

**FROM PROTEST POLITICS TO GRANITE COUNTERTOPS: THE SHIFTS IN
COMMUNITY DEVELOPMENT IN BALTIMORE, MARYLAND FROM**

1950-2010

By

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ABSTRACT OF THE DISSERTATION

From Protest Politics to Granite Countertops: The Shifts in Community Development in
Baltimore, Maryland from 1950-2010

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In the early 2000s, newly-elected Mayor of Baltimore Martin O'Malley announced support for a community revitalization strategy to attract middle- and upper-income homeowners that diverged from prior community development efforts which focused on providing a wide range of services primarily to poor neighborhoods. O'Malley worked with a Philadelphia-based community development financial institution, The Reinvestment Fund (TRF), to target six initial neighborhoods that could potentially support homeownership. Community development actors coalesced around this strategy, exemplified through the Healthy Neighborhoods Initiative (HNI), which fit the broader mid-2000s trend of cities using data-driven mechanisms to direct resources to neighborhoods with market potential. In this dissertation, I conducted a case study to answer who the primary actors were in developing this approach and how this differed from previous community development efforts.

While this community development effort looks different from prior approaches, I traced a clear path through Baltimore's community development history and the changing

local and political economic landscape, from the protest politics of the 1960s all the way to middle-class homeownership of the 2000s. My findings suggest that there was a change in the community development approach in the 2000s as community development organizations, foundations and the city, under new political leadership, turned their attention to previously overlooked neighborhoods to which they could attract middle- and upper-income residents as homeowners. The experiences of two Baltimore community development organizations, Patterson Park Community Development Corporation and Belair-Edison Neighborhoods Inc. help illustrate how the approach was carried out on a neighborhood level. While community development organizations historically reacted to downtown development and insular decision-making, some organizations became part of the city's neighborhood redevelopment effort.

I also answer how community development organizations responded to and were transformed by the rise of foreclosures in the 2000s, which threatened gains in homeownership and negatively impacted the city and its community development organizations. However, the city, foundations and community development organizations remain committed to homeownership as a community development strategy.

Acknowledgements

I knew I would learn a lot going into this dissertation process, but in no way could I have imagined the depth and extent to which I would be profoundly different by the time it was over. I learned about the power of individuals to care about their neighborhoods, about my friends and family's unwavering support for me and my work and my own ability to uncover stories of a changing city, and for that I am deeply grateful.

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List of Acronyms and Abbreviations

ACORN	Association of Community Organizations for Reform Now
BENI	Belair-Edison Neighborhood Initiative
BPP	Black Panther Party
BUILD	Baltimoreans United in Leadership Development
CAA	Community Action Agency
CAP	Community Action Program
CCI	Comprehensive Community Initiative
CDBG	Community Development Block Grant
CDC	Community Development Corporation
CORE	Congress for Racial Equality
CRA	Community Reinvestment Act
EZ	Empowerment Zones
GBC	Greater Baltimore Committee
GHCC	Greater Homewood Community Corporation
GIS	Geographic Information System
HEBCAC	Historic East Baltimore Action Coalition
HMDA	Housing Mortgage Disclosure Act
HNI	Healthy Neighborhoods Initiative
HOLC	Homeowners Loan Corporation
HUD	Department of Housing and Urban Development
IAF	Industrial Areas Foundation

LISC	Local Initiatives Support Corporation
MAD	Movement against Destruction
MVA	Market Valuation Analysis
NECO	Northeast Community Organization
NHI	National Housing Services
OEO	Office of Economic Opportunity
PPCDC	Patterson Park Community Development Corporation
SCAR	Southeast Council Against Roads
SDI	Southeast Development Inc.
SECO	Southeast Community Organization
SIP	Special Impact Program
TRF	The Reinvestment Fund
U-JOIN	Union for Jobs or Income Now

Chapter 1: Introduction

In 1969, a plan to bisect Baltimore with a major east-west highway, the construction of which would have reduced dozens of neighborhoods and hundreds of individual residences to rubble, found itself before the Baltimore City Council. Hundreds of Baltimore residents gathered together at city hall on Calvert Street downtown in the hopes of thwarting the city's plan that would have diminished the value of their homes, or demolished them entirely, in order to build a new highway. Movement Against Destruction, an coalition of groups that had formed earlier in the decade to address poor housing conditions, low employment and political participation, led the protest, which broke barriers of class, background and race. African Americans and whites gathered together, united against the city, and for those few days in August 1969, Baltimore residents mobilized against the proposals with one voice, "with the threat of the road acting like a zipper, pulling white and black together" (Gioielli, 2011, p. 62).

Fast forward to the mid-2000s, by which point some community development organizations were working *with* city government and foundations to promote neighborhood redevelopment by rehabbing and reselling hundreds of homes, with price tags in the \$400,000 range at the height of the housing bubble. In this dissertation, I studied Baltimore's community development processes and actors to understand how they shifted from uniting against the city's highway construction and neighborhood demolition plans, to collaborating with city officials to install hardwood floors, recessed lighting and granite countertops in homes that, 50 years prior, were targeted for destruction.

In the early 2000s, newly-elected Mayor of Baltimore Martin O'Malley announced his intentions to attract middle- and upper-income homeowners to the city to revitalize neighborhoods that had largely been overlooked in the 1990s. Community development organizations and foundations were mobilizing around a similar approach to focus on strengthening those neighborhoods that had significant assets on which to build. O'Malley announced he would "build from strength upon the functional real estate market and invest the city's scarce resources in ways that produce return on its investments" (Healthy Neighborhoods NSP 2 Application 2012, p. 2). The city, working with The Reinvestment Fund, (TRF) a Philadelphia-based community development financial institution, used micro-level housing and demographic data to develop criteria by which the potential value of neighborhoods could be judged as they competed to participate in a program called the Healthy Neighborhoods Initiative (HNI). Six initial neighborhoods, and their respective community development organizations, were selected to participate in the program, ones that were "in the middle," defined by medium-to-low crime, a decent housing stock and other assets that would support homeownership. Community development organizations, foundations and financial institutions coalesced around this strategy, which fit the broader mid-2000s trend of cities using data-driven mechanisms to direct resources to neighborhoods with the greatest potential to attract middle- and upper-income individuals, distinct from earlier efforts to address the neediest neighborhoods through building low-income housing and providing social services.

While this community development effort looks different from prior efforts, one can trace a clear path through Baltimore's community development history and the

changing local and political economic landscape, from the protest politics of the 1960s all the way to middle-class homeownership of the 2000s. Notwithstanding the brief coalition around highway development, early organizing was largely split along racial lines. White residents successfully organized during the middle part of the 20th century to prevent the construction of highways in largely white neighborhoods, an episode that eventually earned these groups a lasting voice within the city's political power structure in the ensuing decades. While African Americans were less successful in stopping the highways from disrupting their communities, the War on Poverty-funded groups of the 1960s focused generally on quality-of-life improvements with the intent of eventually creating an influential power base, one project and one resident at a time. A brief effort to coordinate disparate organizations in the 1970s gave way to physical redevelopment and any efforts to coordinate community development organizations across the city to fight for better neighborhood conditions faltered. A brief federal and foundation-led effort in the 1990s to address the poorest neighborhoods through developing resident capacity and focusing on economic development left many community development frustrated after millions of dollars left communities largely unchanged. All of these activities occurred in the context of a decrease in the federal government's funding for cities and community development, and with local decision makers over several administrations focused on building a downtown tourist destination.

While there is a rich body of literature about changes in community development, there is less on community development in the 2000s, a period where longstanding traditions and political battles interacted with a decline in social programs, rising home

prices, renewed interest in cities and neighborhoods and a new political economic landscape.

Community development organizations, the city and foundations turned their focus in the early 2000s to attract middle- and upper-income residents in neighborhoods marked for development rather than addressing the neighborhoods with the greatest needs. They relied on the growing trend of data-driven decision-making models to identify neighborhoods that could support homeownership and assuage some of the alleged political posturing that had plagued earlier efforts. While community development organizations historically reacted to downtown development and insular decision-making, some organizations became part of the city's neighborhood redevelopment effort.

Many organizations have signed on to this homeownership strategy since it began in the early 2000s. Yet, some of the ways the approach was developed, and the impact it has on some neighborhoods raises some questions. While the data-driven strategy was meant to assuage the accusations of political posturing that characterized past community development efforts, the way it established which neighborhoods to target lacked transparency and limited alternative options for community development. Furthermore, the risk for neighborhood organizations and residents of tying their fortunes to the market was made acutely apparent when foreclosures increased in the middle of the decade. All community development organizations struggled, with one of the original HNI success stories, the Patterson Park Community Development Corporation declaring bankruptcy in 2009.

This dissertation first examines past community development approaches to understand how these efforts influenced the approach of the city, its community development organizations and foundations in the 2000s, as well as how those more recent efforts diverged from those they succeeded. Throughout the dissertation, I explored three main questions as to how actors worked with one another in Baltimore, and why, with a specific focus on the period from 2000-2010, and how the community development activities of this period may have differed from past approaches.

Research Questions

My main research questions were:

- Who are the major actors in the community development system, and how have they changed over time?
- What was the approach to community development from 2000-2010? How and why did the approach differ from past community development efforts?
- How have community development organizations responded to and been transformed by the subsequent foreclosure crisis and economic downturn in the mid-to-late 2000s?

To answer these questions, I examined past actors and their approach to addressing neighborhood concerns in order to determine how the community development environment from 2000-2010 was influenced by and shifted away from past efforts. The shift in Baltimore's community development environment over time is relevant to the community development field as Baltimore has possessed, or currently possesses, many of the shared characteristics of typical American post-industrial cities: a migration of African-American migrants in search of factory jobs during World War II (Orser, 1997), racial turnover and housing segregation in the postwar years (Durr, 2007), a declining middle-class tax base and several attempts at redevelopment in the urban core

with varying results (Durr, 2007; Cinch, 2004; Pietila, 2010). Baltimore's community development environment originated in the Civil Rights movement, as neighborhoods there and across the country organized around political empowerment, housing segregation, highway development and in reaction to urban renewal and other neighborhood conditions that impacted their daily lives (Fisher, 1994; O'Connor, 1999; Stoecker, 1997). As in many cities, the earliest community development efforts in Baltimore began in the 1950s and 1960s as a response to local conditions (Cohen, 2001; Lemann, 1994). Over time, the ways in which people responded to these conditions changed due to funding constraints, changing macroeconomic conditions and the challenges of sustaining resident involvement (O'Connor, 1999; Weir, 1999). Community development organizations historically represented low-income neighborhoods, often uniting them in opposition to the city with mixed results; while there were some significant gains in access to capital and small scale redevelopment, community development actors struggled to transform neighborhoods mired in poverty. Thus, actors in the 2000s focused instead on attracting and retaining middle and upper income homeowners in more stable neighborhoods to encourage neighborhoods to rely less on foundation and government funding, and that a significant number of homeowners with resources to invest will increase the probability of institutional investment which will stimulate household investment. Further, the theory was that without assistance, housing markets will reach a tipping point leading to substantial disinvestment (Thomson, 2013).

Baltimore's community development environment shifted continuously since its postwar beginnings, and the change in the overall approach starting in the 2000s marked

a new chapter in community development efforts. The community development and urban politics literatures, respectively, frame my questions about changes in neighborhood approaches over time, and how decisions are made within a city in an era of promoting growth. Community development literature outlines the early individuals and organizations that helped launch the movement by addressing neighborhood conditions (O'Connor, 1999; Stoecker, 1997). The literature explains how organizations worked against and with the city over time, as tensions shifted due to changes in funding, political economic conditions and community development priorities, with many authors examining tensions between and among the organizations. As the approaches to community development changed from neighborhood organizing to physical redevelopment in the 1970s and 1980s, authors theorized how and why those changes occurred; some argued that it was due to changes in funding which may have been related to the shift to neoliberalism (DeFilippis et al 2001; DeFilippis, 2008; Thibault, 2007).

Yin (1999) provided an analysis of a community development industry system that loosely came together to support the redevelopment regime in Cleveland in the 1990s, but there is little research that extends this work into the 2000. Researchers also examined organizations that opposed dominant political economic framework as opposed to organizations that become part of the urban redevelopment of neighborhoods (DeFilippis 2004; Marwell, 2007). I build on this body of literature that looks at community development in a changing environment.

Findings

My findings suggest that there was a change in the community development approach in the 2000s as community development organizations, foundations and the

city, under new political leadership, turned their attention to previously overlooked neighborhoods to which they could attract middle- and upper-income residents as homeowners. The approach focused on supporting and maintaining middle-and upper-income homeownership—relying on the assumption that house prices were rising in some parts of the city bypassing others, and that if some investment was made, other neighborhoods could see gains in house prices. The approach used housing as the primary indicator for neighborhood health, bypassing other ways to measure neighborhoods such as population indicators related to education, poverty levels, or employment figures. The focus on attracting and retaining middle-class homeownership marked a departure from earlier efforts that addressed neighborhoods through comprehensive approaches or through low income housing.

