committee's objectives should acquire more interrelatedness and cohesiveness. To this end, the Economic Employment Development Committee's objectives can be formulated to include:

- a. Capital formation
- b. Capital investment to increase business and jobs
- c. Seek investment returns which benefit the community and promote its self-sufficiency.

More specifically:

a) Attracting and generating capital: Capital is needed to: stimulate wealth accumulation, increase the flow of money to the community, and invest in future economic development projects. In a market economy, private sector capital is invested only when maximum profits are secured with minimum risks. As inner city neighborhoods are unsafe and therefore, unsuitable for profit maximization, private sector capital is not usually present -- and unless conditions change, private sector capital is not likely to be attracted in the future. Public sector capital and/or non-profit capital, is the only capital available to non-profit community development corporations (see Appendix for sources), unless CDCs join efforts with profit making corporations.

b) Investing capital in businesses and jobs: If the neighborhood's economic output is to increase, investment strategies should be based on efforts to enhance the major factors of production (i.e., land, people, and capital). The related areas in which capital investment can be used for community economic development are businesses and

jobs. The committee should invest efforts to promote job creation in its target area in order to: (1) increase the quality and quantity of jobs, and the residents' purchasing power; (2) minimize poverty by improving employment and living conditions; (3) generate new market demand in the area; and, (4) improve labor skills in order to improve the residents' access to the labor markets -- in some cases training should be geared to those who don't speak English.

The Committee should invest in business to: (1) stimulate local activity; (2) stop business decline and save existing jobs; (3) generate community capital; (4) supply and/or improve the neighborhood's goods and services; (5) increase the technical skills of local businessmen; and, (6) increase protection against crime in order to improve the business climate.

The Committee should consider one or more of the following six strategies in order to generate capital, create jobs for residents, and stimulate business growth: (1) starting up its own venture; (2) joint ventures with the private sector; (3) purchasing plants in danger of closing; (4) attracting private capital by providing business benefits; (5) assisting existing local businesses; and, (6) establishing financial community institutions.

c) Investment to benefit the development of the neighborhood and its self-sufficiency: If output produced in the neighborhood is reinvested outside the neighborhood boundaries it will not benefit local needs and development. Retainment of capital outputs is essential. This necessitates appropriate community organizational structures designed to control, direct and maximize the allocation of resources for the benefit of the community. For example, community representation

in the management of enterprises would be a step in this direction.

Self-sufficient, locally-based development activities become essential for CED when private, public, and non-profit sector capital is limited. Whatever capital the community can generate on its own makes it easier to attract outside capital. However, community self-generated capital, which is community controlled, can be reinvested in community development activities and in projects without strings attached to outsiders.

In order to achieve locally-based, self-sufficient development activities, it is essential that ventures generated by Nuestra be viable after a certain period on their own, without additional investment from Nuestra. This is necessary in order to free Nuestra to invest in other development projects. It is also necessary that at least some of Nuestra's investments generate profit. This would allow the venture to survive on its own, and accrue profits that would make reinvestment possible or help meet Nuestra's maintenance needs.

## 2. Six Strategy Alternatives:

One common shortcoming in planning concerns the failure to explore systematically all possible courses of action before a strategy is selected. To this end the Economic Employment Development Committee should explore the following six broad alternatives and their strengths and weaknesses.

a) Joint venture with existing business: Nuestra can become a partner in a joint venture with other owner(s), and control a majority or minority of shares. The business which Nuestra would invest in could be a healthy business making a profit, or an unhealthy business not making a profit but with a potential for future growth.

(i) Unhealthy existing business with a potential for future growth: Pros: By investing in an unhealthy existing business with a potential for future growth, Nuestra saves existing jobs (otherwise lost). Cons: The risk involved concerns the possibility that the venture may prove unprofitable and not viable. Job creation and capital generation may be delayed until the business recovers and expansion is possible. Nuestra should have maximum ownership to insure community participation in guiding the enterprise.

(ii) Healthy existing business: Pros: It represents a less risky investment than an unhealthy business because of already established market and profits. Nuestra can add capital for expansion but should own a majority of shares. A healthy existing venture would produce immediate capital returns and its expansion would create new local jobs. Cons: It would be difficult for Nuestra to acquire majority ownership; owners of successful ventures are reluctant to share benefits. Nuestra may have to invest sizeable capital for expansion to acquire ownership.

b) Start-Up: This strategy consists of starting up a local business which has a potential for growth in a market outside the Dudley neighborhood, since the local market is presently weak due to low income. Nuestra can totally own the start-up venture or can go into partnership with private interests. Pros: It guarantees total benefits to the community. Moreover, full ownership attracts capital. For example, the Community Development Finance Corporation prefers to invest in CDC-owned start-ups. Cons: There are high risks for the Community Development Finance Corporation, because typically, new businesses experience losses in their first years of operations. Even if the start-up is



successful, cash or profits should be invested in the venture to finance stability and growth, resulting in long periods before steady benefit returns are created. Moreover, when Nuestra owns a minority, it is questionable whether high risks are worthwhile, given that revenues would be minimal. The main question is, can Nuestra enjoy the same benefits by owning a minority or majority share, and avoid high risk start-ups?

c) Plant Closing Purchase: Nuestra can buy a plant which closes or plans to relocate. The plant can be a healthy profitable plant. Often plants close down because profit margins are not enough for owners, partner corporations or outside private capital investors, yet these margins may be sufficient for communities.<sup>45</sup> Nuestra can have total majority or minority ownership. Pros: When corporations or businesses close or relocate, it is possible for the community and employees to buy the business and continue operations. Typically, throughout the United States, community plant purchases originate as a result of desperate attempts to save jobs. The Industrial Cooperative Association (ICA) knows of no community plant rescue in which the workers have played no ownership role.<sup>46</sup> Plant closing purchase by Nuestra and/or employees would not only save jobs but would control policy decisions and foreseeably improve work life, safety conditions, increase financial returns to employees, strengthen job stability, and minimize the firm's negative environmental effects. Cons: There are risks involved in that the new owners might not enjoy the benefits of the parent corporation (i.g., patents and supplies). Moreover, the plant may be in a run-down condition since it is unlikely that the old owners would have properly kept it up or modernized it if they planned to

close down. In addition, large sums of long-range financing for plant acquisition may be difficult to secure, or the initial cost may be high. Moreover, the true market and profit information may be difficult to receive from the old owners, and this information is essential prior to deciding whether to invest in purchasing the plant.

d) Assist existing local businesses: Nuestra can invest in organizing local businesses to collectively solve common problems and constraints (e.g., advertising, crime control, area clean-up, technical assistance),<sup>47</sup> and provide mechanisms for financial assistance. Pros: By assisting individual businesses, Nuestra helps the entire business climate in the community. Cons: This activity does not necessarily result in increased jobs and capital.

