

Remarks by Joseph Kriesberg
On the occasion of MACDC's 25th Anniversary
November 16, 2007

Good Morning. I want to thank you, Mr. Mayor, for joining us today, for your remarks and for your commitment to affordable housing and community development. I also want to thank Secretary O'Connell. It has been great working with you and your team over the past year. It is so exciting to have leadership at the city and state level that really gets what we do and why it is important. Hopefully, we will have partners at the federal level soon as well.

I also want to acknowledge the MACDC staff. They do a great job and it is a pleasure to come to work with such dedicated people. They did a great job pulling together today's event.

As many of you know, because I talk about it all the time, I was born and raised in Syracuse, NY. In 1969, the City of Syracuse established a voluntary busing program to bus middle class white kids to an all-black school. My parents, long time supporters of the civil rights movement had to make a choice - should they enroll me and my older brother in the program or not? This was, of course, one year after Martin Luther King and Robert Kennedy had been shot. Many were frustrated or even disillusioned. It would have been easy to give up; to say not us, not now, not my kids. But my parents decided to send us.

I attended the school from first grade until fourth grade. There were good days and bad days, but in the end it was a defining experience for me. I learned about race and poverty, about differences and similarities. A seed was planted in my mind that helped me to make my own choice years later when I graduated from Northeastern University Law School and decided to find a job that would contribute to the fight against racism and poverty. And that is why I came to work at MACDC.

Each of us has our own story about why we are here this morning; about how we became connected to MACDC and the community economic development field.

- Maybe you experienced racism or poverty in your own life.
- Maybe the neighborhood where you grew up was a victim of disinvestment or block busting.
- Maybe it is your faith tradition
- Maybe there is some unique set of circumstances or events that caused you to care about communities

But at the end of the day, each of us has made a choice to be here and I want to thank you for making that choice.

Of course, part of the reason we are here today is to honor and celebrate a choice that a group of visionary leaders made in 1982 to establish MACDC as the first CDC association in the country.

Al Calderelli,
Mat Thal,
Henry Joseph,
Kathy Wermiack,
Lisa Davis,
Greg Polk,
Bill Jones,
Howard Liebowitz,
Val Hyman.

I am sure that there were others as well. Some of these are people I know, some I don't. All of them helped us get our start.

It is important to put the creation of MACDC in context of those times. From the late 1970s to the early 1980s, there was a very intentional and committed effort to help build a strong statewide movement of CDCs. Those efforts were led, of course, by Mel King and his Wednesday Morning Breakfast Group. These folks saw the promise of the CDC model and wanted to strengthen and expand it.

In a few short years, they created CEDAC (Community Economic Development Assistance Corporation,) CDFC (Community Development Finance Corp,) the CEED program, LISC (Local Initiatives Support Corporation,) and then MACDC. During the 1980s, as a direct result of these efforts, CDCs were started across the state and existing groups expanded their programs and housing pipelines. Massachusetts became recognized across the Country as having one of the strongest CDC networks in the United States.

Meanwhile, under the leadership of Janice Cogger and the wonderful Pat Libby, MACDC grew into a strong, effective advocate for the field, that was soon being replicated across the country.

In 1989, the Federal Reserve Bank of Boston released a study documenting lending disparities between neighborhoods of color and white neighborhoods. This set off a wave of advocacy and organizing that led to the creation of new institutions, like MHIC (Mass. Housing Investment Corp,) MHP (Mass Housing Partnership Fund) and MCBC (Mass. Community Banking Council,) and a new, much stronger partnership between the banking industry and the CDC field. Many people in this room, including of course Margaret Harrison, contributed to this work during those critical years.

The 1990s saw CDCs expand their efforts to include small business development, job training, asset development, community organizing, youth programming, cultural economic development, and a host of other innovative strategies all designed to create better communities.

MACDC continued to grow as we transitioned from the leadership of Pat Libby to that of Marc Draisen and we began to offer a broader range of capacity building programs to

complement our on-going advocacy efforts. Ricanne Hadrian joined MACDC and created a ground breaking community organizing initiative that we later named in her memory when she passed away in 1996.