The origins of community organizing in the 1960s involved a diverse, fragmented response to city hall but transitioned into a more development-focused approach in the 1970s and 1980s. During this period community development organizations attempted to come together and work with the city government through umbrella organizations, but results never fully materialized due to internal organizational rifts, the city's renewed emphasis on downtown redevelopment efforts and the retrenchment of federal funding for cities and organizations (Brophy, 2012). In the 1990s there was a renewed interest in building capacity, reducing poverty and developing low income housing, but efforts were stymied by political battles, dispersed funding and significant challenges to Baltimore's economy; these efforts largely failed to shift the trajectory of the neighborhoods they targeted. Several large-scale initiatives, foundations and the federal government attempted to address the poorest neighborhoods in the 1990s through comprehensive

community initiatives and empowerment zones (Cohen, 2001), but after a decade of these efforts having negligible results, by the 2000s, Baltimore's community development actors were eager to adopt a new approach, which eventually presented itself in the form of Mayor O'Malley's data-driven plan, made possible by TRF and resulting in the HNI.

A key part of the shift was the turn to data as a way to neutralize debate and justify decision making while supporting the city's efforts to create housing markets where they had previously been overlooked. Decision making was still a political act—the mayor and well-funded foundations supported a new approach—but the turn to using data was an important way to rationalize the neighborhoods in which to invest. TRF's analysis of Baltimore neighborhoods provided a snapshot of the current housing market conditions, looking at indicators such as house prices, building type, percentage of homes in foreclosures and permit data. While city officials long pointed to geographic representations to justify decision making, in this case, there was widespread support of using data at the community development level. This is due to a number of factors including the increasing availability and accessibility of neighborhood-level data, that allowed community development organizations to focus on assets rather than deficiencies, the financial support that came with TRF's approach and the shift in thinking around how to change neighborhoods.

The experiences of two Baltimore community development organizations, Patterson Park Community Development Corporation and Belair-Edison Neighborhoods Inc. help illustrate how the approach was carried out on a neighborhood level. Patterson Park saw a sharp increase in housing prices during this period, and an influx of young, middle- to upper-income residents as it capitalized on its location just north of the hot

real estate markets in Canton and Fells Point (Bishop, 2007). Patterson Park CDC (PPCDC), operated a sophisticated housing development operation that bought and redeveloped dozens of homes before the foreclosure crisis. Once the crisis began to take a toll on home values, PPCDC found itself overleveraged and unable to make payments on the loans it took out to purchase the homes it hoped to rehabilitate (Bishop, 2007). The organization defaulted and declared bankruptcy in 2009 after it failed to renegotiate about \$1 million in mortgage payments. Meanwhile, two and a half miles north of Patterson Park, Belair-Edison Neighborhoods, Inc. (BENI), also focused on homeownership during the 2000s, but saw a much slower increase in housing prices than Patterson Park. BENI partnered with a long-standing affordable housing developer in the city to purchase and develop homes, and BENI is still operating, the organization continues to struggle with foreclosures.

A rich cast of city leaders presided over this long-term transition of Baltimore's community development system from a reactionary force against the city government to a partner in private development. The earliest era of community development in Baltimore that I studied, marked by early efforts at organizing and the beginnings of a lengthy fight over highway development, took place during the administration of Baltimore Mayor Thomas L. J. D'Alesandro III. He was elected in 1963 and made the initial investments in the Inner Harbor that shaped the city's development trajectory for decades to come. His successor, William Donald Schaefer, served as mayor for 16 years and largely shaped the following era of Baltimore's community development transition, as did the city's first African American mayor Kurt Schmoke elected in 1987. Both officials solidified the city's investments in downtown. Community development efforts meanwhile waxed and

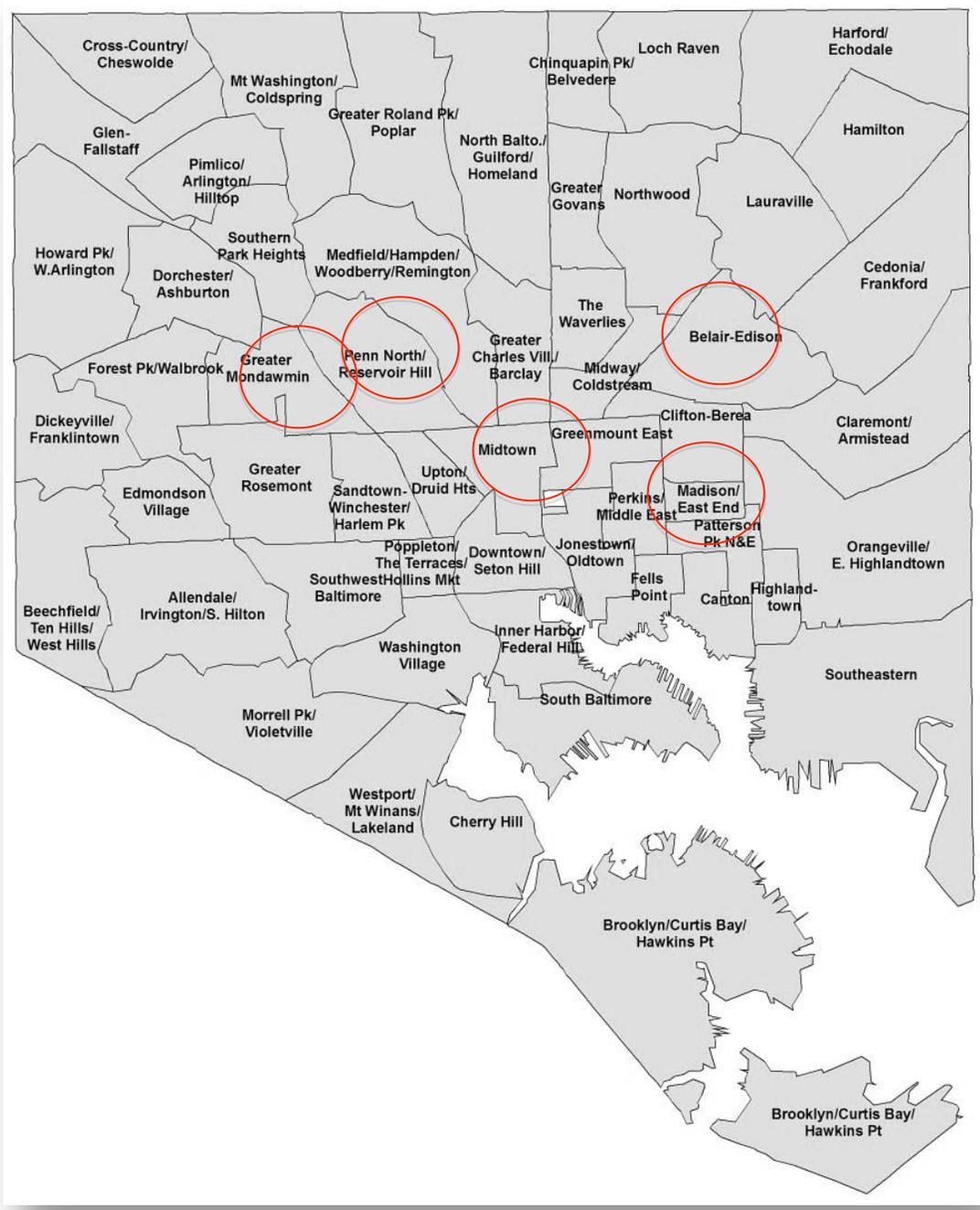
waned in their attempts to influence decision making in city hall. O'Malley succeeded Schموke in 2000, working with community development organizations to target "in-the-middle" neighborhoods as targets for housing and urban development.

A number of stories starring individual community development organizations and city institutions emerged over the course of my research, with the shifts in the relationships between these specific actors occasionally reflecting aspects of the city's broader community development history. For example, in my initial analysis, I found a rich history in the relationship between Johns Hopkins University and the community that surrounds it. It isn't too difficult to consider the struggle between the two, particularly in the midst of a large-scale redevelopment project that resulted in considerable controversy, as representative of the disconnect and conflict that defined the relationship of Baltimore's institutions to its residents, at least for a certain time period. But while the story of Johns Hopkins and its neighbors can speak for a significant piece of Baltimore's history, it's a story that has been told in various ways over the years (Gomez, 2013). The story of how community development in Baltimore transformed from a system of conflict to a system of collaboration between city institutions and city residents, joined together by data and in-the-middle neighborhoods, has not been told, which is why I chose to focus on it.

This project contributes to the larger literature by offering an analysis of community development starting in the 1950s and stretching through the 2000s. It discusses how community development efforts between 2000 and 2010 diverged from those that preceded them. I explore some of the limitations of relying on middle- and upper-income homeownership as a strategy to support neighborhoods; examine

community development organizations in the neoliberal political economic environment, and question the future of community development organizations.

Illustration 1.1 Neighborhood Map and Initial Healthy Initiative Neighborhoods



Source: <http://health.baltimorecity.gov/neighborhood-health-profile-reports>

Methods

I conducted a case study to understand how and why community development actors in Baltimore made decisions to address neighborhood conditions over time, and how the community development activities resulting from those decisions were implemented (Yin, 2009). Baltimore is an ideal case to study as it presents a typical case for the evolution of community development in a post-industrial city with a history of participating in federal and local community development initiatives, and a sample of many prominent trends in community development initiatives over the last fifty years, while a significant local political presence influenced decision making throughout (Davies and Pill, 2011). While there are some limitations to focusing on just one city, Baltimore faced many issues that were typical of post-industrial American cities, such as dramatic shifts in employment from manufacturing to service jobs and various efforts to revitalize the city (Harvey, 1989; Harvey, 1992). Thus, I was able to see themes from these many experiences that appear in the community development field at large.

To answer my research questions I used a qualitative approach that included a document review of academic reports, foundation papers, city documents and newspaper articles from *The Baltimore Sun* and *The City Paper* related to past community development initiatives. To compare the current time period to past efforts, I first identified significant organizations and how they addressed neighborhoods in Baltimore. Then I looked at the local and national political economic conditions in which community development emerged and to which it responded. Finally, I analyzed the broad goals of community development organizations and the limitations of these efforts over time. While community development in Baltimore evolved out of the Civil Rights

movement, as it did in much of the country, there was community activism in the city dating back to the New Deal. Nonetheless, I chose to begin my period of study in 1950, a year that corresponds roughly with the beginning of the city's lasting focus on downtown development which gave birth to much of Baltimore's initial organizing efforts, beginning with plans to develop Charles Center as the inaugural step in the revitalization of the Inner Harbor that broke ground in 1959. These initial efforts created some of the city's first organized housing groups and set the stage for the 1960s, a pivotal time in the history of the city's community development organizations, and for community development organizing as a function of American urban life. Starting the second period in 1970 made sense for a number of reasons—this was the period that followed the civil disturbances of the 1960s which dramatically influenced neighborhoods and how the organizations that represented them operated. As the highway fights wound down and groups came together briefly to organize for neighborhood change, information from this period provides a glimpse into the history of how community development operated in Baltimore. Furthermore, the mayoral tenures of William Donald Schaefer and Kurt Schmoke influenced community development during this period. Schaefer's renewed enthusiasm to implement the transformation of the Inner Harbor after his 1971 election elicited community frustration that had little impact in city hall. The initial excitement about Schmoke, the first elected African-American mayor, brought renewed focus to the city's struggling predominantly African-American neighborhoods before turning to disappointment as neighborhoods continued to languish. The election of Mayor O'Malley in 1999 coincided with the change in approach toward data-driven decision making, homeownership and widespread buy-in from community development actors. It marked a

turn in Baltimore's history of community development, and thus I chose to consider that period as the current approach.

Interviews

I developed an initial list of potential interview subjects through my document analysis, initial conversations with academic and professional contacts and an Internet search. Many of the foundation plans, white papers and community development websites listed individuals who were either the executive director or responsible for planning and implementing community development initiatives, presently and during my study period. After contacting these individuals I used a snowball sample technique by asking for recommendations for additional participants.

I interviewed 29 individuals from community development organizations, foundations and non-profit and for-profit housing developers as well as academics, community activists and city government representatives. Of the 29, 3 were in government positions, although some had switched from government to community development organizations throughout their career, which I found to be a common phenomenon in the community development field. While I did not exhaust the community development field in my interviews, I believe it was representative of the organizations involved in the current HNI approach and from prior eras that informed the analysis of the approach Baltimore undertook under Mayor O'Malley. In the process of conducting interviews, I began to hear the same names over and over and found that the information contained in my interviews largely corresponded with written reports. Where possible, I used the written reports as primary data sources to understand the older time periods and the interviews largely informed my understanding of the current approach as

there were fewer written materials from which I could cite for that period. I developed an initial interview list of community development organizations involved in recent efforts from background research and through personal conversations with members of the community development field. The majority of the subjects I contacted were willing and able to meet with me; only one could not and cited time as the major reason. The content of many interviews overlapped, given an apparent propensity for community development professionals to stay in the city over time, allowing me to have a more longitudinal perspective of changes over time. I referenced many of the interviews with written documents where possible.