e) Attract private business to the neighborhood: Nuestra can provide benefits (security and infrastructure development) for private business to locate in the neighborhood in order to increase local jobs and add to the economic activity in the area. Pros: It provides local jobs for the residents, and rehabilitates parcels of vacant buildings, space, or vacant land. This particular strategy is enhanced by Nuestra's overlapping boundaries with Boston's Enterprise Zone. Thus Nuestra can benefit by the Enterprise Zone, which provides tax breaks for businesses that locate there. Cons: The risks are associated with the physical deterioration of the Dudley neighborhood and the high crime rates which repel business from locating there. Security and infrastructure development, costly as they are, are pre-conditions for attracting business into the area.

f) Developing neighborhood financial institutions: Nuestra can organize financial institutions to attract private and public

capital into the Dudley neighborhood in order to invest it in community economic development projects. For example, a community development credit union, a neighborhood development bank, community investment trust, local development company, and/or a minority enterprise small business investment company, Pros: The ability to provide community investment capital for CED projects will maximize Nuestra's objectives. Financial institutions would attract capital which Nuestra alone cannot secure for CED investment. For example, a community development bank, community investment trust, minority enterprise small business investment company. Cons: It is difficult to attract public or private capital and financial institutions into declined areas.

### 3. Principles for Selecting Projects:

Project selection is a central task and a complex undertaking. In a sense it is similar to selecting one of the alternative strategies. It requires a systematic review of alternatives and the help of principles to guide selection. To this end, the following principles are recommended for selecting projects:

a) The project should be in growing sectors: Projects related to the growing industrial sectors have better future growth opportunity, and minimize the risk of business failure. In addition, most successful business projects of CDCs were those which had invested in regional and national growing sectors of the economy.

b) The project should invest in local resources: Projects should utilize local resources because doing so maximizes investment in the neighborhood (instead of investing in outside boundary resources), and keeps money circulating within the target area.

c) The project should locate in Nuestra's target area:

Projects should be located within Nuestra boundary area to reverse the trend of neighborhood decline and disinvestment. In a very direct sense, investment in projects located within the neighborhood is investment in neighborhood development.

d) The project should benefit the community: Projects should provide the following essential economic benefits to the community:

(i) Jobs: Projects should assist to create or retain the highest number of jobs and the highest quality of jobs (i.e., high wages, stable jobs, high fringe benefits such as health insurance). Job creation should be targeted at unemployed, underemployed, and poor residents.

(ii) Capital: Projects should create and/or retain sufficient community capital for the project to survive, and for investment in future CED projects.

e) The project should complement other projects: Projects should not conflict with other projects of Nuestra; this would be counter productive. For example, Nuestra should not invest in a commercial retail business which competes with the retail stores located in Uphams Corner and Dudley Station, both declining retail centers. Another example is the MBTA project mentioned earlier which conflicts with Nuestra's objectives. Nuestra should opt for projects which complement each other. For example, housing projects, which create jobs and opportunities for training local residents. Similarly, locating a new housing project near a new business reinforces both projects.

f) The project should be environmentally compatible: Projects should be environmentally compatible with the area and should not conflict

with land-use objectives. For example, if Nuestra attracted a large-scale manufacturing plant into the Dudley area it should locate at the border of the enterprise zone, where its scale and function is appropriate, rather than at the vacant land within the residential neighborhood.

g) The project should be self-supporting: Projects should be self-supporting within a couple of years so that Nuestra can maximize community benefits by investing in a large number of projects, rather than being tied to only a few.

#### 4. Spatial Integration:

The task of unifying social, economic, and physical components is complex and unavoidable. Location considerations can promote integration of efforts and efficiency. For example, Nuestra has organized three smaller target areas with special problems within its boundaries. Target area one (Diagram #2) has the most vacant land. Target area two has a large housing stock with developmental potential. Target area three consists of Spanish-speaking residents. Nuestra, however, can afford only small-scale projects due to limited resources. It may lose its effectiveness if it scatters its efforts across three large target areas. It may, therefore, be advisable for Nuestra to concentrate its projects in one rather than all three locations. The Blue Hill Square seems appropriate as a location because it includes sections of all three target areas, and it is the traffic center of the community (i.e., two major street arteries intersect each other at this point). Moreover, reinforcement of the Blue Hill Square as the center of activities may provide the Dudley neighborhood with a community identity it now lacks. If Nuestra is successful in localizing several projects



SOURCE: Toaal Studio, From the  
 Ground Up, Study Map  
 MIT 1981

at the Blue Hill Square, thus countering the deterioration process, Nuestra should then expand its business development efforts toward the Blue Hill Avenue and Dudley Street arteries (south) and the Enterprise Zone (northeast). Eventually, it may be advisable for Nuestra to join efforts with the Uphams Corner Business Development Organization in order to jointly secure additional funds. Unifying principles help to promote this kind of integrated approach.

5. Utilizing Existing Community Resources:

a) Boston's proposed Enterprise Zone, located on the north-east side of the neighborhood's boundary, is targeted for industrial development. It will provide tax breaks and reduce regulations for industries locating in the area. The proposed Enterprise area consists roughly of 420 acres.<sup>48</sup> Space is available for large and small industries. The Zone has excellent access to the Southeast Expressway and the Massachusetts Turnpike. Nuestra can benefit from plant closings for purchase, new plants moving into the area for possible joint venture, as well as from healthy plants that already are located there and are possible partners in joint ventures.

b) Existing businesses in the Dudley neighborhood are another resource. Large businesses are located at the border of the proposed Enterprise Zone. These consist of storage companies, warehouses, a refrigerator company, garages, and a brick manufacturing company. The smaller businesses located on the Blue Hill Avenue and Dudley arteries consist of small grocery stores, restaurants, plastic cover manufacturing, furniture stores, liquor stores, a bakery, a social club, an insurance agency, a book store, and a houseware and hardware store. These businesses are important for risk minimization

because they bring vitality and activity into neighborhood life, act as safety and crime-prevention mechanisms, provide goods and services to residents, provide jobs, and keep money circulating in the local economy. These businesses should be strengthened with technical and financial assistance through the establishment of a Local Development Company (LDC) and/or a Minority Enterprise Small Business Investment Company (MESBIC), which can attract federal funds to assist unhealthy businesses. Moreover, Nuestra should consider joint ventures with healthy businesses to expand, in order to create jobs and generate capital profit for reinvestment.

c) The neighborhood's infrastructure is another resource which can be developed to attract businesses into the area and improve community conditions. For example, Nuestra can identify industrial, commercial, and retail space which have potential to develop and attract businesses into the area. This housing and land infrastructure development requires concerted efforts by Nuestra's land-use and Housing Committees. For example, as housing or land development projects create jobs, the committees can promote training and hiring programs for local residents.

