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## Community Development and Housing Policies: The Roles of the State, Civil Society, and Nonprofits

Jacqueline Leavitt and Alan Heskin

### Introduction

Modern housing policies may be traced to the early and late New Deal (1930s to 1940s) when the state actively intervened in two major ways: 1) in the private sector through assuring protections for homeownership and guarantees for mortgage lending, and 2) in the public sector through providing subsidies for public and assisted housing. At the same time, the government issued neighborhood planning guidelines for purposes of approving federal loans and developers' plans. The interventions, prompted by social, political, and economic concerns, were designed to reach broadly across society to reach the vast majority of people suffering from the Great Depression. Civil society embodied in charitable, religious, and civic organizations could not meet the breadth or depth of the need. New state bureaucracies at the national, state, and local level arose. Not everyone agreed with the resulting policies, which bypassed alternative organizational structures such as building societies and nonprofit cooperatives. A dual housing system evolved over the next six decades in which homeownership achieved status and conferred tax gains while the number of subsidized rental and cooperative housing units waxed and waned. In the 1960s the country declared a "War on Poverty," but poverty was not eradicated, and in the late 1970s the United States witnessed growing homelessness and a lack of shelter beds and service facilities. By the late 1980s, in cities like Los Angeles overcrowding began to appear and for the first time since the 1930s, cases of tuberculosis began to be reported. In the 1990s it was acknowledged that experiments to renew the public schools and stimulate the ghetto and barrio economies were lacking. At the same time crime and the perception of crime became a major issue. The increasing recognition of a broad array of problems revealed that the housing problem laid in a bigger milieu. Inevitably housing policy was placed in the context of larger questions and framed as community development policies.

Nonprofit organizations had started to become more visible in the 1960s, in part an outgrowth of the government-sponsored "War on Poverty," in both housing and social service sectors, and

in other cases an offshoot of organizations based on principles of self-help and sweat equity. Citywide nonprofits, with roots in community service movements, played a role in research and in some instances partnered with neighborhood development corporations to sponsor, own, and manage properties and facilities. Another tier of nonprofits and foundations at the national level provided technical assistance and funding. Religious organizations became more involved. Government funding for housing and community development was drastically cut, and community development corporations grew. Called a variety of names (community economic development, local economic development, local development), many of the leaders had roots in the housing and social service programs of the 1960s.

The professionalization of nonprofits and the withdrawal of a national presence in housing and community development has prompted debates and raised a variety of questions, particularly in relation to the inner city. This course examines the historic and contemporary debates about future trends in housing and community development policies. This is framed through a series of questions about common assumptions made in this field.

### Course Objectives:

- A. Housing problems of affordability, poor conditions and discrimination are concentrated in the inner city (and rural areas which will not be covered in this class) and should be addressed by intervention in inner city housing markets or through a comprehensive neighborhood community development strategy.
  1. What has been the history of housing and community development interventions in inner city problems? Have they been successful? When such attempts have been tried, what problems have been faced?
  2. Should we address problems of housing and community development issues at the level of the inner city?
  3. Are we simply seeing the manifestations of structural problems in the global economy filtering into the inner city and making the problems irresolvable at this scale?