I was interested in interviewing people from a wide variety of organizations that work on community development to better understand how the organizations worked together. Interviews were semi-structured and lasted between thirty and ninety minutes, averaging around forty-five minutes each. Because many interviewees had worked at their respective community development organization, foundation, city department or other community development actor for many years, many of them gave background information on the history of community development as well as more detailed accounts of the period between 2000 and 2010 (See the table below for a breakdown of the types of organizations included in the study). As my research progressed, I adjusted and added interview questions to account for some of the responses from the earliest interviews. All of the participants gave informed consent to participate in the study as confidential subjects (this study was approved under IRB #13-844M).

I conducted my first set of interviews in the fall of 2013, covering basic background questions about community development in Baltimore, the types of

partnerships organizations forged and whether and how approaches changed in the 2000s. I kept an ongoing, password-protected, Microsoft Excel spreadsheet about potential interview subjects and their information. I took notes throughout the interviews and wrote detailed field notes immediately after each interview. After the first round of interviews, I organized the notes into themes around tensions between community development organizations, foundations and the city; past efforts around organizing; low-income housing development and large-scale initiatives; newer approaches to targeting neighborhoods for homeownership and participation in determining those approaches. I reached saturation and stopped interviewing as people told me to speak to many of the same people with whom I had already spoken and heard many of the same responses about the history of highway development, residential segregation and downtown development, as well as the 2000s shift to a new way of approaching community development. After writing up my first set of interviews, I wanted additional information on alternatives or reactions to the more recent approach to homeownership as a means by which to achieve community development goals. I reached out to individuals I had not spoken with, particularly in the community organizing field and the specific community development organizations related to the communities on which my dissertation focuses. I did several follow-up interviews in the winter of 2013 and 2014 to help understand if there were organizations that may not have participated in the targeting homeownership approach, finding that there were some alternative efforts that I had not previously uncovered, which I discuss in Chapter 5.

For the 2000-2010 period, I explored two specific Baltimore community development organization, Patterson Park Community Development Corporation and

Belair-Edison Neighborhoods Inc., that were included in TRF and the O'Malley Administration's data-driven strategy. They are relatively the same size, and began the 2000-2010 decade with a majority African-American population, longstanding active community development organizations and a history of relatively-stable home prices and relatively high levels of homeownership. Nonetheless, their respective community development organizations implemented the strategy in different ways, with the PPCDC competing in the private market while BENI was more resident focused, and as such, responded to the increase in foreclosures in the middle of the decade in drastically different ways (Baltimore Neighborhood Indicators Alliance, 2010). There were fewer written materials such as city documents, foundation and academic literature on my two chosen, representative neighborhoods forcing me to rely more heavily on interviews to supplement newspaper articles. The former executive director of the Patterson Park Community Development Corporation, Ed Rutkowski wrote a manual, The Urban Transition Zone that described his approach and included information about Patterson Park, but there were no such materials for Belair-Edison.

Table 1. Interview respondents by Organization

Type of organization	Number of interviews
CDC	7
Foundation	5
Government	3
Collaborative*	3
Developer-Non Profit	3
Academics	2
Consultants/Community Organizers	2
CDFI	1
Developer-For Profit	1
Intermediary	1
Total	29

*Collaborative refers to the growing practice of a consortium of organizations that include foundation/city/non-profit partners but are generally housed outside the city.

Secondary Sources and Existing Datasets

To supplement my primary interview sources, I turned to secondary sources and existing databases. There is a significant amount of written material on the history of community development in Baltimore. Starting with the origins of community development in Baltimore in the 1950s, I identified public and private community development actors including the city, foundations and financial institutions and broadly outlined their approaches to addressing community issues over time (Yin, 1998). I then more closely analyzed, using interviews, newspaper articles from the *Baltimore Sun* and *The City Paper*, foundation and organization reports, what happened in 2000s to see how the approach was influenced by the past, but diverged from it in important ways.

Several books and academic articles informed my work about community development in Baltimore. A recent compilation of edited essays, “Baltimore '68: Riots and Rebirth,” compiled by the University of Baltimore in conjunction with the 40th anniversary of the city's civil unrest, provided an in-depth history and analyzed the implications of race on the development of community organizations. A recent book by Antony Pietila, “Not in my Neighborhood: How Bigotry Shaped a Great American City,” analyzed the longstanding repercussions of residential segregation and discrimination. Those books complimented a well-known historical analysis of blockbusting written by historian Edward Orser, called “Blockbusting in Baltimore: The Edmonson Village Story.” I also looked at “grey literature” such as foundation documents, case studies and other institutional information, and used census information to describe local

demographic conditions including population size, ethnic composition, race, poverty and unemployment rates for the city generally, and more specifically for Patterson Park and Belair-Edison. Several newspaper articles discussed the HNI and particularly the story of Patterson Park CDC, which, at the time, was a well-known organization, and its eventual bankruptcy.

I gathered a significant amount of my demographic and neighborhood level data from the Baltimore Neighborhood Indicators Alliance, housed in the Jacob France Institute at the University of Baltimore. The BNIA “builds on and coordinates the related work of citywide nonprofit organizations, city and state government agencies, neighborhoods, foundations, businesses and universities” and provides neighborhood level data on a variety of indicators, including housing, demographics, foreclosures, health, education and others (http://bniajfi.org/about_bnia/). I used neighborhood level data from BNIA to explore more fully Patterson Park and Belair-Edison.

Data Analysis

As I sought to understand how community development in the 2000s differed from past efforts, I first had to understand the early actors and how they initially approached community development. I grouped the early approaches into two time periods—1950-1971 and 1971-1999. These time periods capture large-scale changes in community development and correspond with breaks in lengthy mayoral tenures that had significant influence over city development. Then I looked at the period from 2000-2010, first at how the actors determined the approach, and then more closely at how two neighborhoods implemented the approach.

Early Community Development Efforts, 1950-1999

To do that, I first analyzed historical information to understand the context to make sense of the changes in the current environment, including demographic changes. I also created GIS maps using population data from the US Census to better understand racial changes over time given the importance of race in the history of development in Baltimore. Using data from the interviews and document review, books, academic articles and newspaper articles, I created a timeline to better understand how the information I gathered fit into a larger context (See tables at beginning of chapters 3,4 and 5 to see how the timeline fit into the larger context). Using this timeline, I focused on three things: the organizations that were involved in community development and their relationships with the city, the overall approach to community development efforts and the tactics used to engage the community.

To understand the major actors in community development I relied on literature that conceptualized community development as a group of actors that work together as a system and includes community development organizations, city government, foundations and financial institutions (Yin, 1999). I included organizations that were involved in housing, community development, workforce development, revitalization projects and other community activities; city departments that were responsible for community development and housing as well as foundations and other funding institutions that funded projects focused on urban renewal, affordable housing, Empowerment Zones and comprehensive community initiatives. To understand how organizations worked together, I identified themes to categorize the types of relationships organizations had with each other, particularly as they pertained to city initiatives. While

community development organizations certainly have different issues with each other, in this project I was more interested in how community groups reacted to city projects or, due to the lack of city support, more grassroots efforts. Supportive relationships were revealed by formal and informal partnerships or letters of support around certain projects, while evidence of oppositional relationships included letters of protest, promotional materials and newspaper op-eds.

Community Development Efforts, 2000-2010

For the more current approach from 2000-2010, I relied more heavily on interviews to develop an understanding of how the community development system approached data-driven, targeted development. I first analyzed the approach to better understand the significance of the shift from past efforts. I analyzed foundation documents, written reports and interviews to understand how and why the approach changed, and in what ways it was influenced by past efforts. Given past resistance to city-led initiatives, I focused my efforts on determining how community development organizations were involved in decision making, and how their levels of support or opposition to the efforts varied. Relying on the same themes that emerged in my analysis of prior efforts, I analyzed newspaper articles and other written materials to better understand how organizations interacted with other actors and each other to support or resist the city's plans. As neighborhoods saw increasing numbers of foreclosures, I used neighborhood level data to better understand the impact on neighborhoods.

Limitations

Admittedly, as representative as Baltimore's community development experiences are of post-industrial American cities, they do not tell the field's whole story. This

dissertation tells one tale of community development in Baltimore, but it does not tell them all. There are some limitations in project scope, as it provides a broad overview of changes over time, but not a detailed look into each individual approach that emerged in Baltimore over the city's nearly 60-year community development history. The goal of this project is to understand the shift from one comprehensive approach to physical development, to another, and another and so on. Additionally, there are a limited number of neighborhoods and organizations that I focus on to understand how the foreclosure crisis impacted the city's community development system, and specifically its reliance on homeownership as a viable means to improve neighborhoods when funding becomes tighter and house prices fall. The experiences of the neighborhoods and organizations I discuss are instructive, but paint a necessarily incomplete portrait of how community development actors navigated the crisis. Finally, the story in this dissertation is told from a neighborhood organization perspective; more could be gained from the knowledge and experiences of individual residents, but these belong in a different project.

Outline of the Dissertation

This chapter provides an introduction to the study, including the research questions, an explanation of the conceptual framework and the methods and data sources used. Chapter two focuses on literature about how community development emerged as a local response to political and economic conditions in the postwar urban environment and how community development organization activities evolved from those origins (Fisher, 1994; Lemann, 1992; O'Connor, 1999; Zdenek, 1987). It discusses research that describes tensions between community development's goals of grassroots mobilization of residents and physical redevelopment of the actual neighborhoods. Further, it outlines

research that seeks to understand the role of community development organizations in a neoliberal city where officials sought to promote growth (DeFilippis 2004, DeFilippis et al. 2010).

Chapters three and four outline how past community development efforts served as the foundation for current efforts, influencing the way that groups responded to political economic conditions as well as local government efforts. Chapter three focuses on the period of the 1950s through 1971, a period characterized nationally by housing discrimination and suburbanization and varying local responses to those trends that included downtown development and highway expansion. In Baltimore, this was the era in which community development emerged, primarily as an adversary to the local state, protesting African-American housing conditions and the threat of highway construction. Chapter four looks at the period of 1971-1999, nationally an era of deindustrialization, the devolution of federal resources to state and local governments and the dismantling of the welfare state. This chapter tells the story of the deterioration from the 1970s, a period of relative strength in community development, to the 1990s, by which time the dissolution of the city's umbrella groups had created a fragmented community development system that had little interaction with city officials, minimal collaboration and inconsistent funding. Chapter five delves into the period 2000-2010, and describes the impetus for the new approach where community development organizations, foundations and the city shifted from initiatives aimed at the most impoverished neighborhoods to initiatives that facilitated reinvestment through homeownership in communities considered to have market potential. Chapter six looks at how some of the community development approaches played out in two specific neighborhoods, and

throughout Baltimore, in the period between 2000 and 2010. Finally, chapter seven outlines conclusions and opportunities for future research.

Chapter 2: Community Development over time: Tensions, Roles and Politics

Introduction

While the literature of the history of community development is substantial and provides a useful framework for which to analyze my project, it has yet to produce a coherent theory of what happened to community development in the 2000s. Earlier research examined how community development emerged in the 1950s as a local response to broader, national political and economic conditions in the postwar urban environment, and continues to analyze how community development organization activities evolved from there (Fisher, 1994; Lemann, 1992; O'Connor, 1999; Zdenek, 1987). Much of this early research observed the tensions between community development's sometimes divergent goals of building power through grassroots organizing (Fisher, 1994; Stoecker, 1997; Stoecker, 2001) and physically redeveloping neighborhoods (Ferguson and Dickens, 1999; Frisch and Servon, 2006; Glickman and Servon, 1998). It illustrates how the battles fought in community development's formative years, between residents, community development organizations, policymakers, foundations and financial institutions, shaped the field in the ensuing decades. More recently, researchers have wrestled with the question of what the role of community development organizations is in a neoliberal environment, illuminated by city officials' promotion of economic growth at nearly any cost alongside the dwindling federal support for social programs (DeFilippis, 1999; Fainstein, 1990; Sites et al. 2007; Thibault, 2007). Along this line, a set of research has emerged to understand what has happened to cities after decades of abandonment as capital flowed back to some areas while bypassing others (DeFilippis, 1999; Newman and Ashton 2004). In some cases,

researchers turn to urban power theories which had previously explored decision making in cities to explain community development organizational increasingly powerful roles (DeFilippis, 1999; Elwood, 2006; Ferman, 1996; Koschinsky and Swanstrom, 1999). But ultimately the research stops short of examining how the roles of community development actors changed when cities began outsourcing decision making to data models, the increasingly entrepreneurial community development organizations who were in line with city efforts to promote growth, and how the foreclosure crisis revealed some of the risks of community development organizations taking on private development. My project aims to contribute to the resolution of these questions.

The community development literature broadly informs my understanding of the history of community development organizations, the legacy of relationships between organizations and city hall and the constraints placed on organizations over time by funding changes and other political economic conditions. Some urban political literature supplements the community development literature; particularly in framing how urban political decisions are made, and the shifts in who has a seat at the table.