#### 6. Investment in Growing Industrial Sectors:

It is particularly important for Nuestra's Economic Employment Committee to invest in sectors with growing potential: (a) growing regional sector forecasts, and (b) undersupplied regional growing sectors.

a) Growing sector opportunities: Three major forecast studies of growing industries in Boston, Massachusetts, and New England (Tables 2, 3, 4) indicate and complement each other. These studies



show that by 1985 the largest employment gains would be in the following sectors:

- Manufacturing
- Electrical machinery
- Optical, health services supplies
- Transportation equipment

The three forecast studies<sup>49</sup> included in the appendix indicate the net change growth rates of the growing industrial sectors.

b) Undersupplied Growing Industries in Boston's SMSA With Potential Development Opportunities: The council for Northeast Economic Action<sup>50</sup> identified neighborhood business development opportunities for Boston's community based organizations. These organizations create local jobs and increase revenues by sponsoring commercial and industrial venture expansions and/or start-ups. In the process, they identified industrial sectors with the highest potential for success and stability for future market growth in the SMSA Boston area, which are also undersupplied. Eighteen undersupplied industries with potential for future development are suggested because they rate high in favorable market structure, all significantly undersupplied, are served by imports, which appear to be gaining a competitive advantage relative to U.S. suppliers, and have above average expected rates of growth based on national industry forecasts (see Appendix). The following industries rate the highest (Table 7) and should be considered by Nuestra as targets of opportunity:

TABLE 7

<u>Semi-Skilled Jobs:</u>	1. Airport transportation service
	2. Furniture cleaning firms
	3. Lawn maintenance contractor
	4. Mobile home dealers
	5. Mobile home equipment and parts firm
	6. Second hand store
 <u>Skilled Jobs:</u>	
	1. Boat repair firms
	2. Fire damage contractors
	3. Industrial and commercial waste compactors, dealers
	4. Repairing and rebuilding machine tools firms

Several business executives who work in major companies located in downtown Boston and Route 128 were asked to chose five of the sixteen undersupplied industries (ranked above) for investment. Independently, they all chose and justified their choices -- the high rated industries of Table 7.

D. Conclusions:

CED concerns the promotion of economic, social, political and spatial components of ghetto communities. The upgrading of the human social and physical environment is a central objective which necessitates community ownership and control. The recommendations which enhance the opportunity for comprehensive community economic development of Nuestra and its Economic and Employment Development Committee are the following:

- Nuestra: 1. Nuestra should consider for its operation the following five principles:
- a) A Unifying Comprehensive Framework
  - b) A Realistic Systematic Look at Goals
  - c) Minimizing Investment Risks in the Ghetto
  - d) Management Assistance

## e) Community Control and Participation

2. Each committee should clarify its goals and develop arguments and implications which support these goals.
3. Each committee should work out broad strategies and a range of possible approaches to be realized by specific projects.
4. Each committee should utilize existing community resources and invest in growing sectors or regions to minimize risks.
5. Each committee should promote project integration of efforts and efficiency.
6. Each committee should share information with each other and make strategic decisions in the light of what other committees are planning and doing.

Economic and Employment Development Committee:

1. The EED Committee should reformulate its objectives and clarify its arguments and implications of these objectives as outlined in this chapter:
  - a) Attracting and generating capital,
  - b) Investing capital in businesses and jobs.
  - c) Investment to benefit the development of the neighborhood and its self-sufficiency.
2. The EED Committee should explore the following six broad strategy alternatives in order to implement committee's objectives:
  - a) Joint venture with existing business.
  - b) Start-Up
  - c) Plant Closing Purchase

- d) Assist existing local businesses.
  - e) Attract private business to the neighborhood.
  - f) Developing neighborhood financial institutions.
3. The EED Committee should consider the following six principles for selecting projects:
- a) The project should be in growing sectors.
  - b) The project should invest in local resources.
  - c) The project should locate in Nuestra's target area.
  - d) The project should benefit the community.
  - e) The project should complement other projects.
  - f) The project should be environmentally compatible.
  - g) The project should be self-supporting.
4. The EED Committee should incorporate a spatial integration plan -- in the Blue Hill Square -- for all of the committee's projects.
5. The EED Committee should utilize the following existing resources:
- a) Boston's proposed Enterprise Zone
  - b) Existing businesses
  - c) Neighborhood's infrastructure
6. The EED Committee should invest in the following Massachusetts industrial sectors:
- a) Manufacturing
  - b) Electrical Machinery
  - c) Optical, health services supplies
  - d) Transportation equipment
7. The EED Committee should invest in the following under-supplied growing industries in Boston's SMSA:

- a) Airport transportation service
- b) Furniture cleaning firms
- c) Lawn maintenance contractors
- d) Mobile home dealers
- e) Mobile home equipment and parts firms
- f) Second hand stores
- g) Boat repair firms
- h) Fire damage contractors
- i) Industrial and commercial waste compactors, dealers
- j) Repairing and rebuilding machine tools firms

Our experience with CED and CDC has been challenging but several dilemmas remain: Are there CDC's which implement comprehensive CED realistic and possible in communities deprived of resources? Can CED succeed by using the market forces which caused the community's decline in the first place? Do we have sufficient understanding and data to identify the process of neighborhood decline and establish policies and programs for prevention?

V. APPENDICES

A. Labor Force Training Sources:

1. Training Subsidies:

The Federal Manpower Administration provides assistance of direct payments, training, advisory services and counseling. They provide offset costs of counseling, transportation, related education, etc.

Manpower Administration  
800 John F. Kennedy Federal Building  
Boston, MA 02203  
Tel. 223-4066

2. Training Programs:

There are a number of established training programs located close to the Dudley neighborhood and in the city of Boston. Before Nuestra starts up their own training program, Nuestra should check if existing training facilities could meet their needs in order to save money and time.

For Clerical and Business Training:

Action for Boston Community Development  
450 Washington Street  
Dorchester, MA 02124

Opportunities Industrialization Center  
184 Dudley Street  
Roxbury, MA 02119

Bilingual Business Training  
405 Shawmut Avenue  
Bosotn, MA

Electronic Training:

EDIC Job Training Center  
660 Summer Street  
Boston, MA

Electronics-Computer Technology  
Opportunities Industrialization Center  
184 Dudley Street  
Roxbury, MA 02119

Computer Programmer  
 J.L. Rivers and Company  
 131 Clarendon Street  
 Boston, MA

Health Training:

Licensed Practical Nurse  
 Boston City Hospital  
 35 Northampton Street  
 Boston, MA

Dimock Vocational Training Program  
 55 Dimock Street  
 Roxbury, MA 02119

Machine Trade:

EDIC - Job Training Center  
 660 Summer Street  
 Boston, MA

Opportunities Industrialization Center  
 184 Dudley Street  
 Roxbury, MA 02119

Structural - Building Training:

EDIC - Job Training Center  
 660 Summer Street  
 Boston, MA

B. Capital Sources:

1. Federal Capital Sources:

A. Small Business Administration (SBA): is the largest government source of loans and loan guarantees for small businesses to help them meet their financing needs.

Program: Small Business Loan Program: SBA provides low interest rate loans to assist small businesses, which are unable to obtain



private financing for construction, conversion or expansion. SBA's maximum loans can guarantee up to 90% of project cost or \$350,000.

