ROADMAP TO COMMUNITY DEVELOPMENT

A beginner’s guide to the people and the process
A BRIEF HISTORY OF COMMUNITY DEVELOPMENT

Robert Kennedy and his aides conceive the idea of a “Community Development Corporation” and set up a prototype in Brooklyn’s Bedford-Stuyvesant neighborhood.

A group of civic, religious and Saul Alinsky organizations create Bickerdike Redevelopment Corporation to take concrete steps in rebuilding disinvested Chicago neighborhoods.

Dorothy Mae Richardson and her block club in Pittsburgh work to get housing loans for their low-income neighbors and attract the attention of local banks and foundations.

Four idealistic friends purchase a bank in the South Shore neighborhood of Chicago to counteract the departure of other banks from an area undergoing racial and economic transition.

Housing and Community Development (HCD) Act passes, shifting community development decisions from the federal government to local municipalities.

Community Development Block Grant (CDBG) program is enacted by President Gerald Ford, allowing communities to solicit project ideas from local organizations.

The Urban Development Action Grant (UDAG) program passes as part of President Carter’s comprehensive urban policy.

Community Reinvestment Act (CRA) passes, which aims to overcome banks’ reluctance to lend in inner-city neighborhoods.

Neighborhood Reinvestment Corporation is founded, now known as NeighborWorks.

Local Initiatives Support Corporation (LISC) is established to support the revitalization activities of 50–100 dynamic community groups.

The Enterprise Foundation (now Enterprise Community Partners) is founded by Jim and Patricia Rouse to assist entities of all types interested in developing low-income housing.

LISC creates the National Equity Fund (NEF) to raise capital through the Low Income Housing Tax Credit Program.

Under President Reagan, the Low Income Housing Tax Credit passes as a new tool for the development of affordable housing by raising capital from corporations for investment.

The Community Development Financial Institutions (CDFI) Fund is established to promote economic revitalization in low-income communities.

New Markets Tax Credits Program is established to attract investment capital to low-income neighborhoods left behind by the traditional private marketplace.

Enterprise Green Communities becomes the first national green...
“Community Development” can mean different things to different people. The term is often used to describe the creation of social programs, economic opportunities, or new buildings. There are many ways to develop a community: a new activity or job training center can build community, but so can affordable housing, dance classes, public parks, or block parties.

This document focuses on the development of “bricks-and-mortar” buildings. Since the late 1960s, thousands of non-profit Community Development Corporations (C.D.C.) have worked intimately in neighborhoods to create much-needed projects, ranging from affordable housing and health clinics to daycare facilities and community centers. These efforts are driven by the desire to make communities better, more equitable places.

Regardless of the building type, the path taken to developing a project is often very similar. The Roadmap to Community Development has been created to help orient you to the key people and processes so you can build an understanding and chart your own course...let the journey begin!
PLANNING THE COMMUNITY DEVELOPMENT PROCESS

1 IT STARTS WITH AN IDEA...
The community development process begins with people organizing around an idea to improve their neighborhood. Projects can take many forms: transforming an existing site, rehabbing an abandoned building or vacant lot, or building an entirely new structure. Early ideas will need refinement towards a clear goal, ensuring there is a true need for this new idea. Sometimes a market study is conducted to understand what might work best in a neighborhood. It is also important to consider the larger impact of the project on the area.

2 BUILD SUPPORT
Once an idea begins to take shape, it is important to share the proposal with elected officials and community groups. Local enthusiasm and collaboration will build the necessary momentum for the project to move forward successfully.

3 GROW YOUR TEAM
One of the most important steps in the process is to build a strong and talented team. The team will grow as the project progresses, but the initial core members include a lead project manager, an attorney, and an architect. It is beneficial to involve a general contractor for early input on cost and feasibility.

4 MAKE PRELIMINARY PLANS
Working with the architect, the team can investigate design possibilities for the building and consider the best possible site in the neighborhood. Various building functions (called the building “program”) can be tested in floor plan layouts. Based on early feedback, initial schematic design drawings are produced.

5 GATHER COMMUNITY FEEDBACK
As the project gains momentum, word spreads and neighbors often become curious. It is essential to share plans in public places so that the community can add input early on in the process. Public projects hinge on political support for key approvals. Without the public’s understanding and support, a project can quickly die.