In this chapter, I divide the history of community development into broad periods, which correspond with significant shifts as defined by the literature and Baltimore's community development history (Vidal, 1997; Zdenek, 1987). Given the extensive literature on the history of community development, this section does not give a full description of the field. Rather, for each period, it shows how organizations responded to political economic conditions including the shift in goals from mobilizing residents for political and economic inclusion to rebuilding neighborhoods through low-income housing development to operating in an urban environment primarily focused on growth.

Origins of Community Development

While authors trace community movements to the progressive era (Fisher, 1994), the modern community development movement is largely linked to the unequal conditions that led to urban ghettos in the 1960s and, in particular, to Robert Kennedy pledging his support for the Bedford-Stuyvesant Redevelopment Corporation in 1966, a major milestone in the legitimization of organizing efforts (Hirsch, 1998; Lemann, 1992; Sugrue, 2005). The War on Poverty legitimized Civil Rights and other early organizing efforts, and the migration of millions of southern African Americans to northern cities during and immediately after World War II influenced the local political economies, as many existing residents resisted the racial change while government programs excluded African Americans and Latinos from decision making and exacerbated unequal development (Fisher, 1994; Lemann, 1992; O'Connor, 1999; Self, 2005; Sugrue, 2005). Against this backdrop, researchers highlighted how African Americans and Latinos, influenced by Civil Rights and Black Power organizations, protested a lack of political representation in decisions about redevelopment, housing, transportation and social services. At the same time organizers encouraged residents to shape their own communities around local land use, with the hope that disenfranchised individuals would improve their quality of life while building a mass that could be mobilized to support and strengthen democracy (Chaskin and Abunimah, 1999; DeFilippis et al. 2010; Fisher, 1994; Keating et al. 1990; Lemann, 1992; Stoecker 1997).

Community development may be understood as a response to these and other political economic conditions. Early organizations played an important role in mobilizing residents to fight for meaningful, but short-lived, political and economic gains. But the

relationship between organizations and between other community development actors changed over time, particularly in terms of the changing role of local government and its relationship to neighborhoods, the amorphous relationship between formal representative government and other mechanisms of participation and the evolution of democratic institutions and voluntary associations for driving and enacting social policy (Chaskin and Abunimah, 1999). In general, however, community development organizations were born in response to a political economic system where government and business actors made decisions that created social inequalities for ordinary citizens (Fisher, 1994).

Other researchers understood early community development as an attempt to build power from the grassroots, which increased tension between community development organizations and local government, especially as it pertained to the federal government's maximum feasible participation program during the War on Poverty that bypassed local government to directly fund organizations (DeFilippis et al. 2010; O'Connor, 1999). In her assessment of early federal interventions in community development, O'Connor (1999) explains that the federal government offered a brief period of sustained support through the War on Poverty which helped legitimize community development. Beginning with the Community Action Program (CAP), included as part of the 1964 legislation that created the Office of Economic Empowerment, the Community Action Agencies (CAAs) briefly made funding contingent on a maximum feasible participation component in order to strengthen the role of African-American and low-income community input in resource allocation (Lemann 1992; O'Connor, 1999). Still, hundreds of new community-based organizations were funded with the dual mandate of addressing poverty through better service delivery and

allowing residents to determine their needs and demand resources to address them (Ferguson and Dickens 1999; Fisher 1994; Marwell 2007).

Researchers debated the limitations of these early efforts to fundamentally transform impoverished neighborhoods. O'Connor, (1999), and others laid out two main arguments as to why these early efforts suffered; early community development organizations relied too heavily on early on federal funding, and when it declined in the 1970s and 1980s organizations were left struggling to make up for it; and the failure for federal officials to work with foundations and organizations to develop a comprehensive strategy that dealt with underlying causes of poverty including racial discrimination. Thus, early community development activities were highly fragmented and layered with programs offering both overlapping services and significant gaps that left some areas chronically underserved.

The hesitation among early community development actors to explicitly address race and instead focus on economic inclusion limited these actors' impact (Ferguson and Dickens, 1999; Fraser et al. 2003). O'Connor (1999) and others explained that the programs that made up the War on Poverty had the potential to "realign exclusionary structures of society to afford African Americans the same opportunities as other Americans" (Marwell, 2007, p. 26). While the War on Poverty programs were some of the most comprehensive attempts to address poverty, many fell well short of what was needed to permanently change the course of urban development, never adding up to a coherent strategy largely because the administration of these government policies was 'disjointed and episodic' (O'Connor, 1999, p.11). Furthermore, O'Connor (1999) argued that programs like public housing and those included in the War on Poverty, which were

intended to stem poverty, instead exacerbated poverty and isolation. Lemann (1992) argues that the political power possessed by Southern Democrats in Congress resulted in the U.S. legislature's hesitance to take on race. Several authors pointed out that federal programs often replicated themselves without addressing structural conditions, such as race, that underlay community decline. In lieu of this, they worked at cross purposes with small-scale interventions, which did little to change the conditions largely created by large-scale public policies (Fischer, 1994; O'Connor, 1999).

While the CAA offered organizers legitimacy and helped spur the modern community development infrastructure, the reliance on federal funding put organizations at risk when subsequent administrations chose to limit this funding, and while early organizing groups had some success, many groups closed or changed their missions in the 1970s (O'Connor, 1999; Ferguson and Dickens, 1999). Programs were considered to be too limited in scope and funding to alter political inequities and the result was a sizable collection of short-lived programs, many administered by agencies that have since disappeared, that replicated, rather than learned from, what had been tried in the past (O'Connor, 1999). Similarly, Fisher (1994) argued that stop-gap solutions and tenuous class and race relations in one decade often became the central problem and basis for change in the next.

Shifts in Community Development 1970s-1990s

As in the 1960s, local actions were both influenced by and a response to national politics, but in the 1970s, the turn to federalism and conservatism, rather than to liberalism and radicalism, was reflected in community development (Self, 2005; Stoecker, 2001). In light of reduced federal funding, community development

organizations began to focus less on political representation and more on ways to support the economy through comprehensive planning and local development (Sites et. al 2007). Thus, researchers noted that while some organizations turned to the more conservative issues of property values and schools, residents who stayed behind in inner cities continued to battle for improved services and better neighborhood conditions. However, as organizations became more focused on physical redevelopment, they were accused of abandoning their political goals in favor of working within the political mainstream, which angered some residents (Orser, 1997; Self, 2005). The resulting split between organizing and development opened several longstanding debates about how and why organizations shifted their strategy from 'confrontation to coexistence' (Fisher, 1994). These debates were heightened by the increased role of foundations and the introduction of intermediaries, and researchers debated the influence of these new actors and whether they filled important funding gaps or co-opted and marginalized groups to benefit market forces, or some combination of the two (Martin 2004; Elwood 2004). Finally, literature analyzing this period in community development found that the brief focus on empowerment and social capital in the 1990s, driven by foundations and the federal government, resembled early organizing efforts but with a reduced emphasis on challenging the dominant political power structure (Gittell and Vidal, 1998; Lawrence, 2008).

Several authors noted that the decline in federal funding to cities starting in the 1970s had a major influence on the transition to the second wave of community development, as groups were forced to choose between becoming more professionalized development organizations, or maintaining their political identity which threatened their

access to government funding (DeFilippis, 2001). The backlash against radical organizing and the unraveling of welfare supports that had existed since the 1960s placed even greater limits on the potential of organizing. Beginning with President Nixon, and accelerating under President Reagan, New Federalism profoundly altered the infrastructure of policy and cut the ties between the federal government and poor communities that had been forged in prior eras (Caraley, 1992). The federal government replaced these with block grants and low-income tax credits and supported community-based housing providers that redefined community development as a way to increase low- to moderate-income residents' ability to participate in the private housing market, largely through increasing the supply of affordable housing units (O'Connor, 1999). In this burgeoning view, government power should be limited, private sector and market mechanisms were more efficient, and always preferable to public mechanisms, and decisions made at a local level were more efficient, more representative of local needs and altogether less bureaucratic (Koschinsky and Swanstrom, 1999; O'Connor, 1999).

While still lacking a comprehensive urban policy in the 1970s, the federal government focused on private sector initiatives, devolution and municipal, state and neighborhood self-reliance (Koschinsky and Swanstrom, 1999; Sites et. al 2007). In general the 1970s represented the beginning of a long shift from government concerning itself with the local management of social services to becoming more actively entrepreneurial (Harvey, 1989; Harvey, 1992). On the other hand, intermediaries and foundations became vital in providing access to financial capital, and political support in decision making.

The decline in federal funding threatened many of the original organizing groups but provided an opening for others in the “backyard revolution” (Boyte, 1981) of the 1970s, where organizations focused on issues that directly affected homeowners as opposed to engaging in the broad moral argument about equality and representation that persuaded much of the 1960s activism (Self, 2005). Many of the populist organizers were the owners of small homes and businesses who were concerned that economic pressures were going to wipe out the value of their one major investment (Fisher, 1994). Self (2005), Fischer (1994) and others looked at how community development reflected the new political agenda which prioritized individualism and populism, where new populist groups began to organize around single issues that directly affected their neighborhoods and more conservative issues around schools and maintaining lower taxes. This type of organizing tended to involve a national organization that sent an organizer to a community to determine the communities’ needs and desires, and then worked with the community to mobilize (DeFilippis, 2001; Fisher, 1994). Groups such as Association of Community Organizations for Reform Now (ACORN) and Mass Fair Share, as well as popular groups in Baltimore such as the Baltimoreans United in Leadership Development (BUILD) and other national organizations were formed using this model and fought to increase financial access through the eventual passage of the Community Reinvestment Act (CRA) that required banks to lend money in the neighborhoods in which they collected deposits (Squires, 1992). If the CRA gave community groups legitimacy to challenge financial institutions, the Low Income Housing Tax Credit put housing groups squarely in line with the interests of financial investors, largely with the assistance of foundations and intermediaries. Passed in 1986, as part of the Tax Reform Act, the

LIHTC provides financial incentives to invest in low-income rental housing by allowing investors to reduce their federal income taxes by \$1 for every dollar of tax credit received (Schwartz, 2006). This model was similar to the Alinsky organizing efforts of the 1930s in that it took the needs of the neighborhood into consideration instead of imposing interests from the outside on the neighborhood, but it was generally conducted by white, middle-class professionals and paved the way for a specialized, development-focused community development arena in the years that followed.

While traditional community development organizations struggled in the more limited funding environment described above, hundreds of new housing organizations formed in the ‘second wave’ of community development, and the research reflected those changing goals. Community development shifted from grassroots mobilizing to addressing the physical conditions of cities that were increasingly blighted and abandoned, with nonprofit housing developers understanding their role as solvers of financial puzzles that discovered and tapped into undervalued assets in low-income neighborhoods (Rubin, 1994). Housing supported a non-confrontational model of community development that relied on private developers and the market, allowing the government to be more hands-off when it came to housing production. Working on visible revitalization projects was seen as a way to energize community residents and ensure commitment for continued development, and it was thought that community development organizations should hone their financial and development skills because those with access to resources would only distribute them to those that proved they were financially competent, efficient and effective (Ferguson and Dickens, 1999), a philosophy abetted by the demands of financial intermediaries and funders that made their financial

participation contingent on visible improvements, which were only accomplished through physical development.

Foundations and Intermediaries

In this new environment, research turned to understand the new actors that supported physical redevelopment, in particular the increased role of foundations and intermediaries (Vidal, 1997), Glickman and Servon (1998). Foundations and intermediaries became vital to bridging financial gaps left behind by declining federal funding, setting priorities across the country due to their national influence, and providing technical assistance for organizations to access alternative sources of financing and secure specialized skills (Vidal, 1997; Martin, 2004). While foundations aren't large enough themselves to completely address urban issues such as schools and poverty, they have enough financial resources and political clout that they can drive much of the development field (DeFilippis, 2008). Yet, researchers argued, foundations are generally private, with their own board members and therefore their constituency is not the public, but members of the upper class. So while foundations offer critical funding, their priorities come from a specific constituency, generally a corporation who is unwilling to challenge political norms, and in fact actively avoid politically controversial activities (Lawrence 2008). Research on the changing roles of foundations found that they changed from provided critical operating support that community organizations could use for a variety of purposes to becoming program-specific funders, with stipulations on how community organizations could spend the funds and document their impact (Silverman 2008). While foundations may have provided monetary support and access to capital from outside the community, accepting this support made the organization beholden to

foundation objectives, and saddled with rigid stipulations on how to use funding thus the relationships between community development organizations and foundations can be an uneasy one (Glickman and Servon 1998).