4. What do we try next? Are there issues that only state intervention can address? Should nonprofits lead the way? What is the role of nonprofits in regional planning and governance?
- B. There has been a longstanding debate for many years about whether a housing problem exists at all. The current thinking among many policymakers is that the problem lies with income/jobs and that government intervention as well as that of nonprofits should emphasize economic development. This leads to housing being treated as a residual issue. National and local leaders clearly give priority to the income/jobs position, and little interest is exhibited at any governmental level in housing.
1. Is there a housing problem or is the problem a lack of jobs and income?
  2. If economic development strategies work, what are the implications for current housing problems?
  3. What is (are) the likelihood of a jobs strategy(ies) working?
  4. What role do nonprofits play in economic development; should they be doing more; what is required for them to accomplish this task?
- C. Recent thinking more clearly situates housing policy within the larger framework of community development programs. This implies the presence of nonprofits organizations, community development groups, and faith-based groups, all of which HUD sees as partners in creating livable, safe and healthy communities. HUD has mandated public housing authorities to also think in this comprehensive manner.
1. What implications are there for affordable housing?
  2. Were HUD not promoting these efforts to go beyond housing, would infrastructure improvements occur, with what tools, and by whom?
- D. In the United States, housing the population has been the longstanding responsibility of the private sector. This is not necessarily true in other parts of the world.
1. Should the trend toward privatization continue? How do nonprofit groups fit in this trend? What can be learned from other countries?
  2. Should we head in another direction? Should the primary agents who address the problems of inner cities be inner city residents? What do the answers to these questions tell us about democracy and the implications for citizenship?
  3. What are the pluses and minuses of current experiments with public housing and nonprofit housing? Do any of these strategies tap the resources presented by the inner city population?
  4. Should a housing policy be developed around resident control? How does a resident control policy win con-

verts in a climate that, like today's, is anti- rights/entitlements and pro-individual responsibility?

### Organization of the class:

This class will be conducted in seminar fashion around a set of assigned readings, each of which addresses the assumptions and subsidiary questions listed above. While assignments are made for each week, it is recommended that you read each book in its entirety and draw from them in your papers.

The books are:

- Ferguson, Robert F. and William T. Dickens, eds. *Urban Problems and Community Development*. Washington, D.C.: Brookings Institution Press, 1999.
- Robert Halpern. *Rebuilding the Inner City: A History of Neighborhood Initiatives to Address Poverty in the United States*. New York: Columbia University Press, 1995.
- Allan Heskin and Jacqueline Leavitt. *The Hidden History of Housing Cooperatives*. Davis: Center for Cooperatives, University of California, 1995.
- Michael E. Stone. *Shelter Poverty: New Ideas on Housing Affordability*. Philadelphia: Temple University Press, 1993.

The articles are:

- \*Peter Dreier and J. David Hulchanski. "The Role of Nonprofit Housing in Canada and the United States: Some Comparisons." *Housing Policy Debate* (1997).
- Gary A. Dymksi. "The Dual Transformation of U.S. Housing Finance and American Households: Trends and Challenges." Paper prepared for conference (1999).
- \* Kathryn Edin and Laura Lein. "The Private Safety Net: The Role of Charitable Organizations in the Lives of the Poor." *Housing Policy Debate* (1998).
- Norman J. Glickman and Nancy Nye. "Understanding the Critical Roles of Community Development Partnerships and Collaboratives in the Community Development Process." Concept Paper by Center for Urban Policy Research submitted to the Ford Foundation (1996).
- \* Norman J. Glickman and Lisa J. Servon. "More than Bricks and Sticks: Five Components of Community Development Corporation Capacity." *Housing Policy Debate* (1998).
- Dorene Isenberg. "US Housing Policy Transformation: The Challenge of the Market." Paper prepared for conference (1999).
- Michael Leaf and Ayse Pamuk. "Habitat II and the Globalization of Ideas." *Journal of Planning Education and Research* (1997).
- Jacqueline Leavitt and Mary Ochs. *Failing But Not Fooling Public Housing Residents: The Impact of Job Interventions*, prepared for the Poverty and Race Research Action Council under sponsorship of The Legal Aid Foundation of Los Angeles and SPPSR (1997).

- \* Y. Thomas Liou and Robert Stroh. "Community Development Intermediary Systems in the United States: Origins, Evolution, and Functions." *Housing Policy Debate*, 3 (1998).
- Douglas S. Massey & Nancy A. Denton. *American Apartheid: Segregation and the Making of the Underclass*. Cambridge, Mass.: Harvard University Press, 1993.
- C.G. Pickvance. "Environmental and Housing Movements in Cities After Socialism: The Cases of Budapest and Moscow." in Gregory Andrusz, Michael Harloe and Ivan Szelenyi. Oxford: Blackwell Publishers, 1996.
- \* Robert Putman et al. "Social Capital: Its Importance to Housing and Community Development." *Housing Policy Debate* (1998).
- Gail Radford. *Modern Housing for America: Policy Struggles in the New Era*. Chicago: The University of Chicago Press, 1996.
- Michael J. Sandel. *Democracy's Discontent: American in Search of a Public Philosophy*. Cambridge, Mass.: Belknap Press of Harvard University Press, 1996.
- United Nations. *Habitat Agenda*, 1996.
- Gerda Wekerle and Carolyn Whitzman. *Safe Cities: Guidelines for Planning, Design, and Management*. New York: Van Nostrand Reinhold, 1995.