Program-Economic Opportunity Loans: This loan makes it possible for a disadvantaged or low income persons who lack the opportunity to start or continue a small business, to own their own business and/or to continue it. The maximum amount of the loan is about \$50,000.

Small Business Administration  
150 Causeway Street  
Boston, MA 02114  
Tel. 223-5525

B. Office of Minority Business Enterprise (OMBE): OMBE provides project grants, research grants, and technical information to minority enterprises who wish to expand.

Office of Minority Business Enterprise  
U.S. Department of Commerce  
441 Stuart Street  
Boston, MA 02116  
Tel. 223-5375

C. Economic Development Administration (EDA):

Program: Business Development Loans: EDA provides loans or guarantee loans to for-profit business in economically distressed areas to assist in: acquiring land, building equipment; land preparation; building rehabilitation. EDA will lend up to 65% of project cost, or will guarantee up to 90% of the unpaid balance of loans for acquisitions and rental payments.

Program: Economic Development Planning Grants: EDA will provide project grants for planning, staff salaries and other administrative expenses of economic development planning organizations. Grants are for one year. In 1978 EDA, for Massachusetts, funded up to \$275,000.

Program: Public Works and Development Facilities Program: EDA provides grants from 50% to 100% of project cost in economically distressed areas to acquire, develop or expand public works facilities (water, sewer systems, site improvements for industrial parks, factories) in order to create jobs and minimize unemployment and underemployment.

Economic Development Administration (EDA)  
U.S. Department of Commerce  
441 Stuart Street  
Boston, MA 02116  
Tel. 223-6468

D. Department of Housing and Urban Development (HUD):

Program: Urban Development Action Grants (UDAG): Provides grants to local community organizations to stimulate commercial and industrial development and neighborhood revitalization activities. HUD provides grants to ready-to-go projects which include private sector financing. HUD in the past has provided up to \$400 million nationwide.

Department of Housing and Urban Development  
Division of Community Planning  
John F. Kennedy Building  
Boston, MA 02203  
Tel. 223-4114

2. State Sources

Massachusetts Industrial Development Financing Authorities (IDFA)  
Program: Revenue Bonds      Economic Development Industrial Commission  
(EDIC)

Both agencies provide revenue bonding to industrial enterprises or non-profit groups which are located in an area of high unemployment. The

purpose of the revenue bonds are to stimulate economic and industrial development projects within distressed areas. The revenue bonds are tax-exempt funds, which can be used to acquire or construct facilities, (such as equipment and buildings) for industrial manufacturing, or research and development enterprises.

Department of Commerce and Development  
100 Cambridge Street, 13th Floor  
Boston, MA 02202  
Tel. 727-3331

Community Development Finance Corporations (CDFC)

CDFC provides capital financing (grants or loans) only to ventures controlled by CDCs in low-income communities. CDFC's main requirements are that ventures have to: contribute to the redevelopment of the CDC's target area; have expectations of financial viability, and cannot meet its capital needs through the private market.

CDFC  
131 State Street, Suite 600  
Boston, MA 02109  
Tel. 742-0366

3. Private Capital Sources:

A. National Foundations which provide grants to CDCs and organizations which implement community economic development programs:

Alcoa Foundation  
Alcoa Building  
Pittsburgh, PA 15219

Babcock (Mary Reynolds) Foundation, Inc.  
102 Renolda Village  
Winston-Salem, NC 27106

Clark (Edna McConnell) Foundation  
250 Park Avenue, Room 904  
New York, NY 10017

Cummins Engine Foundation  
1000 Fifth Street  
Columbus, IN

Ford Foundation  
320 East 43rd Street  
New York, NY 10017

Frank E. Gannett Newspaper Foundation  
49 South Fitzhugh Street  
Rochester, NY 19614

Henry Luce Foundation  
111 W. 50th Street  
New York, NY 10020

J.M. Foundation  
1133 Avenue of the Americas  
New York, NY 10036

Kellogg Foundation  
400 North Avenue  
Battle Creek, MI 49016

Lilly Endowment  
2801 North Meridan Street  
Indianapolis, IN 46208

Max C. Fleishman Foundation  
Security National Bank of Nevada Building  
One East Liberty Street, Suite 309  
Reno, NV 89501

Mott (Charles Stewart) Foundation  
500 Mott Foundation Building  
Flint, MI 48502

Public Welfare Foundation, Inc.  
2600 Virginia Avenue, N.W., Room 511  
Washington, DC 20037

Rockefeller Brothers Fund  
30 Rockefeller Plaza, Room 5450  
New York, NY 10020

The Field Foundation  
 100 East 85th Street  
 New York, NY 10028

B. Massachusetts: Private Venture Capital Firms: which provide their own capital (loans) in businesses such as those that are: less than one year old, that are losing money and for which profits could be one to three years away, or in a business which is one to three years old and reaching the break-even point, or in buy-outs and acquisition financing.

Advent Company  
 74 State Street  
 Boston, MA 02109

The Charles River Partnership  
 575 Technology Square  
 Cambridge, MA 02139  
 Tel. 868-0530

Greylock Management Corporation  
 225 Franklin Street  
 Boston, MA 02110

Kendall Square Associates  
 238 Main Street  
 Cambridge, MA 02142  
 864-5450

The Palmer Organization  
 183 Essex Street  
 Boston, MA 02111  
 Tel. 423-4355

Urban National Corporation  
 177 Milk Street  
 Boston, MA 02109  
 Tel. 482-3651

C. Neighborhood Financial Institutions:

1. Community Development Credit Union: Credit Unions are

financial cooperatives which are governed by the borrowers and the depositors who elect a board of directors. The Community Development Credit Union's main purpose is to invest and use communities' income for extending loans to residents who have difficulty to meet credit needs through conventional lenders and recirculate residents' funds within the neighborhood and commercial revitalization. This organization acts under the assumption that even poor neighborhoods have considerable income.<sup>51</sup>

Technical Assistance:

American Federation of Community Credit Unions  
2436½ Eighteenth Street, N.W.  
Washington, DC 20009  
Tel. (202) 332-7567

Financial Support and Technical Assistance:

Alternative Economics, Inc.  
P.O. Box 29146  
Washington, DC 20017  
Tel. (202) 332-7567

National Center for Urban Ethnic Affairs  
1521 Sixteenth Street, N.W.  
Washington, DC 20036  
Tel. (202) 232-3600

2. Neighborhood Development Bank:

"Research shows that there is considerable income in even low income neighborhoods, but that most of it is invested or spent outside the community because bank redlining practices and the lack of sufficient commerce to handle the needs of residents."<sup>52</sup>

For example: One third of Dudley household income is in income brackets \$15,000 - \$75,999. Neighborhood development banks are similar to community development credit unions, whose purpose is to assist in community economic development as well as providing loans to the residents. A CDC in Illinois, for example, in 1973 established itself as a holding

company and bought a South Shore neighborhood bank. The CDC used the bank to prepare non-profit subsidiaries which would furnish development capital, technical assistance to address community problems and also to channel public financial assistance. By 1976 the CDC had generated \$7.3 million capital from private investors, business corporations, and foundations.<sup>53</sup> The bank was able to stimulate other development projects such as providing loans to small businesses and enterprises.