Like foundations, national intermediaries such as Local Initiatives Support Corporation (LISC), Enterprise and the Neighborhood Reinvestment Corporation (Kinsley et al. 1997; Liou and Stroh, 1998; Sites et al. 2007; Walker, 2002) offered a link from low-income communities to outside resources, pooling together housing development credits and providing technical assistance to community development organizations (Schwartz, 2010; Liou and Stroh, 1998). Intermediaries enhanced the perceived technical competence of potential borrowers and reduced risk to public and private sector funders and were critical in supporting new financial instruments to help CDCs navigate the new ‘patchwork’ financing options replacing the ‘one-stop’ government resources of the past (Walker, 2002; Vidal 1997). While scholars argue that the introduction of intermediaries complimented the role of foundations as a link to external capital (Rubin, 2004), similar to foundations, that they may restrict residents' and organizations' ability to protest, leaving them with little leeway to determine their activities (Martin, 2004; Thibault, 2007). Furthermore, Thibault (2007) argues, these new parties added new layers to the “undemocratic hierarchy where community development corporations are almost always on the bottom and funding comes from the top down, much of it from corporate philanthropy, wealthy families and state and federal government with restrictions and stipulations” (p.876). Because of this structure in which community development could be co-opted by corporate interests, the values of profit making, market functions and entrepreneurialism trump community values and leave

community development organizations with few options for advocating on behalf of the community's needs.

On the one hand, community development organizations working with foundations and intermediaries to develop housing seemed a “natural” place to begin to revitalize communities (Vidal, 1997). If substandard and decrepit housing were replaced, not only would residents have a decent place to live, but the spillover to the surrounding community would build up the business base and support community institutions. Critiques of this shift suggested that redevelopment-focused community development organizations embraced the quasi-capitalist function of nonprofit development that had previously been criticized by many community control groups, thereby trading the community's interests for the market's (Kirkpatrick, 2007). As DeFilippis et al. (2010) wrote, “community is being embraced by state and capital because it is being used in ways that are not only uncritical of the larger political economy but actually largely in line with the needs and interests of that political economy—and those that benefit most from it” (p.3). Kirkpatrick (2007) identified this tension in community development as “on the one hand dominated by market-oriented interest and logic of exchange values and, on the other, dominated by community-oriented interests and neighborhood use values” (p.329). In other words, Stoecker (1997) wrote, the need for community development organizations to operate in the market economy through the production of housing and other related services put them squarely at odds with community uses of neighborhood space. As community development organizations increasingly address physical deterioration through building and rehabilitating housing units, developing small-scale commercial projects and other revitalization efforts, their stake becomes to

protect their investments. The central tension here identified by Sites et al. (2007) was that the bricks and mortar of the nonprofit housing development don't lift neighborhoods out of poverty even while also failing to preserve communities from gentrification-induced displacement.

A Middle Ground?

Traditional analyses tend to understand community organizations as advocacy-based, and thus in an adversarial role to state interests, or service-delivery focused, meaning that they act on behalf of the state. But Elwood (2005) rejected the idea that community organizations have singular constituencies or missions and instead argued that they enjoy multiple, and sometimes contradictory, roles and relationships, an idea that helped explain many of the changes that I observed in Baltimore over the course of this project. Similarly, other scholars offered suggestions to bridge organizing and development actions as this debate has evolved over time, while some, namely Stoecker (1997), suggested separating the two activities completely, supporting the creation of an organizing arm that focused on community-controlled organizing and planning and a second function that focused on high-capacity multi-local housing and economic development. In response to Stoecker's recommendation, Bratt (1997) argued for increased pressure on the federal government to better support social services, but in the absence of that funding, many organizations are creatively finding ways to access funding and that instead of a monolithic argument that all outside funding is bad, theorists can rather better understand the ways the strings attached to funding can undermine community goals and work to eliminate those elements.

Community Empowerment

By the 1990s, the debate over organizing versus development had given way to a renewed interest in community participation as community organizations realized that the narrow focus on physical development often did little to improve the lives of most residents. Some theorists argued that this could be attributed to the lack of cohesion between residents, and the fact that, since physical development often came from the outside, they had little stake in their neighborhood and thus little impetus to work together to improve the community (Rusk 1999). The idea of social capital, that trust and cooperation could improve low-income communities, was present in the thinking behind many efforts in the 1990s, which stressed that people know their own needs, and are willing and able to develop an agenda that addresses them (Gittell and Vidal, 1998). Furthermore, during this period there was an assumption that poor neighborhoods did not have access to financial and social resources, due in part to their relative lack of trust and cooperation among residents, so, in their research, theorists focused on programs that assumed community development organizations could strengthen ties within neighborhoods, while also building bridges between poor areas and richer metropolitan regions (Rusk 1999).

Comprehensive community initiatives (CCIs), along with the federal government's Empowerment Zones, were two such programs that reflected the interest in addressing distressed areas in inner cities, and of which Baltimore was an early participant. There was a substantial empirical and theoretical literature around these initiatives as they represented the first time in several decades a policymakers committed to a significant amount of money to addressing urban poverty. Researchers focused on

understanding the efforts to strengthen social capital between residents which underpinned these programs. Foundations supported a version of this philosophy with programs to promote empowerment, albeit without the focus on political power that had defined their early programs. Critics argued that while initiatives like CCIs and Empowerment Zones had an interest in public participation, they did not significantly address the structural conditions that kept neighborhoods poor for decades, with some researchers arguing that the co-option of community development that had started in previous decades continued with foundations and the federal government, supporting participation as long as it was in line with their stated objectives (Lawrence 2008). While the emphasis on networks and governance assuaged some of the longstanding tensions between organizations and city government, this came at the expense of some of the participation that underpinned early community development (Koschinsky and Swanstrom, 1999; Lawrence, 2008). Gittel et al. (1998) echoed those concerns in the ways in which community organizations interact with private sector and government agencies and while the Empowerment Zones were thought about as ways to increase community participation and increase trusts between residents and community organization, there was varied evidence of that happening, and in Baltimore, even less substantial community participation.

This short-lived effort transitioned into building networks and social capital, from which CCIs emerged. Foundations spearheaded many of the initial campaigns to promote collaboration, community-based strategic planning and human service delivery and drew on notions of local determination, personal relationships, collaboration and civic participation (Rich et al. 2008; Chaskin and Abunimah, 1999). Several empirical studies

analyzed these programs to better understand if they were able to build social capital and, in the process, increase participation in decision making, with mixed results. Many studies acknowledged the difficulty in building capacity in neighborhoods long plagued by poverty and disinvestment, and programs such as Empowerment Zones had limited results (Cohen, 2001). There are also theoretical critiques of these programs as Sites et al. (2007) pointed out that inherent in these programs was a tension between capacity building and achieving development outcomes, which was never fully resolved in the empirical evaluations of both. Further, the idea of empowerment was originally conceived of as a way to address systemic disadvantages minorities faced in America, primarily through addressing a lack of representation in civic and political decision making (Lawrence, 2008). Comprehensiveness effectively replaced empowerment as an organizing idea in community redevelopment. Comprehensive initiatives sought to “collaborate across racial and cultural lines without really taking on responsibility for racial group empowerment” (Lawrence, 2008). The theory that underpinned these efforts persisted, however, inspired by theories around communitarianism and trust, which argued that inter-agency partnership could be important links that could support neighborhoods. Fraser and Kick (2005) offer an important critique to comprehensive community initiatives by arguing they often emphasized building partnerships without acknowledging the power differentials between organizations and the city, and that the emphasis on cooperation with those in power undermines some of the initial anger that mobilized residents in the first place to protest earlier efforts.

Between the 1970s and the late 1990s, there was a shift from conflict to the collaboration as community development organizations increasingly took on

responsibilities previously filled by the state. In this period, research focused on how community development organizations became shadow state actors to provide formerly public services, and how, given their limited budgets, these organizations were forced to make difficult decisions about who to serve (Lake and Newman, 2002). Not only were nonprofit groups taking on the work of local governments in service provision, but their responses to these developments laid the groundwork for community development organizations to assume the government's goals of supporting growth and development in subsequent years. As the state role turned to promoting growth through actively competing with other cities, more research is needed to see how community development organizations take on those roles. This dissertation attempts to address that gap. While the debate over development and organizing is largely moot given the turn to nonprofit housing development in the 1990s, past questions about the goals of community development reemerged in this environment as cities sought to redevelop neighborhoods.

Community Development and Growth

In the political economic environment described above, community development organizations worked together with government and private actors in developing housing and supporting markets, largely in line with neoliberal tendencies (DeFilippis, 2008; Fraser et al. 2003; Goetz and Sidney, 1995; Kirkpatrick, 2007; Sites et al. 2007). Some theorists sought to explain what was happening in cities, where after decades of disinvestment, capital began flowing to some city neighborhoods, leading to the simultaneous process of reinvestment and disinvestment (Newman and Ashton, 2004, Thomson, 2013). Others seek to understand how community development organizations fit into these processes, drawing from traditional urban politics literature to understand

how decisions are made and how the role of community development has changed over time (DeFilippis, 1999; Martin 2004). In both cases, theorists looked at how community development organizations fit into this neoliberal framework characterized by public private partnerships, the reliance on markets, and the role of the increasingly competitive city to facilitate investment by the private market.

From Fordism to Neoliberalism

Many authors outlined the shift in the national political economic environment from Fordism, largely defined by a political economic environment of national mass production, unionized labor, Keynesian economic policies and welfare state expansion, to Post-Fordist or neoliberal political economy, defined by global production and services, flexible labor, neoliberal economic policies and welfare state dismantlement (Brenner and Theodore, 2002; Jessop, 2002; Sites et al. 2007). Introduced in the 1970s, neoliberalism evolved in the 1980s during the rollbacks of welfare support, employment aid and other Keynesian arrangements and by the 1990s became what Brenner and Theodore (2002) referred to as “market-guided regulation introduced to manage some of the past contradictions of neoliberal policy intervention” (p. 362). Peck and Tickell (2002) suggested that neoliberal activities in cities largely created blurred public-private partnerships that cleared the way for private investment, seen in business improvement districts, tax increment financing (TIFs) and regulatory changes that supported urban redevelopment. Mayer and Rankin (2002) and others critiqued neoliberal policies, suggesting that they supported community development but in a sanitized, development-focused manner that merely enabled urban areas to compete with each other.

As neoliberalism worked itself into the political economic environment, Structuralists built upon Marxist theory to explain neighborhood change and the role of investment by analyzing the flow of capital. Harvey and others theorized the process of capital accumulation in urban development and the built environment, highlighting the transition into the “secondary circuit of capital” (Faegin, 1987; Gotham, 2009; Harvey, 1978; 1989). Harvey (1989) argued that one of the main ways cities changed in the post-World War II environment is that capital moved from the primary circuit—where accumulation of capital was achieved largely through physical development—into the secondary circuit which relied on real estate investment. Harvey and others described a set of crises inherent in the contradictions of capital that facilitated that change, as well as the implications of the secondary circuit of capital on the built environment. Towards the second half of the 20th century, capitalists focused more heavily on financial investment in resident and commercial property in efforts to attract new sources to finance real estate or other elements of the built environment. The rise in capital accumulation through financial channels versus trade and commodity production was operationalized largely through the growing housing market.

Many pointed to the increasing importance of mortgage securitization—which pooled home loans into a single financial product that could be sold in the global market—to the overall economy. Securitization transformed static, idiosyncratic commodities (homes) into a transparent, standard and predictable investment for sale on the global marketplace which opened up channels of finance where they were not previously available (Gotham, 2009). The creation of the Government Sponsored Entities, Fannie Mae and Freddie Mac in the wake of the Great Depression opened up

secondary markets, the market substantially changed after the 1970s. Local, national and international government institutions facilitated the turn to finance through loosening regulations as well as making necessary legal changes. These policies influenced community development activities, which shifted away from providing a venue through which residents could achieve meaningful change to strictly becoming a tool for generating economic growth (DeFilippis et al. 2010; Mayer and Rankin, 2002; Sites et al. 2007). Kirkpatrick, in his analysis of two community development organizations operating in a redevelopment in West Oakland, one more market-based and the other more community-oriented, identified the tensions between the roles that community development organizations must still play, arguing “while CDCs were created to facilitate the marketization of ‘low-income’ development activities, they are also responsible for mollifying the adverse effects of such maneuvers. CDCs are, in effect, the organizational expression of the paradoxical functions of contemporary neoliberal governance. As such, they represent a potential ‘space’ of active political negotiation and contestation.” (p.352)

In neighborhoods that had struggled for decades to access capital, the expansion of capital through the housing market, made possible in the form of subprime lending, was seen as an opportunity (Newman, 2009). But the burst in lending was quickly followed by significant problems, and a rise in foreclosures in the mid-2000s not only threatened the gains in housing, but severely impacted the increasingly interconnected, financialized economy. I built on these analyses in understanding how the shift over time in Baltimore may provide insights into the broader community development environment.