We also negotiated major CRA agreements with several banks, including Mellon, BankBoston, Fleet, and Citizens. And in 1998 we helped pass the first insurance industry community investment law in the country. With the substantial help of Ken Wade, I might add, along with our longstanding partners at MAHA and CHAPA.

Yet by the late 1990s there were some storm clouds on the horizon. Despite all of our success, many of the problems that initially led to the creation of CDCs continued to exist. In other neighborhoods, the success of CDCs was creating new problems of gentrification and displacement. Rising home prices were making the housing crisis worse. While many CDCs flourished; others struggled. Some began to question whether the CDC model could succeed at the scale needed.

Throughout these years, the CEED program was the key funding program for the CDC field. When CEED funding grew in the 1980s, the CDC field grew. When the funding was cut during the budget crisis of the early 1990s, the CDC field struggled. In 1997, we secured a major increase in CEED to \$1.9 million and once again CDCs were able to grow their efforts around the state.

In 2001, the Governor Cellucci proposed \$2.9 million in funding for CEED and the House followed suit, voting 152 – 0 to provide \$2.9 million. But after 9/11 and the state fiscal crisis, the House Leadership proposed to cut the program and the Senate and Governor followed suit. In two short years the program was eliminated entirely.

The shockingly quick demise of the CEED program was sometimes dismissed as a reflection of mere political gamesmanship and tight budget times. But intentionally or not, the decision represented a fundamental shift in state policy toward CDCs that was consistent with a broader change in thinking about CDCs that is visible in both the public and the private sector. Funders and policy makers are no longer interested in whether a group was a CDC or not but in what they did and what they accomplished. When I became President of MACDC in 2002, that message was delivered to me again and again as I made the rounds and talked to colleagues, friends, policy makers and others.

MACDC spent much time reflecting on the demise of CEED. This was a defining moment for us. Do we fight to restore the program knowing that it had successfully supported great work for many years? Many felt that the elimination of CEED was unfair and unjustified and feared what would happen without CEED. Or do we adopt a different approach to obtaining support for our members because CEED had come to be seen, rightly or wrongly, as an entitlement program for CDCs that was no longer justified?

Significantly, we decided not to pursue CEED funding that would be exclusive to CDCs, but rather to seek funding streams that would fund community economic development practices and programs, in particular those related to affordable housing, small business development and asset development.

- This approach has enabled us to successfully work with MHP to create the \$3 million, 3-year, production capacity grant program in 2005. We are now working to significantly expand that program.
- This approach led us to successfully advocate for the new state sponsored small business technical assistance program, with \$2.75 million appropriated over the past two years.
- This approach led us to successfully partner with MWA (Mass Workforce Alliance) and WSG (Workforce Solutions Group) to create new funding for workforce development programs and with MIDAS to create new funding for IDAs.

In each case, we are advocating for funding streams that are open to CDCs and non-CDCs. By growing the pie for everyone, we can grow the pie for our members and better serve our communities.

These moves have not been without risk and without failure. Some CDCs have closed their doors. Others have shrunk. Funding levels are not yet where they need to be. Comprehensive community development approaches can be diminished as funding streams become focused in single, narrow silos. Long term sustainable neighborhood change can be sacrificed for short term program outputs. Competitive funding programs do not always make fair and transparent decisions. The quest for high production numbers can become an excuse to weaken our commitment to local citizen engagement and leadership development. And there is a risk that resources will flow to a shrinking set of organizations resulting in a growing split between the haves and the have-nots within our field. While some may support this consolidation as being more efficient, and to some degree it is, the fact remains that it will inevitably result in some communities being left further behind. With all of the changes in the world there is still real power in the model of having a legitimate and authentic locally based organization that can drive long term sustainable change in a community. We should not forget this reality.

Nonetheless, MACDC made a choice that we could not look back but had to look forward.