Information from an established neighborhood development bank:

Illinois CDC  
 Neighborhood Development Center  
 The South Shore Bank  
 7054 South Jeffrey Boulevard  
 Chicago, IL 60649  
 Tel. (312) 288-1000

Technical assistance and financial source:

Alternative Economic, Inc.  
 P.O. Box 29146  
 Washington, DC 20017  
 Tel. (312) 832-5200

3. Community Investment Trust: A community Investment Trust is a financial institution organized by non-profit corporations for community economic development purposes. Its funds are generated from charitable contributions which are converted to shares of stock for a for-profit community development corporation, which then invests in community economic development projects. An established community investment Trust example is the Zion non-profit charitable Trust in the North of Philadelphia, which raised \$1 million through subscriptions and a couple of years later, with joint efforts of a CDC acquired real estate, built a shopping center and bought an electronics firm.<sup>54</sup>

Information from an established Community Investment Trust:

Zion Non Profit Charitable Trust  
1501 North Broad Street  
Philadelphia, PA 19122

4. Local Development Company (LDC): Nuestra can develop an LDC, a for-profit corporation, which main purpose is to attract federal funds which provide long-term financing to acquire land, construct a new plant, purchase necessary machinery and equipment, to expand or convert an existing plant, or to assist small business. The requirements for starting up an LDC is to have a minimum of twenty-five stockholders and seventy-five percent control by either community residents or by community business persons. Capital sources to start up an LDC are: for loans - Commercial Banks, life insurance companies and foundations and for guarantee loans - the Small Business Administration (SBA). As a prerequisite to obtain SBA financing the LDC must provide 20% of project cost from funds which LDC raises by selling stock, membership fees, cash equivalents like land, act.

Financial Source:

Ghetto Loan and Investment  
Committee (Episcopal Church)  
15 Second Avenue  
New York, NY 10017  
Tel. (212) 867-8400

Financial Source and Technical Assistance:

Small Business Administration  
SBA Office  
150 Causeway Street  
Boston, MA 02114  
Tel. 223-3154

5. Minority Enterprise Small Business Investment Company



(MESBIC): Nuestra can start up an MESBIC for the Dudley neighborhood, which main purpose would be to attract federal money in order to financially assist minority existing businesses. The MESBIC can provide equity funds, long-term loans, management assistance to small business owned by socially or economically disadvantaged persons. The MESBIC is licenced by the Small Business Administration (SBA). In order to be licensed, the MESBIC needs to have a minimum of private capital of \$150,000 and to provide assurance that it can operate actively and profitably. Capital sources for forming a MESBIC are: for loans - Commercial Banks, Life Insurance Companies and Foundations; and for guaranteed loans - SBA. Once Nuestra establishes an MESBIC for every dollar Nuestra invests in a project, SBA will lend Nuestra three dollars at low interest rate.

Information from an established MESBIC:

Greater Springfield Investment Corporation  
121 Chestnut Street, 208  
Springfield, MA 01103

Financial Source:

Ghetto Loan and Investment  
Committee (Episcopal Church)  
15 Second Avenue  
New York, NY 10017  
Tel. (212) 867-8400

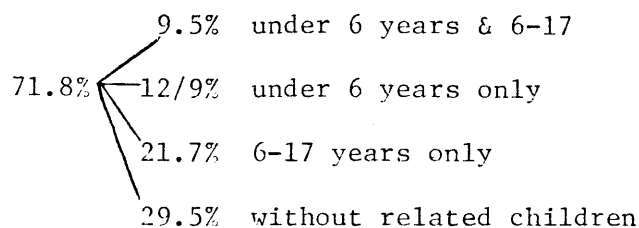
D. Census Neighborhood Data:

HOUSEHOLD INCOME TYPE: 1979

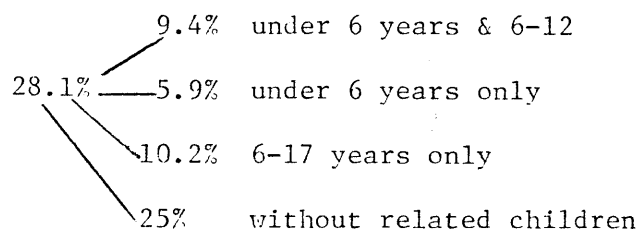
	<u>Total Earnings</u>	<u>Mean Earnings</u>
Earnings:	71.8%	\$ 14,515
Wage or Salaries	71.3%	\$ 13,846
Non-Farm Self Employment	1.5%	\$ 11,148
Interest, Dividend or Net Rental Income	16.0%	\$ 1,798
Social Security	18.2%	\$ 3,666
Public Assistance	34.2%	\$ 3,517
All Other	19.0%	\$ 3,660

## FAMILY TYPE BY POVERTY STATUS:

INCOME ABOVE  
POVERTY LEVEL :  
(with related  
children)



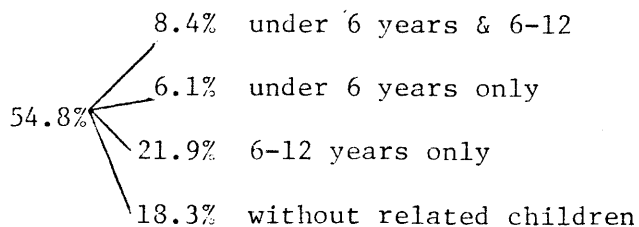
INCOME BELOW  
POVERTY LEVEL  
(with related  
children)



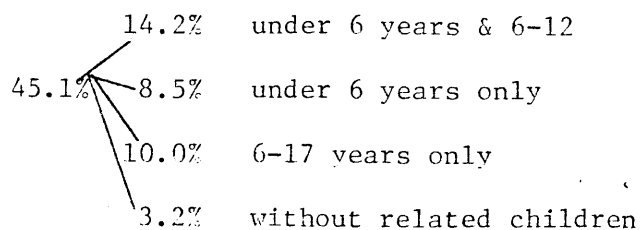
FEMALE HOUSEHOLDER - NO HUSBAND PRESENT:  
(with related children)

44% of total family households are female householders living with their own children with no husband present.