Urban Politics

At the same time, we can use urban politics literature to help understand the local decision making context of these national changes. Early community power theorists questioned ‘who governed’ and the powerful actors inside and outside the formal decision making bodies focusing primarily on debates over the power of elite civic and financial groups or those of ordinary people in democratic societies (Dahl, 2005; Stone, 1989). Urban regime theorists reframed this debate between plural and elite theory by embracing a political economy framework and examining alliances, since, according to these researchers, the separation of the public (state) and private (market) ensured that local government did not have the resources by which to govern alone, and thus it had to form coalitions in order to pursue policy interests, many of whom belonged to an elite groups (Imbroscio, 2010; MacLeod, 2011; Judge et. al 1995). As local governments focused on redeveloping cities largely through networks of public-private partnerships, a wide range of disparate groups come together for the singular purpose to promote growth (Logan and Molotch, 1987). Growth machine theory, an extension of regime theory, focuses primarily on decisions related to land use for economic development purposes and presumes that key metropolitan political and economic actors have disproportionate amounts of power to implement public policies that benefit certain parts of the city at the expense of other residents (Logan and Molotch 1987). While regime theorists generally saw private landowners working with local governments to increase rents, community development actors—particularly those who are sophisticated in accessing private financing—may increasingly become part of the growth machine.

As cities coalesced around economic development, new urban politics emerged as a theory to explain how and why local government changed its priorities and operations, and to explore the greater diversity of actors that were involved in urban politics beyond formal mechanisms of government (DeFilippis, 1999). New urban politics can be characterized as understanding that urban political struggles were overwhelmingly around local economic development, as competition between city governments for investments and infrastructure projects downtown commercial revitalization and conflicts surrounding development or redevelopment was happening in an increasingly global capital environment (Cox, 1993). Developed partially as a response to a theory put forth by Paul Peterson (1981), that the crises in the 1970s forced cities to take on developmental politics and suspend egalitarian and redistributive objectives in order to focus on investment and efficiency, new urban politics theorists argue that there is still an active role for the state, and, in particular, the local state, as local political decisions interacted with global dynamics to shape the geography of inner cities (DeFilippis, 1999 Hyra, 2008). Most new urban theorists agreed that local policy making is constrained by the reliance on private business, which may pull out at any time, and policy leans away from publicly-favored policies and initiatives that met the needs of mobile capital; thus, debates tended to focus on if the local state could mitigate large-scale political economic conditions (Williamson et al. 2003). Researchers examined how the local state shifted from the managerialism of providing services to undertaking actions of “public entrepreneurialism” through risky ventures such as taxpayer-funded stadiums, cycles of tourist development largely carried out by public-private partnerships and business improvement districts.

Community Organizations as Political Actors

While early community power debates attempted to distinguish how discrete actors in urban areas influenced decision making, researchers are increasingly thinking about how community development organizations are playing a bigger role in decision making. Some community development actors operated as part of urban political decision making (Koschinsky and Swanstrom, 1999), with some seeing them as oppositional players (Hula et al. 1997) and others seeing them as part of governing coalitions (Martin, 2004).

More recently, researchers look at how community development organizations play an increased role in decision-making, as they work more in step with local policymakers. Ferman (1996) offered a way to see how community development organizations and other non-elite institutions operate in a larger political context how they can influence local political decision making. In Ferman's view, the issue of who dominates is important even to non-elites because it sets up where the decision making will be done. She argued while regime and growth machine theories are helpful in helping to combine politics and economics into theories of urban policy (rather than just the politics focused pluralists or economic focused Structuralists), regime theory is limited in helping to explain regimes that on the surface look the same. Ferman observed the differences between redevelopment regimes in Chicago, with a top down approach with the mayor firmly holding power and Pittsburgh, which experienced more of an active community development environment who had significant political power. Thus, Ferman suggests that we need to look more deeply at cities, even those that share similar characteristics in terms of development patterns, to better understand how the relations at

the local level play out. This dissertation offers a way to better understand Baltimore on a more intimate level.

As such, some community development organizations that have developed experience in accessing financing and developing political capital may find themselves better equipped to influence decision making. Martin (2004) argues that nonprofit organizations represent new participants in urban governance, creating an urban regime that is heavily influenced by the outside funders financing nonprofit organizations, we can look closer at how better resourced community development organizations drive the decision making process. She continues, “the increase of community-based urban politics suggests that urban regimes may be becoming more diffuse and multi-scaled than a single, citywide urban regime coalition, with community leaders in multiple neighborhoods within a city assuming a role in policy decision making and service provision” (p. 395). This poses an interesting way to understand the environment in Baltimore as organizations such as Patterson Park CDC with significant financial ties and The Reinvestment Fund, which had political capital to sway decision making which may not have initially been included in past analysis.

As the neoliberal policy regime sets up political and economic conditions that support using homeownership to change neighborhoods, the city coordinates the necessary resources – vacant land, flexible state and federal resources such as CDBG, Home funds, HOPE VI, political consensus—to support the development of land (Newman and Ashton, 2004). Community development organizations play a vital role in this, as increasingly becoming part of the public private partnerships supported by the city, coordinating their own resources as well as mitigating risk by acting as a buffer

between lenders and individuals. By the 1990s, researchers argued that the “community is being embraced by state and capital because it is being used in ways that are not only uncritical of the larger political economy but actually largely in line with the needs and interests of that political economy—and those that benefit most from it” (DeFilippis et al. 2010). DeFilippis et al. (2010) added that the emphasis on networks and governance that accompanied the neoliberal environment assuaged some of the longstanding tensions between organizations and city government, possibly at the expense of the participation that underpinned early community development. Additional critiques of the neoliberal philosophy that hinged on partnership fell along similar lines, suggesting that this model ignored the fact that partnerships can be highly unequal, favoring the goals of one partner over another, furthering gentrification by promoting the interests of homeowners over those of low-income renters and focusing on a subset of residents to the detriment of others (Swanstrom, 1999).

Reinvestment and Disinvestment

As the focus on growth coincided with an increase of private capital back into cities, gentrification studies offer a lens into the simultaneous disinvestment and reinvestment that offer more nuanced ways of understanding how capital can impact some areas of the city while leaving others with little investment. The study of displacement can be traced to the 1960s, when Glass (1964) offered a challenge to the dominant succession theories of the time that argued urban neighborhoods all follow the same trajectory downwards. She suggested that neighborhoods could be sites of reinvestment as well as disinvestment, and as such, gentrification can be defined as a “class based process of neighborhood upgrading, with residential displacement generally

used as the litmus test to separate from other types of reinvestment” (Newman and Ashton, 2004, p.1153). As gentrification became more widespread, Neil Smith’s theory of the rent gap offered an explanation as to why disinvestment can lead to reinvestment (1979). The rent gap theory describes the disparity between current rental income of a property and the potentially achievable rental income. As cities change over time, and the potential land rent is expected to increase, the initial development will start out equal, but as the building depreciates, there will be a depressing effect on the actual land rent, thus growing the gap. Disinvestment occurs when a landlord takes a rational view and doesn’t invest in their property, and decay sets in. In this theory, investment in property, and by extension the neighborhood will only be made if a rent gap exists.

Since the 1960s, there has been a variety of ways that researchers have studied gentrification, lending itself to popular culture magazines rife with examples pro or against the rise of middle and upper income residents into formerly disinvested areas, but the significant question centers around the danger of displacement and destabilization for those who are already the most vulnerable (Fraser and Kick, 2005). Neighborhood institutions, including community development organizations, are subject to serving the new class of people, largely at the expense of services provided for the poor.

At the same time, many cities such as Baltimore were still shedding population at the turn of the century. Researchers studying the paradox of ‘shrinking cities’ – where city officials simultaneously seek to attract middle- and upper-income residents back to a limited number of neighborhoods in postindustrial cities while minimizing resources provided to impoverished areas (Dewar and Thomas, 2013; Thomson, 2013). Researchers

noted that this phenomenon opens up new questions about race and class as the areas that are not receiving resources are generally poor and African American (Thomson, 2013). By the 1990s, community organizations found themselves addressing displacement and disinvestment alongside rising land values making some areas ripe for redevelopment; a condition present in Baltimore (Newman and Ashton; Wyly et al. 2004). Researchers linked current initiatives to former efforts of urban triage in the 1970s, a term borrowed from the triaging of injured soldiers on the battlefields of WWII, introduced to address shrinking populations in urban areas such as Detroit, Baltimore and Cleveland (Thomson, 2008). Urban triage delineated neighborhoods based on housing conditions, dividing them into “healthy, very deteriorated and in-between, with the expenditure of the bulk of urban development funds in ‘in-between’ neighborhoods” (Kleniewski, 1986). Kleniewski (1986) argued the triage approach faced significant political opposition because the neighborhoods left out of the redevelopment plans were largely minority and low-income, and faced the prospect of reduced or eliminated services, leading many of these plans to eventual abandonment (Kleniewski, 1986). But Thomson (2013) argued that recent urban triage efforts shifted from these early principles in favor of efforts that are locally-created, funded more by non-government organizations and foundations rather than the federal government, and focused less on decline and more on preserving and building upon salvageable neighborhoods. While Thomson (2013) offers valuable connection to past efforts, he leaves questions about how decisions are made regarding what neighborhoods are targeted for redevelopment unanswered.

Key themes and gaps in literature

This project extends prior community development literature in a political economic environment in which community development actors' increasing reliance on homeownership as a means to attract middle- and upper-income residents to the city, and fleshes out community development's transition into its new role as a function of, rather than a response to, urban redevelopment. Over time, community development organizations have been accused of doing too little, being too professional, vulnerable to co-optation, bending from outside demands and incapable of making change (DeFilippis, 2010; Kirkpatrick, 2007; Stoecker, 1997). Yet organizations are increasingly playing multiple roles, creating desperately-needed affordable housing, creating revitalization projects and organizing residents. Researchers can follow a clear line in the literature that explains how and why community development organizations transformed from radical organizers into non-profit housing developers and social service providers, but the line blurs at the point when community development organizations became part of the system that prioritized urban redevelopment in neighborhoods. Community development literature is helpful to understand what organizations are parts of community development and how they changed, but it falls short of understanding community development as actively participating a highly-entrepreneurial environment where homeownership and attracting middle- and upper-income residents becomes the primary activity for cities and organizations. While new urban politics is helpful, as community development organizations take on the governmental role of urban redevelopment in neighborhoods, we need more information on what this shift actually looks like on the ground. While organizations have long had to manage tensions between physical

redevelopment and grassroots organizing, the difference in the current case is that their activities are being aimed primarily at moderate- and upper-income individuals, with the threshold being potential or current homeowners, as opposed to renters and lower-income individuals that were the target of prior community development efforts.

Chapter 3: Uneven Development and the Emergence of Organizing: 1950-1971

Table 3.1 Summary of Organizations and Significant Federal Programs 1950-1971

Mayor(s): Theodore McKeldin (1963-1967), Thomas L. J. D'Alesandro III (1967-1971)		
City Housing Commissioner (s): Robert Embry (1967-1977)		
Significant Federal Programs: Federal Highway Act (1956) War on Poverty creates office of Economic Opportunity and Community Action programs (1964) Special Impact Programs created (1964) Model Cities created (1967) Green Amendment passes amending War on Poverty (1967)		
Organization	Type	Year Created
Baltimore Housing and Redevelopment Agency	City Agency	1954
Greater Baltimore Committee	Quasi-Public redevelopment	1956
Union for Jobs or Income Now (U-JOIN)	Early Organizers	1963
Baltimore Community Action Agency	Community Action Agency	1965
Greater Homewood Community Corporation	Community Development Organization	1967
Southeast Community Organization	Community Development	1968
St. Ambrose Community Organization	Housing/Community Development	1968

“Depressed rural manufacturing towns and jobless inner city ghettos represent the products of economic restructuring and industrial relocation, of racial and class segregation, and of policy decisions that have encouraged these trends” (O’Connor, 1999; p. 11).

Introduction

This chapter examines Baltimore from 1950-1971 as the city’s postwar development strategies drove the creation of two distinct strands of community development, largely split along racial lines. Civil Rights and “Black Power” ideologies heavily influenced the early efforts of African Americans in Baltimore and across the country, wherein organizations mobilized residents to demand better services and improve their quality of life while developing a power base that could influence city hall. The War on Poverty partially funded the creation of African-American community

organizing groups that protested highway construction plans, as well as poor housing conditions and a lack of employment opportunity and political representation. While African Americans achieved some improvements in housing and hiring practices in Baltimore, their efforts suffered from the restructuring of the War on Poverty starting in 1967, the civil unrest that followed the assassination of Martin Luther King, Jr. in 1968 and the subsequent neoliberal shift in the American political economic environment. Over the same period of time, White residents in Baltimore similarly contested city highway plans that threatened their homes and neighborhoods. The Southeast Community Organization (SECO) emerged from these efforts and succeeded in modifying highway plans in East Baltimore, which awarded them long-term influence in city hall and enabled them to wield some political power for decades. This community development model, seen across the country, was defined by organizations seeking to affect the outcome of a single issue and, in doing so, expand their political influence in subsequent debates.