6 ORGANIZE SUPPORT
Based on the results of public meetings, it may be necessary to adjust early plans. There may be both strong supporters and vocal opponents of your project. Often neighbors fall into the category of NIMBY’s: they may support a project but say “Not in My Back Yard.” Therefore, it is extremely important to display public support. This can be accomplished with petition drives, public rallies, and social media campaigns.

7 FINANCIAL PLANS
It is important to be very organized about the flow of money in a project. The central financial document in a development project is called the Pro-Forma (Latin “for the sake of form”). The Pro-Forma is the balance sheet, showing where money will come from (sources) and where it will be spent (uses), both for construction and for long-term operations.

8 SUSTAINABILITY GOALS
A building uses a lot of natural resources (water, fuel, raw materials) in its construction and operation, and it is important to reduce the environmental impact as much as possible. Adopting a holistic standard will define achievable goals in the building’s design and long-term operations.

9 ZONING
Securing the land for the project is a key next step. Most cities have strict zoning codes to protect property values and ensure adequate infrastructure for any given neighborhood. Areas of a city are zoned according to their uses: residential, commercial, industrial, etc. A zoning board will review your project plans and proposed site to ensure they work with local regulations.
FUND

10 FUNDING APPLICATIONS
Projects often use many sources of money to reach their goals. Funding sources include public (federal, state and local government funds), private (bank or credit union) and philanthropic funders (foundations and charities). Each has strict application requirements. Depending on the competition for available resources, a project may have to apply several times before being successful. Once enough funds have been secured and the Pro-Forma is realistic, it is time to expand and revise the blueprints.

Pro-Forma

Building Development

FUNDING SOURCES
- City, state, federal funds
- Grants & donations
- Loans

BUILDING COSTS
- Acquisition costs: land purchased & survey
- Hard costs: construction materials, etc.
- Soft costs: professional services & permits

Building Operation

ANTICIPATED FUTURE CASH FLOW
- Rental income
- Participant program fees
- Donations

OPERATING COSTS
- Utilities
- Taxes & insurance
- Wages & salaries
- Repairs & maintenance
- Reserves

11 CONSTRUCTION PLANS
The Design Team is typically led by the architect, who coordinates a team of designers and engineers to create drawings based on the owner’s priorities and goals for use. Plans will become increasingly detailed as the project progresses and have three key stages: schematic design, design development, and construction documents. Final construction documents will include completed construction plan drawings as well as a Project Manual that outlines detailed specifications, including everything from flooring types to paint colors to the typeface on signage.

12 BIDDING PROCESS
Most projects using public funding require competitive bids. An owner will invite General Contractors (G.C.’s) to bid for the most competitive price to complete the construction. The G.C. may then hire Sub-Contractors to complete smaller parts of the job for an agreed-upon price. Some jobs may require union labor and local hiring. Each trade has a union that advocates for fair wages and safe treatment of its workers. Intentionally hiring local workers can maximize the positive impact of a project in a community. Additionally, using materials manufactured nearby will support the local economy and reduce the environmental impact of the construction.

13 BUILDING PERMITS
Most municipalities require approval of construction plans to ensure high standards of safety and quality based on a building code. After plans are submitted and building permits are issued, the building department will assign an inspector to track the project and make sure everything is being built correctly.

14 PROJECT SCHEDULING
The owner and general contractor need to determine a realistic timeline to complete the project. It is the responsibility of the G.C. to coordinate the stages of construction. Construction progress depends on precise sequencing of tasks, so if there is no clear plan, everything can slow down significantly.

15 PROJECT CLOSING
This is the attorney’s big day. With all the key legal and financial documents on the table, the funders and the owner come together to sign financial commitments for the project. Once official approval is in hand, the project is ready to move to construction.
BUILD

16 GROUND-BREAKING
The ground-breaking is a symbolic event on many projects. It is a fantastic opportunity to celebrate the start of construction and to recognize leaders, funders, and community members who have made the project possible.

17 PROGRESS MEETINGS
Regular meetings occur on site that bring together the architects, the general contractor, the project manager, and the inspectors to monitor the quality of construction and discuss progress. The contingency is a percentage of the overall budget set aside to cover unexpected costs during construction. All parties will sign off on the progress to date, giving funders the green light to release the next incremental payment to the G.C.

18 ADVERTISING & LEASING
In almost all projects, it is very important to let people know when a building is almost complete. Setting some money aside to pay for advertisement can go a long way towards successfully launching the project.