INCOME ABOVE  
POVERTY LEVEL:



INCOME BELOW  
POVERTY LEVEL:



## INCOME &amp; NUMBER OF FAMILY WORKERS

	<u>Total</u>	<u>Mean Income</u>
No Workers	23.4%	\$ 4,549
1 Worker	33.7%	\$11,040
2 or more workers	42.7%	\$22,453

## FAMILY BY RACE OF HOUSEHOLDER INCOME

	<u>Black</u>	<u>White</u>	<u>Spanish Speaking</u>
Less than \$5000	15.6%	8.7%	34.6%
\$5000 - 7499	11.6%	6.6%	12.2%
\$7500 - 9999	14.0%	11.2%	16.0%
\$10,000 - 14,999	24.8%	15.0%	14.9%
\$15,000 - 19,999	13.5%	17.1%	7.0%
\$20,000 - 24,999	10.5%	5.5%	1.7%
\$25,000 - 34,999	9.0%	21.1%	9.8%
\$35,000 - 49,999	2.5%	11.6%	3.4%
\$50,000 or more	.8%	2.8%	0
<u>Mean</u>	\$13,283	\$20,650	\$10,563

## PER CAPITA INCOME - BY INMATE STATUS (15 yrs. and over):

Total \$4,125

Non-institutional \$4,149

## MEAN OF HOUSEHOLD INCOME FOR OCCUPIED UNITS BY TENURE:

Total \$13,232

Owner occupied \$11,309

Renter occupied \$19,094

Household Information:

Number of total households = 3,316

Number of total families = 2,432

23% of total households = one person living in the household

22.5% of total households = two persons living in the household

16.6% of total households = six persons or more living in  
households

89% of total population live in a family household.

9.8% of total population live in a non-family household.

1% of the total population live in group quarters.

Of the 89% of total population who live in a family household:

2% are non-relatives

62% are other relatives

10% are spouses

24% are householders

Number of total family households= 2,432. of which,

35% are householder is not  
living with his/her own  
children. Of these:

17% are male householders with no wife present:

7.6% - Black  
6.1% - White  
1.5% - Spanish speaking

48% are married couples:

17.8% - Black  
21.5% - White  
6.4% - Spanish speaking

34% are female householders, no husband present:

17.7% - Black  
5.7% - White  
6.5% -Spanish speaking

65% of the family householders are living with their own children:

3% are male householders with no wife present:

1% - Spanish speaking  
2% - Black

47.6% are married couples:

15.6% - Blacks  
12% - Whites  
18% - Spanish speaking

49.2% are female householders with no husband present

26.2% - Blacks  
3.1% - Whites  
18.5% - Spanish speaking

Non-family Households:

9.8% of total population live in a non-family household:

39.5% - male householders  
 42.5% - female householders  
 17.5% - non-relatives

Group Quarters:

1% of the total population live in group quarters.

82% live in a mental institution  
 12.6%  
 4.7%

Marital Status: (15 years and over )

45% = single  
 32.5% = married, divorced, separated  
 22.5% = 8.5% separated  
           6.5% widowed  
           7% divorced

Language:

13% of the total population 5 years and older don't speak English well or not at all:

13.2 % ages 18 and over  
 4.8% ages 5-17

One half of the 18% speak Spanish and the other half speak another language.

Where Residents of 1980 Lived in 1975: (5 years of age & over)

51% of the residents - lived in the same house  
 29% of the residents - lived in the same county  
 14.8% of the residents - came from abroad  
 4% of the residents came from a different state

## LABOR

Labor Status 1979

10,950 = total population

7,526 = 16 years of age and over - total population, of which:

.2% - in armed forces  
 45.4% not in labor force  
 6% - unemployed  
 48.5% - employed

Of the 45.4% not in the labor force:

16.8% - male  
 28.5% - female, of which:

18% don't have own children  
 10.5% have 1 or more children

Of the 48.5% who were employed:

24.5% - male  
 23.9% - female, of which:

14.3% don't have own children  
 9.6% have 1 or more children

Of the 48.5% who were employed in 1979:

37.5% were employed  
 12.3% were unemployed for a certain time in 1979 (the majority were unemployed 15 weeks or more)

The total unemployment in 1979 = 12.3% -of those who were unemployed for a certain time  
   6.0% -unemployed when asked the census  
   18.3% questions

Weeks of Work	81.5% worked full-time (35 hrs or more/wk.)	18.4% worked part-time (1-34 hours/wk.)
1 - 26 weeks	10.6%	6.6%
27- 39 weeks	15.9%	3.3%
40- 49 weeks	9.1%	2.5%
50- 52 weeks	45.8%	5.9%



WHERE RESIDENTS WORK

10,950 = total population

48.5% of the total population (16 years and over) are in the labor force.

- 18.6% did not respond
- 17.8% work outside the Boston SMSA
- 63.6% work in the Boston SMSA, specifically in the central city of Boston

HOW RESIDENTS GET TO WORK

Of the 48.5% of total population in the labor force:

- 9.5% walk to work
- 22.1% have carpool arrangements
- 31.1% drive alone to work
- 35.3% public transportation

Of the 53.2% who travel to work by car, truck, van:

- 8.9% = 5 persons or more car pool
- 4.8% = 4 person car pool
- 2.7% = 3 person car pool
- 25.4% = 2 person car pool
- 58% = drive alone

## VEHICLE OWNERSHIP

50% of occupied housing units - OWN VEHICLES

Of this 50%:

6.9% = three or more vehicles

19% = two vehicles

73.9% = 1 vehicle

50% of occupied housing units - DON'T OWN VEHICLES

Of this 50%:

48.6% Black

21% White

29.8% Spanish speaking

## PUBLIC TRANSPORTATION DISABILITY STATUS

Ages 16-64 = 2.8% are with a public disability status.

65 -over = 1.4% are with a public disability status.

Class of Worker:

77.3% = private wage and salary workers  
12.5% = local government workers  
4.5% = state government workers  
3.6% = Federal government workers  
1.8% = Self-employed workers

Work Disability:

10.8% of the residents are between ages 16-64, of which:

.7% not in labor force are not prevented from working  
10.8% of the residents are between ages 16-64  
8.3% are not in the labor force and are prevented from working  
1.7% are in the labor force and have a work disability status.

E. Growing Industrial Sectors:GROWTH INDUSTRIES IN MASSACHUSETTS  
1976 - 1985Growing Industries: Total Employment in Selected Industries, 1976  
and Projected 1985

<u>Rank Order</u>	<u>1976-1985</u> <u>Net Change Percent</u>
● Optical, health service supplies (professional scientific instruments)	49.9
● Electrical machinery, NEC (electrical equipment)	38.5
● Professional scientific instrument	32.2
● Electrical equipment	28.8
● Scientific instruments (professional scientific instruments)	22.3
● Transportation equipment	19.6
● Ship and boat building and repairing (transportation equipment)	18.3
● Radio, TV communications equipment (electrical equipment)	5.8

Source: Massachusetts Division of Employment Security,  
Employment Requirements for Massachusetts, by  
Occupation, by Industry, 1976-1985,  
December 1979.