This section discusses the local and national political economic conditions to which early organizers were responding, including housing segregation and discrimination and city officials' interest at attracting growth to downtown, coupled with the brief period of federal interest in addressing urban poverty that funded the creation of the earliest community development organizations. This section also looks at the early goals of organizers seeking to access political representation, improve community participation and fight for better neighborhood conditions. It explains some of the limitations of the early efforts to sustain those political goals when many of these early organizations folded as federal funding ended and political conditions changed. This

section also helps to explain the beginnings of the longstanding tension in community development between grassroots organizing and physical development, a tension that manifested itself in the African-American community during this period, but that would not largely affect White organizers until later in the 1970s.

Baltimore Context

Demographics, Industry and Segregation

Across the country and in Baltimore, postwar affluence bypassed many African Americans in inner cities. In Baltimore, African Americans faced significant residential segregation, missing out on housing opportunities, paying more for housing and living in disinvested neighborhoods that were selected for highway development setting the state for future uneven development (Orser, 1997; Pietila, 2010). Many of those African Americans who did attain middle-class status fled the inner city for suburbs like their white counterparts. Ultimately, Baltimore followed a trajectory similar to other post-industrial cities across the Northeast and Midwest, with a rapid increase in the African-American population taking place concurrently with widespread postwar deindustrialization (Orser 1997).

Baltimore, a city nestled in the mid-Atlantic about 40 miles north of Washington DC, is often referred to as the southernmost northern city. Like many northern and Midwestern cities, thousands of African Americans moved to Baltimore in the 1940s looking for jobs made available through the port and war contracts, increasing the population by a third in a just a few years (Durr, 2007). Baltimore officials had little interest in building new, permanent housing for African-American transplants whom they hoped would return to the south after the war, resulting in severe overcrowding and poor

living conditions for many of the city's African American residents (Durr, 2007). In 1950, Baltimore had about 950,000 residents, of which slightly more than 700,000 were white. The city's population peaked over one million residents in the 1960 census, but by 1970, the racial composition had shifted, with the African American population nearly matching the city's white population around 400,000 (US Census). The maps below show the rapid increase in African American population, particularly in the west and eastern portions of the city, with neighborhoods swinging from less than 20 percent African American to between 80 and 100 percent African American in less than a generation. The maps show that as early as the 1950s, African Americans were concentrated largely in the northwest portion of the city, while the neighborhoods east of downtown remained largely white, housing the large population of ethnic Whites who worked in the booming industrial ports. In the early to mid 20th century, Baltimoreans were segregated largely around ethnicity, with first generation Italian, Czech, Lithuanian, Ukrainian, Polish and Greek immigrants settling in the city and organizing within their enclaves largely around the Catholic Church. As the African American population rose overall throughout the 30-year period, the areas in which African Americans lived expanded, but still were largely segregated, and remained almost absent from the neighborhoods close to downtown. White Baltimoreans fiercely resisted these changes, and became even more tied to protecting their newfound status as working class White residents (Durr, 2007). Housing in particular was a source of pride as it was often a family's most valuable possession and required deep sacrifices and the foregoing of other opportunities to make and maintain that investment, which was also closely linked with citizenship and a sense of being part of the community. Under this philosophy, neighborhoods, the logical extension of the

individual home, “right to enforce existing community boundaries, and therefore White exclusivity, was the premise of White working class protest for two decades after World War II,” (Durr, 2007; p. 83). Racial change could not be stopped entirely, but the resistance of the early ethnic White population laid the groundwork, not just for the challenges in racial transition, but in the ways that it shaped community development organizations in the decades to come.

In the same period, in surrounding Baltimore County, the white population grew from less than 250,000 to almost 600,000, a change of over 130 percent, while the African American population remained less than 20,000, marking a net increase of only about 9 percent. In Baltimore City, the African American population increased about a third from 1950-1960 alone.

Table 3.2: Baltimore City Population By Race

	Race Baltimore City (%)					
	White	Percent Change	African American	Percent Change	Hispanic	Percent Change
2010	183,830	-10.8%	395,781	-11.2%	25,960	135%
2000	205,982	-28.4%	418,951	-5.8%	11,061	46%
1990	287,753	-16.6%	435,768	1.3%	7,602	0%
1980	345,113	-28.1%	431,151	2.3%	7,638	
1970	479,837	-21.4%	420,210	-6.9%	N/A	
1960	610,608	-15.6%	462,338	32.8%	N/A	
1950	723,635		225,096		N/A	

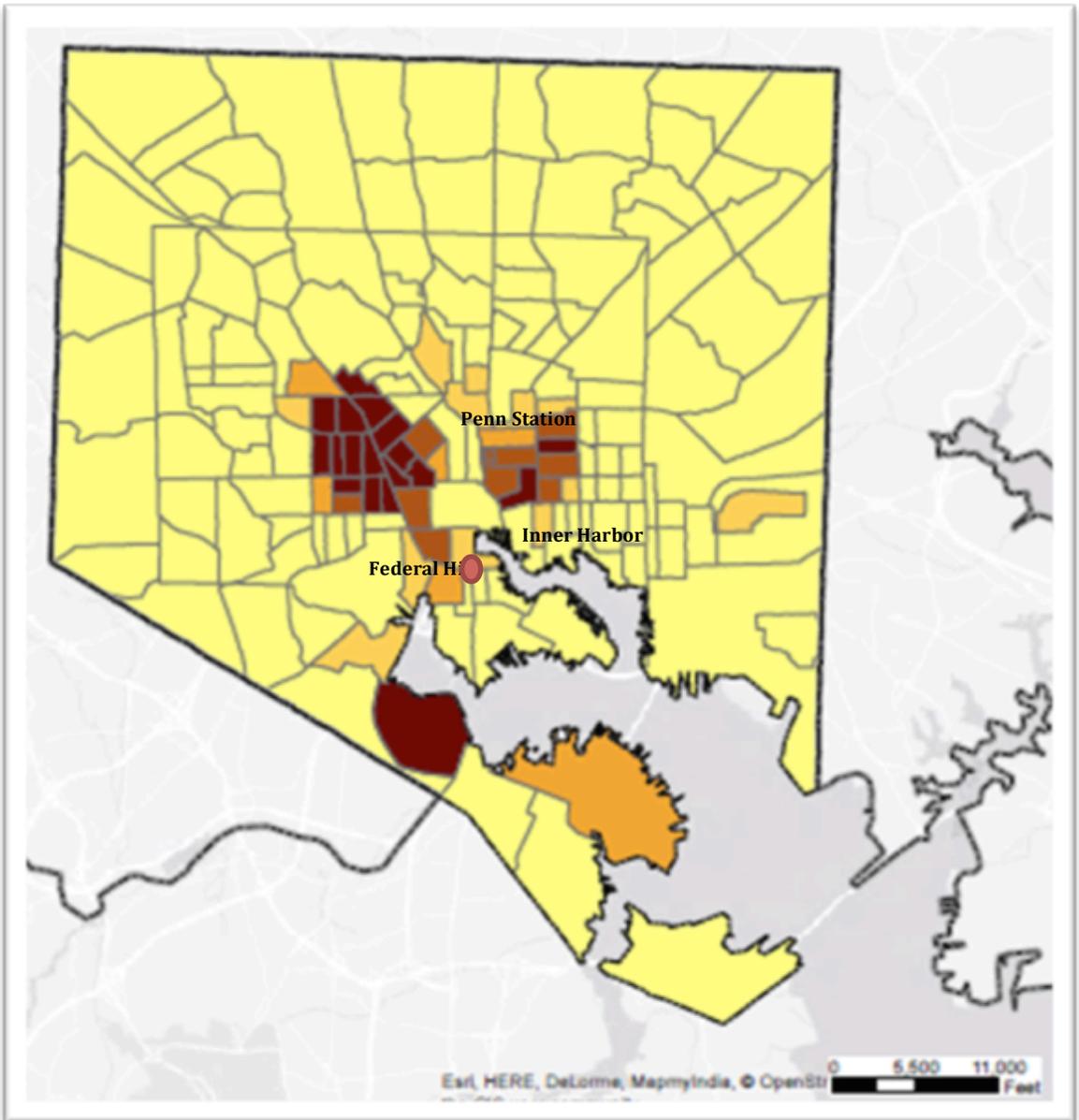
Source: US Census

Table 3.3: Baltimore County Population by Race

Race Baltimore County (%)						
	White	Percent Change	African American	Percent Change	Hispanic	Percent Change
2010	520,185	-7.3%	209,738	38.3%	33,735	145%
2000	561,132	-4.6%	151,600	77.4%	13,774	69%
1990	587,898	-0.4%	85,451	61.4%	8,131	51%
1980	590,283	-1.5%	52,955	170.2%	5,394	
1970	598,989	26.1%	19,597	14.9%	N/A	
1960	474,893	88.3%	17,054		N/A	
1950	252,247		17,877		N/A	

Source: US Census

Illustration 3.1 Percent African American Population: 1950



Source: Matthew Sloane, September 14, 2014.

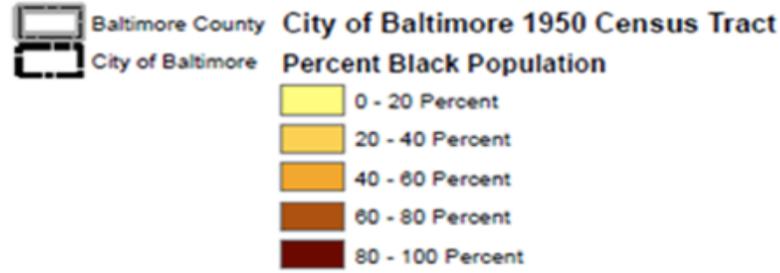
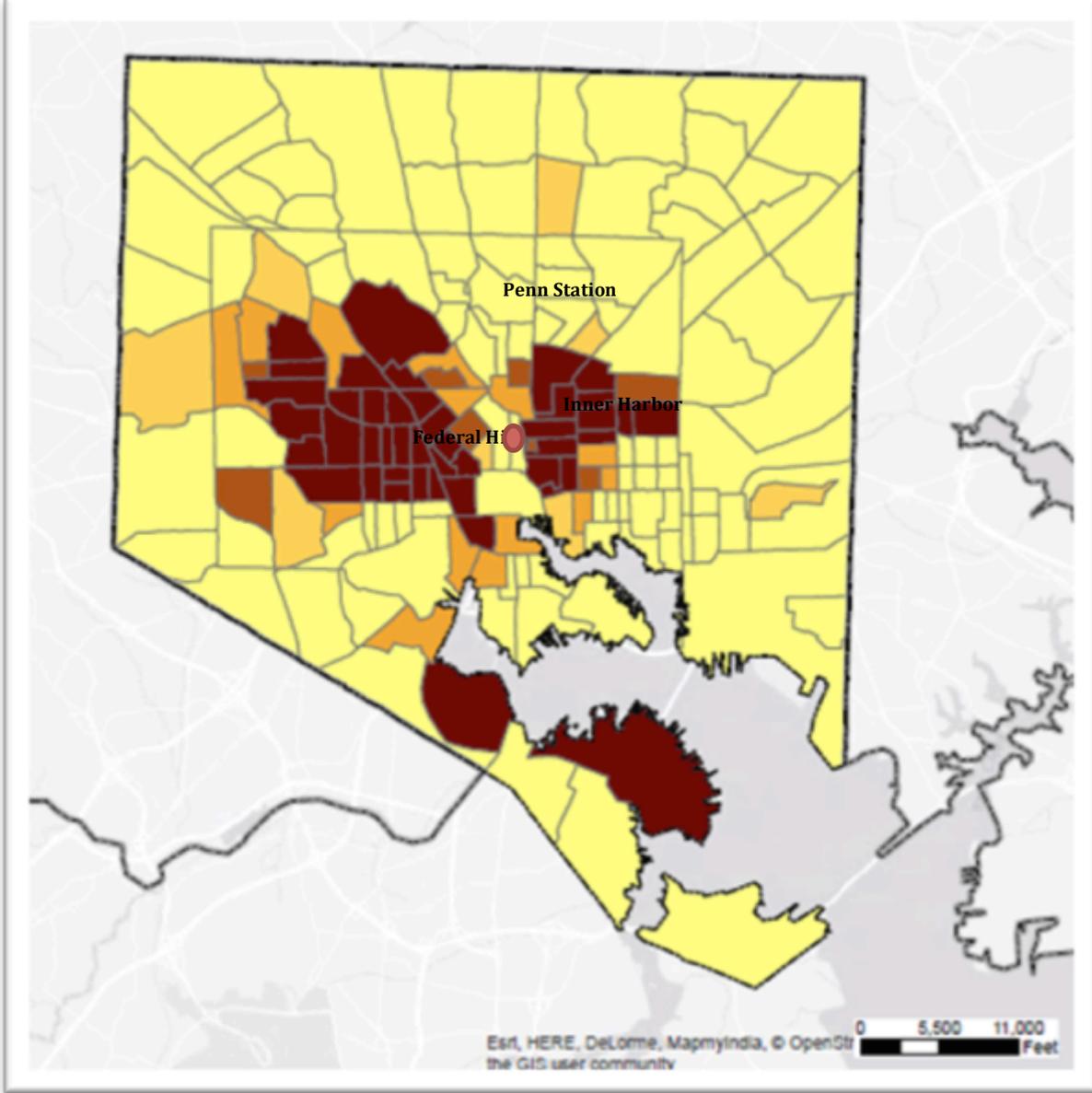


Illustration 3.2 Percent African American Population: 1960



Source: Matthew Sloane, September 14, 2014.