### Requirements:

1. Demonstrate reading assigned books through participating in seminar discussions and citations in papers. (10 percent)
2. Write two short papers, seven to 10 pages each, with appropriate footnotes and bibliography, on specific topics listed below. (20 percent for each paper)

Topic 1. What are the arguments for and against community-based and nonprofit solutions?

Topic 2. Take a position in the jobs/income versus housing debate and develop your argument.

3. A final paper of about 12 to 15 pages, with appropriate footnotes and bibliography; either select a topic, with instructor's permission, that summarizes your position on key assumptions raised in class and in the readings or address Topic 3. (50 percent)

Topic 3. You have been asked to set up a citywide housing and community development policy. Develop an organizational chart showing relationships between different levels of government, civil society, and the role of nonprofit organizations. Identify the principles, process, and use specific examples to illustrate how your concept will work.

### Syllabus Topics and Reading Assignments

- Week 1 Introduction and Overview. Defining terms: "inner city," "housing," "community development"

Week 2

Week 3

Week 4

Week 5

Week 6

Week 7

Week 8

- Ferguson and Stoutland (in Ferguson & Dickens)—Chapter 2
- Sandel—Chapter 7
- Defining terms: "state," "civil society," "nonprofit sector," "housing partnerships," "social ownership," "public ownership"
- Stone—Chapters 7, 8, 9, & 10
- Pickvance (in Andrusz, Harloe, and Szelenyi)—Chapter 8
- 1930s, 1960s, 1990s—Turning Points: the Modern History of Housing Policy and Neighborhood Initiatives
- Halpern—Chapters 1, 2, 3, & 4
- Heskin and Leavitt—Chapter 5
- Massey and Denton—Chapter 7
- Radford—Chapters 7 and Conclusion
- Isenberg
- Dymski
- Neighborhood-Based Services and Emerging Neighborhood Initiatives around Community Development: the Growing Role of Nonprofits, the Declining Role of the State
- Halpern—Chapters 5, 6, & 7
- Weir (in Ferguson & Dickens)—Chapter 4
- Stoutland (in Ferguson & Dickens)—Chapter 5
- Liou and Stroh
- Paper 1 due
- Evaluating Nonprofit Community Development Programs
- Rossi (in Ferguson & Dickens)—Chapter 12
- Glickman and Servon
- Glickman and Nye
- Edin and Lein
- Housing Versus Jobs Strategy: Housing and Labor Markets
- Sampson (in Ferguson & Dickens)—Chapter 6
- Dickens (in Ferguson & Dickens)—Chapter 9
- Gittell and Thompson (in Ferguson & Dickens)—Chapter 11
- Stone—Chapters 3, 4, 5, 6
- Leavitt and Ochs
- Safe and Healthy Communities
- Moore (in Ferguson & Dickens)—Chapter 7
- Stone, Doherty, Jones, and Ross (in Ferguson & Dickens)—Chapter 8
- Wekerle and Whitzman—Chapters 1 and 2
- Stone—Chapters 1 & 2
- Roles for nonprofits, the state, civil society
- Stone—Chapter 11
- Heskin and Leavitt—Chapters 9, 10, 12–14
- Dreier and Hulchanski

- Week 9    Roles for residents and tenants  
            Heskin and Leavitt—Chapters 4, 6, 11  
            Paper 2 due
- Week 10   Coalition building  
            Habitat Agenda  
            Leaf and Pamuk
- Week 11   Paper 3 due

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