19 FINAL PUNCH LIST
When the work is almost done, a punch list is developed to document the final items that need to be completed. Once the local building department approves that the building is complete, they will issue a Certificate of Occupancy permitting the owner to use the building for its intended purpose. Once this certificate is in hand, all remaining fees are released to the G.C.

CELEBRATE & OPERATE!

20 RIBBON-CUTTING
Similar to the ground-breaking, this is an exciting opportunity to build community support for the project and celebrate the work of the many people who made it possible. This also marks the first opportunity for the larger community to tour the completed building.

21 MOVE-IN
This is an exciting day, full of moving trucks and distributing keys. It is important that the new occupants are trained in the proper use of elements within the building and understand their part in keeping it safe and healthy.

22 OPERATIONS & MAINTENANCE
You’ve created an asset, now you must sustain it and practice good stewardship moving forward. Building maintenance staff include janitors, maintenance managers, and building engineers. Their wages must be factored into the initial project Pro-Forma to keep the building looking and working great in the long term. At move-in, the maintenance manual becomes the guide to all of the features within the building. It is critical to monitor the building’s performance and to ensure it stays in tip-top shape.

Now that you’re familiar with the main people and processes of community development, fold open this page to see it in action!
THE PEOPLE WHO DRIVE THE PROCESS

Community Team

Neighbors
People and institutions located in close proximity to the project being developed.
INVOLVED IN STEPS 1 · 2 · 5 · 6 · 16 · 20

Advocates
People in the community who support the project.
INVOLVED IN STEPS 1 · 2 · 5 · 6 · 16 · 20

Elected Officials
Federal, State and local elected officials whose support facilitates project completion.
INVOLVED IN STEPS 2 · 5 · 6 · 9 · 16 · 20

Design Team

Architect
Designer of the building and coordinator of the design team.
INVOLVED IN STEPS 3 · 4 · 5 · 8 · 9 · 10 · 11 · 13 · 16 · 17 · 19 · 20

Design Consultants
Design professionals trained in sub-specialties of building and landscape design.
INVOLVED IN STEPS 4 · 8 · 11 · 16 · 20

Engineers (Civil, Mechanical, Structural)
Professionals who will ensure the safety and firmness of construction.
INVOLVED IN STEPS 4 · 8 · 11 · 16 · 20

Development Team

Owner
The leader of the project who will own the building and coordinate its use.
INVOLVED IN STEPS 1 · 2 · 3 · 4 · 5 · 6 · 7 · 8 · 9 · 10 · 12 · 14 · 15 · 16 · 18 · 20 · 22

Project Manager
Coordinates day-to-day work on the project, gathers funds, and manages design and construction. (This will sometimes be the owner and other times be a Developer hired by the owner)
INVOLVED IN STEPS 3 · 4 · 5 · 6 · 7 · 8 · 10 · 11 · 12 · 13 · 14 · 15 · 16 · 17 · 18 · 19 · 20 · 21

Funders
Public and private groups who finance the construction and operation of the project.
INVOLVED IN STEPS 10 · 15 · 16 · 20

Lawyer
Writes and reviews contracts and key documents.
INVOLVED IN STEPS 3 · 9 · 14 · 16 · 20

Property Management Staff
Field and office staff charged with day to day use, compliance and upkeep of completed building.
INVOLVED IN STEPS 11 · 16 · 20 · 21 · 22

Construction Team

General Contractor
Leads the construction team and coordinates all construction-related tasks according to agreed-upon budget and schedule.
INVOLVED IN STEPS 3 · 12 · 13 · 14 · 16 · 17 · 19 · 20

Sub-Contractors
Trades hired by the General Contractor to complete specific project tasks.
INVOLVED IN STEPS 12 · 14 · 20

Inspectors
Officials charged with observing the quality of construction, approving the completed building, and monitoring its long term compliance.
INVOLVED IN STEPS 4 · 8 · 11 · 16 · 20

Project Manager
Coordinates day-to-day work on the project, gathers funds, and manages design and construction. (This will sometimes be the owner and other times be a Developer hired by the owner)
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“Without vision, there is no power. By building an image of the possible, we not only leap over a lot of roadblocks that would defeat us, we also generate a whole new constituency of people who want to see that image realized... For many years I have lived and worked with the conviction that what ought to be, can be, with the will to make it so...”

–COMMUNITY DEVELOPMENT PIONEER JIM ROUSE