PROJECTIONS OF INDUSTRIAL EMPLOYMENT  
IN NEW ENGLAND TO 1985

<u>EMPLOYMENT PROSPECTS</u>	<u>1974-1985 PERCENT CHANGE</u>
<u>Manufacturing:</u>	
Durable goods:	
Machinery -	
Electronic computing equipment	+36.5
Transportation equipment:	
Motor vehicle equipment	+25.6
Mobile dwelling	+53.7
Non-durable goods:	
Chemicals and allied products:	
Drugs and medicines	+20.1
Agricultural chemicals	+22.6
Transportation, other public utilities:	
Transportation services and pipelines	+33.6
Communications, utilities:	
Radio broadcasting, T.V.	+21.8
 <u>Wholesale Trade and Retail Trade:</u>	
Wholesale trade:	
Wholesale, except miscellaneous wholesale:	
Farm products - raw materials	+28.4
Machinery equipment, supplies	+24.2
Retail Trade:	
General merchandise:	
Vending machine operators	+24.5
Food and Dairy stores:	
Dairy product stores	+29.1

EMPLOYMENT PROSPECTS1974-1985  
PERCENT CHANGE

## Retail trade centers:

Auto dealers, gas stations

Tires, batteries, accessories +22.9

Furniture and appliances:

Appliance, T.V., radio stores +22.7

Eating and drinking places +23.0

Miscellaneous retail trade stores +28.2

Finance:

Finance , insurance, real estate finance +24.5

Banking +28.0

Services:

Hotels and lodging places

Hotels and models +19.6

Miscellaneous business services: +20.5

Computer programming +19.1

Detective and protective +47.2

Employment, temporary help +30.7

Services, buildings +31.6

Other repair services +24.0

Miscellaneous entertainment +27.0

Medical, other health: +29.1

Offices of physicians +43.5

Offices of dentists +47.7

Offices of chiropractors +57.0

Health practitioners +46.1

Health service +41.6

<u>EMPLOYMENT PROSPECTS</u>	<u>1974-1985 PERCENT CHANGE</u>
Legal services	+29.6
Educational services	
Colleges and universities	+19.6
Other projected related services	
Accounting, auditing	+19.7
Miscellaneous professional services	+20.4

Source: U.S. Department of Labor, Bureau of Labor Statistics,  
New England Regional Office.

MAJOR EMPLOYMENT OPPORTUNITIES  
BOSTON, MASSACHUSETTS, 1980 - 1984

* = highest net gains	(QUARTERLY EMPLOYMENT GAINS)			
	<u>1st qtr.</u>	<u>2nd qtr.</u>	<u>1980</u> <u>3rd qtr.</u>	<u>4th qtr.</u>
<u>POSITION</u>				
<u>Electrical Machinery:</u>				
Professional, technical, kindred	11.761	11.913	11.754	11.812
Managers, officials, proprietors	3.577	3.623	3.575	3.593
Sales workers	0.542	0.549	0.542	0.544
* Clerical workers	54.339	55.039	54.306	54.572
* Craft & Kindred	7.751	7.851	7.746	7.784
Operatives	20.433	20.697	20.421	20.521
Services Workers	0.867	0.878	0.867	0.871
Laborers, except farm	1.734	1.757	1.733	1.742
<u>Transportation Equipment</u>				
* Professional, technical, kindred	2.323	2.256	2.166	2.275
Managers, officials, proprietors	1.670	1.622	1.557	1.635
Sales workers	1.742	1.692	1.625	1.706
* Clerical workers	2.154	2.092	2.008	2.109
Craft kindred	5.227	5.076	4.874	5.119
Operatives	8.131	7.896	7.582	7.963
Service workers	8.131	7.896	7.852	7.963
Laborers, except form	2.517	2.444	2.347	



MAJOR EMPLOYMENT OPPORTUNITIES  
 BOSTON, MASSACHUSETTS, 1980 - 1984

* = highest net gains	(QUARTERLY EMPLOYMENT GAINS)			
	<u>1st qtr.</u>	<u>2nd qtr.</u>	<u>1981</u> <u>3rd qtr.</u>	<u>4th qtr.</u>
<u>POSITION</u>				
<u>Electrical Machinery:</u>				
Professional, technical, kindred	11.964	12.159	12.116	12.188
Managers, officials, proprietors	3.639	3.698	3.685	3.707
Sales workers	0.551	0.560	0.558	0.562
* Clerical workers	55.272	56.172	55.972	56.306
* Craft & Kindred	7.884	8.013	7.984	8.032
Operatives	20.785	21.125	21.049	21.175
Services Workers	0.882	0.897	0.893	0.899
Laborers, except farm	1.764	1.793	1.787	1.797
<u>Transportation Equipment</u>				
* Professional, technical, kindred	2.192	2.128	1.859	2.154
Managers, officials, proprietors	1.576	1.530	1.356	1.548
Sales workers	1.644	1.596	1.394	1.615
* Clerical workers	2.032	1.973	1.724	1.997
Craft kindred	4.932	4.788	4.183	4.846
Operatives	7.672	7.448	6.507	7.538
Service workers	7.672	7.448	6.507	7.538
Laborers, except form	2.375	2.305	2.014	2.333

MAJOR EMPLOYMENT OPPORTUNITIES  
BOSTON, MASSACHUSETTS, 1980 - 1984

* = highest net gains	(QUARTERLY EMPLOYMENT GAINS)			
	1st qtr.	2nd qtr.	1982 3rd qtr.	4th qtr.
<u>POSITION</u>				
<u>Electrical Machinery:</u>				
Professional, technical, kindred	11.544	11.252	11.049	11.055
Managers, officials, proprietors	3.511	3.422	3.360	3.362
Sales workers	0.532	0.519	0.509	0.509
* Clerical workers	53.335	51.993	51.056	51.085
* Craft & Kindred	7.607	7.415	7.281	7.285
Operatives	20.055	19.549	19.196	19.207
Services Workers	0.851	0.830	0.815	0.815
Laborers, except farm	1.702	1.659	1.629	1.630
<u>Transportation Equipment</u>				
* Professional, technical, kindred	1.884	1.854	1.875	1.930
Managers, officials, proprietors	1.354	1.332	1.348	1.387
Sales workers	1.413	1.390	1.406	1.447
* Clerical workers	1.747	1.719	1.739	1.789
Craft kindred	4.239	4.171	4.219	4.342
Operatives	6.594	6.488	6.564	6.754
Service workers	6.594	6.488	6.564	6.754
Laborers, except form	2.041	2.008	2.032	2.091

MAJOR EMPLOYMENT OPPORTUNITIES  
 BOSTON, MASSACHUSETTS, 1980 - 1984

* = highest net gains	(QUARTERLY EMPLOYMENT GAINS)			
	1983			
	<u>1st qtr.</u>	<u>2nd qtr.</u>	<u>3rd qtr.</u>	<u>4th qtr.</u>
<u>POSITION</u>				
<u>Electrical Machinery:</u>				
Professional, technical, kindred	11.236	11.489	11.771	11.997
Managers, officials, proprietors	3.418	3.494	3.580	3.649
Sales workers	0.418	0.529	0.542	0.553
* Clerical workers	51.919	53.082	54.385	55.423
* Craft & Kindred	7.405	7.571	7.757	7.996
Operatives	19.521	19.959	20.451	20.842
Services Workers	0.828	0.847	.868	0.885
Laborers, except farm	1.657	1.694	1.736	1.769
<u>Transportation Equipment</u>				
* Professional, technical, kindred	1.988	2.032	2.080	2.117
Managers, officials, proprietors	1.429	1.460	1.495	1.522
Sales workers	1.491	1.524	1.560	1.588
* Clerical workers	1.843	1.884	1.929	1.963
Craft kindred	4.474	4.572	4.681	4.763
Operatives	6.959	7.111	7.281	7.409
Service workers	6.959	7.111	7.281	7.409
Laborers, except form	2.154	2.201	2.254	2.293