First, we decided that we need to be clearer about what unites us, what we are working toward and how we contribute meaningfully to reaching that vision. A key part of this strategy was to articulate for the first time a formal, explicit vision statement so that we can better communicate to the world what our field is about. We are about more than producing units of housing or making loans to businesses. Our vision, which you can read in our annual report, is to create a Commonwealth of interconnected communities where people of different incomes, ethnicities, races and backgrounds live together with dignity and fulfillment. This vision is rooted in core values that are widely shared across the field:

We seek to build **community power** by developing local leaders who can help shape the future of their communities.

We promote **economic justice** so that everyone has a fair opportunity to succeed in today's economy.

We **challenge racism** at every level and every opportunity.

We **encourage entrepreneurship** in our communities and in our field.

We seek to **achieve transformation** in the lives of families and communities. We don't want to just talk the talk, but walk the walk.

A second key part of our strategy has been to put this vision and these values into practice. We held our first MACDC Convention in 2002 and have held two more since in 2004 and 2006. These events put forward the true face of the CDC field – the hundreds, indeed thousands, of local community residents and business owners who volunteer with their local CDC in an effort to improve their community and their own lives.

We also launched the GOALs Initiative which sets specific numerical targets for the field and then measures our performance toward those targets. The GOALs initiative demonstrates our commitment to performance and accountability. Over the past four years, our members engaged over 1,700 community leaders in the production of 5,700 homes, 9,500 job opportunities and over \$800 million of economic investment. During the next four years, we have established goals with even bigger numbers, including \$1 billion of economic investment in our communities.

We have modified our advocacy model by investing even more effort in mobilizing and engaging local leaders and residents while focusing our energies in those areas where we can have the biggest impact – affordable housing, small business development and asset development. And we now participate in coalitions like the Smart Growth Alliance and the new National Alliance of Community Economic Development Associations (NACEDA) to help us influence a broader set of issues here in Massachusetts and nationally.

To help our members compete in this new environment, we have been expanding our learning and capacity building programs. We hope to take these efforts to yet a new level by establishing a statewide Training Institute in 2008.

Finally, we grew our associate membership from 10 to nearly 30 groups over the past 3 years, and last month we voted to expand our criteria for CDC membership so that more groups that share our values and engage in CED can join with us.

This more inclusive approach better reflects our core values because it puts organizational values and practices ahead of organizational form. It also better reflects current practice in the field as local groups continue to evolve and change.

In closing, I want to ask for your help as MACDC and its members make these critical transitions.

1. Public and private funders, and there are many of you in this room, need to, as Governor Patrick might say, “connect the dots.” Don’t force groups into silos; rather reward and encourage groups that effectively link their housing, small business and asset development programs to leverage broader community change.
2. Funders need to make fair and transparent decisions that reward and sustain performance over time.
3. Understand that CDCs come in different shapes and sizes and serve very different communities. Respect the choices made by individual groups as they make changes to meet the specific needs of their local communities. Don’t expect one size to fit all.
4. Encourage and help CDCs innovate and take risks; don’t insist that they act in old ways
5. Help the new generation of CDC leaders, but give them the space to lead in their own way and don’t expect them to simply follow the path laid by their predecessors.
6. Support our policy initiatives so we can grow the pie and increase the scale of our work
7. Reform the housing finance system so that it builds both high quality housing and local organizational capacity
8. Support the training institute so we can strengthen our practitioners and our field.

And, finally, let us not forget what we have learned about the power of having legitimate and authentic community based organizations with the capacity to deliver results and help us ensure that these groups can thrive in the future. A system built around such groups will inevitably be complicated and messy because each community and therefore each group will be different. But such a system will be stronger, more effective and more sustainable than a homogenized set of non profit vendors who deliver generic services at the behest of public agencies and private funders.

So let us do what Mel King and others did for the field in the late 1970s and 1980s. What my parents did for me and my brother in 1969. Let’s make the hard choice to take risks, to innovate and to invest in making the CDC field stronger and more effective than ever before. Making this choice will require commitment, hard work, creativity, the courage to fail and faith to succeed. If we do these things, I am confident that 25 years from now we will be able to look back and be proud of the results.

Thank you.