MAJOR EMPLOYMENT OPPORTUNITIES  
BOSTON, MASSACHUSETTS, 1980 - 1984

* = highest net gains	(QUARTERLY EMPLOYMENT GAINS)			
	1st qtr.	2nd qtr.	1984 3rd qtr.	4th qtr.
<u>POSITION</u>				
<u>Electrical Machinery:</u>				
Professional, technical, kindred	12.147	12.271	12.368	12.449
Managers, officials, proprietors	3.694	3.732	3.762	3.786
Sales workers	0.560	0.566	0.570	0.574
* Clerical workers	56.114	56.689	57.133	57.507
* Craft & Kindred	8.004	8.087	8.150	8.204
Operatives	21.103	21.319	21.487	21.628
Services Workers	0.896	0.905	.912	0.918
Laborers, except farm	1.791	1.810	1.824	1.836
<u>Transportation Equipment</u>				
* Professional, technical, kindred	2.140	2.161	2.183	2.207
Managers, officials, proprietors	1.538	1.553	1.569	1.586
Sales workers	1.605	1.621	1.638	1.655
* Clerical workers	1.984	2.004	2.024	2.046
Craft kindred	4.815	4.863	4.913	4.965
Operatives	7.490	7.565	7.642	7.724
Service workers	7.490	7.565	7.642	7.724
Laborers, except form	2.319	2.841	2.365	2.391



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INDUSTRIES WITH SIGNIFICANT DEVELOPMENT POTENTIAL  
IN THE SMSA BOSTON URBAN MARKET

\* = significantly undersupplied  
v = undersupplied, served now by imports

o = Boston's industries  
gaining competitive  
advantages relative to  
vs. economy

☐ = above average expected  
rate of growth based  
on national industry  
and forecast

UNDERSUPPLIED BUSINESS TYPE	AVERAGE EMPLOYMENT. PER ESTABLISHMENT	SPACE/SITE PHYSICAL FACILITY	PRINCIPAL MARKET SEND
* • Airport Transportation Service	20-25	Commercial	Urban Area
* • Boat Repair Firms	10-15	Commercial	Urban Area
• Child-Care Centers	5-12	Institu- tional	Urban Area
Delivery Services	12-15	Office	Urban Area
* Fire Damage Contractors	6-10	Commercial	Urban Area
• Furniture Renting & Leasing Firms	12-15	Retail	Urban Area
☐ • * Furniture Cleaning Firms	8-12	Commercial/ Retail	Urban Area
Golf Equipment & Supply Stores	2-4	Retail	Suburbs
• Greeting Card Shops	2-4	Retail	Neighbd.
• * Industrial & Commercial			
v ☐ * Waste Compactors Dealers	8-12	Wholesale	New Eng. Region
* ☐ Lawn Maintenance Contractors	1-5	Residential	Suburbs
• Maid & Butler Service	20-25	Office	Urban Area
☐ * v Mobile Home Dealers	2-4	Commercial	New Eng.
* * Motels	25-30	Commercial	New Eng.
Picture Framing Shops	4-8	Retail	Neighbd.
* Second-hand Stores	4-8	Retail	Neighbd.

Source: The Council for Northeast Economic Action, Industry Growth Opportunities for Boston, 1982.

## FOOTNOTES

1. When Dudley Neighborhood is referred to in the thesis, it should be assumed that the neighborhood is the one within Nuestra's boundaries.
  2. Kolodny, Robert, Some Policy Implications fo Theories of Neighborhood Change, Papers in Planning, PIO5, 1978, pg. 8.
  3. Nuestra's other committees are focusing on the political, physical and housing problems of decline. Alianza Hispana, a social service agency, located in the neighborhood is focusing on the social problems of decline.
  4. National Cetner for Economic Alternatives, Federal Assistance to Community Development Corporations: An Evaluation of Title VII of the Community Service Act of 1974. U.S. Community Services Administration, 1981, p. 17.
  5. Total Studio, From the Ground Up: A Strategy for the Dudley Street Neighborhood, MIT, 1981.
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  9. Nuestra Comunidad Development Corporation, Charter By-Laws.
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  11. Todaro, P. Michael, Economic Development in the Third World, second edition, Longman, Inc., New York City: 1982.
  12. Council for Community Development Inc., The Experience and Potential of Community-Based Development, 1982.
- Todaro, op. cit.
- Zuvekas, op. cit.
13. Anthony Downs - 1968, John Kain - 1969.
  14. Kain, F. John, "The Big Cities: Big Problem," Challenge, Sept. 1966.
  15. Edel, Mathew, Development or Dispersal? Approaches to Ghetto Development, Center for Community Economic Development, Cambridge, MA: 1970, pg. 2.
  16. Ibid.

17. Heilbrun, James, and Stanislaw Wellisz, "An Economic Program for the Ghetto, Urbant Riots: Violence and Social Change," Proceedings of the Academy of Politcal Science, XXIX, July 1968.
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20. Ibid.
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25. Ibid.
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33. Bratt, Geiser, Community-Based Economic Development: The Massachusetts Experience, unpublished, 1982, p. 18.
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38a This section (CDC experiences) is dependent on the following five CDC studies:

1. Rivera, J.A., Community Control of Economic Development Planning, A Study of, Social Welfare Ph.D. thesis, Brandeis University, 1972. J.A. Rivera examined in some detail community control experiences of sixteen special impact development vehicles. The thesis documented the degree to which CDCs had localized both program control and delivery of program benefits.
2. Urich, Helen, Community Development Corporations in Urban Settings: Twenty Case Studies. The study presents twenty CDC case studies which include the description of background, organization, finances and sources of assistance, and activities.
3. National Center for Economic Alternatives, Federal Assistance to Community Development Corporations: An Evaluation of Title VII of the Community Services Act of 1974, U.S. Community Services Administration, 1981. This study consists of an evaluation of the Community Services Administration (CSA) Title VII, CDC program. In the process, fifteen of the Title VII funded CDCs were evaluated.
4. Council for Community Development, Inc., The Experience and Potential of Community Based Development, 1982. The study evaluates the experiences of a sample of CDCs in the United States.
5. Bratt, Rachel and Geiser, Kenneth, "Community-Based Economic Development: The Massachusetts Experience," (not-published - revised draft), 1982. This study evaluates CDC's Massachusetts State funding sources and the CDCs funded by Massachusetts State sources.

39. Bratt, Geiser, op. cit., pp. 30-31.

40. Ibid.

41. Council for Community Development, Inc., op. cit.

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