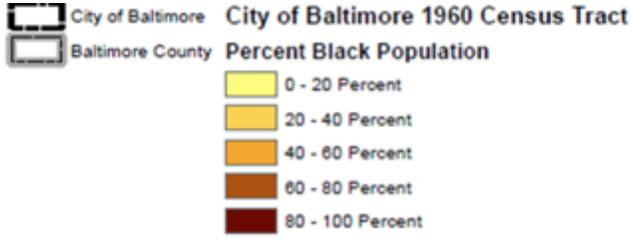
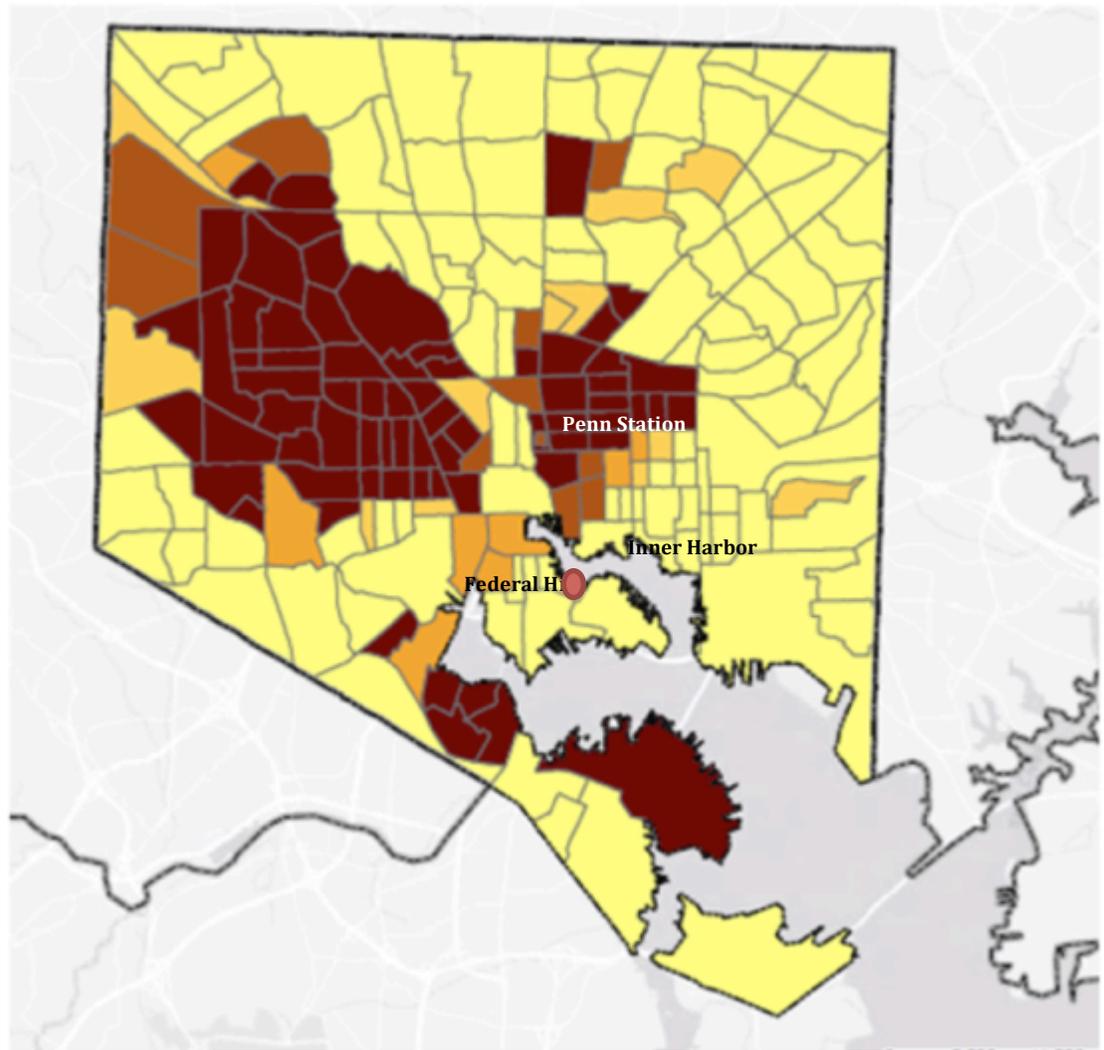
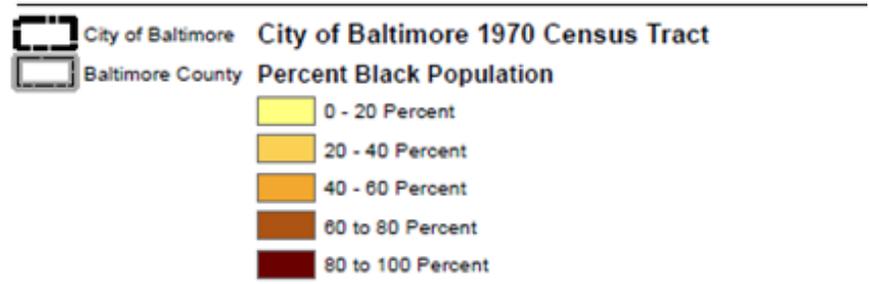


Illustration 3.3. Percent African American Population: 1970



Source: Matthew Sloane, September 14, 2014.



Industry

Baltimore was a solidly manufacturing town from the late 1800s through World War II (Olsen, 1997), home to Bethlehem Steel, Smith and Westinghouse, American Can Company and hundreds of other small companies around the port. Baltimore played a big role in the war, largely through its production of ships and planes (Olsen, 1997), and was traditionally very dependent on its port for jobs (Harvey, 1989). After World War II, the city worked to re-adapt the ports and Baltimore initially grew, but that growth quickly stalled as federal contracts went elsewhere. By the 1960s, the switch from blue collar to white collar employment meant that those jobs on the docks, in garment shops and in steel mills, switched? or were replaced by service sector positions that were often lower paying, like those in health care or the public sector (Harvey, 1992; Olsen, 1997). While macroeconomic changes such as deindustrialization and the resultant closing of manufacturing plants impacted the whole city, African Americans experienced these changes differently, and disproportionately worse, than whites. African Americans were “virtually unseen in office work, but found abundantly in the most dangerous and worst paying jobs,” and remained underrepresented in government jobs and on construction sites (Levy, 2011, p. 14). While making up over 40 percent of the city population in 1966, less than 18 percent of the city’s entire workforce was African American (Levy, 2011).

In the 1950s, the city turned to downtown development to support the newly-growing service industry through highways and the development of the Inner Harbor

through Charles Center and Harbor Place, marking the start of a long trajectory of focusing on downtown development as a means to support the city, rather than by directly addressing neighborhoods (Harvey, 1989; Stoeker, 1997; Teaford, 1990). To do this, city officials began what became a longstanding tradition of using quasi-government organizations to invest largely in downtown while insulating the city from the risks and responsibilities associated with such an endeavor. Created in 1956, the Greater Baltimore Committee (GBC) was an early example of the city's use of government quasi-governmental partnerships, initially funded by the city budget under Urban Renewal and Housing Commission. While the GBC was not technically a city agency or department, it was "arguably part of the city government" and "advised on policy" (Greater Baltimore Committee's Inner Harbor Management Task Force, 2003' para. 3). The GBC's initial efforts were to coordinate resources to promote growth, most prominently displayed in the effort to convert downtown into a tourist center through the development of the Inner Harbor. The GBC was made up of about 100 downtown-oriented corporate executives, almost entirely white, concerned with falling property values, declining retail and increased downtown blight (Levine, 1987). As urban renewal funds became available for cities, the GBC offered a development-focused plan to revitalize the Inner Harbor. Other city agencies proposed a strategy, which emphasized neighborhood improvements over downtown development, but the GBC's pro-downtown focus prevailed. James Rouse, a prominent real estate developer who played a significant role in later developing the Inner Harbor, spearheaded GBC's first urban renewal committee. Rouse went on to found Enterprise Community Partners, a real estate investment organization which developed low-income housing in Baltimore and around the country, and notably led the

Comprehensive Community Initiatives in the 1990s in West Baltimore. From the start, the GBC was focused on priming Baltimore for real estate activities. The Inner Harbor, a large-scale development that spanned decades, defined Baltimore's urban redevelopment and was also a model of postindustrial downtown redevelopment that focused on turning underutilized real estate into tourist destinations and convention dollars (Harvey, 1989; Harvey, 1992). Stone (1989) and Stoker (1987) argue that the GBC operated as a shadow government making decisions about the city's major economic development outside the formal institutional framework, thus enjoying decreased public scrutiny while at the same time using public money. The shadow government structure persisted as a vehicle to implement the main economic development strategy for Baltimore—subsidizing business activities through below market loans and providing support to facilitate such development. The GBC was one of a long line of quasi-governmental agencies that operated in the 1960s and 1970s, which weakened city agencies' power and status while entities like the GBC became more secretive with information about the implications of development decisions.

While the Inner Harbor spawned some downtown development, the process and the outcomes highlighted the insular nature of decision making in city hall, a process in which most city residents were underrepresented, and eventually illuminated the limitations of tourist-based development. While congestion, overcrowding and poor living conditions plagued neighborhoods in the 1950s, the reduced tax bases and declining revenues that were impacting businesses were what grabbed the attention of city officials. Quasi-government organizations circumvented the democratic processes of government and public accountability for the use of public money by focusing on

technical expertise, speed and flexibility at the expense of meaningful participation (Stoker, 1987). Like quasi-governmental approaches across the country, the GBC used public money for its activities, but decided on and implemented those activities outside the formal political process and with minimal public scrutiny, attempting to minimize conflicts by downplaying the political nature of the activities (Harvey, 1992; Levine, 1987; Stoker, 1997).

The first phase of the Inner Harbor development cost \$270 million; 90 percent of the funding came from public subsidies in infrastructure, business subsidies or loans and grants. The two main benefits the city intended to receive from the development, increases in both employment and tax base ostensibly to provide resources to ailing city neighborhoods, were largely unseen by residents (Harvey, 1992). Employment gains were limited to short-term construction jobs, or to positions taken by suburban commuters, and the tax receipts did not outweigh the city's initial commitment (Harvey, 1992). This initial and ongoing focus on tourism as a development strategy led Harvey (1989) and others to conclude that cycles of public investment are needed to "feed the downtown monster," something that Baltimore continued to do repeatedly after its initial Inner Harbor investment (Friedman et al. 2012, p. 3) As deindustrialization and job loss ramped up, city officials continued to look to downtown to correct or offset the significantly negative economic impact, which ultimately turned into decades of new investments. The "inevitable stagnation that can only be remedied through new swathes of public investment" was evident in the development of Harbor Place and eventually in the rebuilding of new downtown baseball and football stadiums (Friedman et al. p. 3).

Yet despite the public money that facilitated these investments, the management of the projects themselves remained in corporate hands.

Alongside the development of the Inner Harbor that started in the 1950s, the city also focused on using urban renewal dollars to clear a path through Baltimore to support highway redevelopment that attracted people downtown, a threat that loomed over neighborhoods across the city for decades. Nationally, urban renewal consisted of a series of legislative attempts to raze “slum” neighborhoods and replace them with public housing, and to appropriate funds for highway projects. In Baltimore, as early as the 1940s, planners saw growth as dependent on responding to downtown congestion and commissioned a plan by Robert Moses that would have razed 200 blocks of shops, hotels, taverns, factories, schools and churches in order to build highways to alleviate traffic (Lieb, 2011). Planners sought out other cities’ answers to growing their business districts as “accessibility via private automobile, on a high-speed expressway, was key to the well-being of downtown” (Lieb 2011, p. 52). Efforts ramped up as the 1956 Federal Highway Act gave state and federal governments control over highway development, which revised many of Baltimore’s earlier highway plans. The act provided Baltimore with \$26 billion in federal aid which paid for 90 percent of road construction, and “transformed Baltimore’s enthusiasm for slum clearing for highways into a mania for highway building for its own sake” (Lieb, 2011, p.48). Highways were heavily supported by the business community, unsurprisingly, as the Great Baltimore Committee (GBC) “originally awarded freeway construction and harbor improvements highest priority, which would be significant in promoting Baltimore’s much praised projects of downtown reconstruction” (Teaford 1990, pg. 48). Like cities, businesses argued that physical

deterioration of downtown and increased blight were to blame for their declining customer base. Like cities across the country that argued downtown property was expensive and difficult to maintain, leading many businesses to suggest that they could not compete with suburban interests without significant government intervention (Isenberg, 2004), Baltimore sought to draw back suburbanites with easy access to downtown. Several other highway plans were created with builders acquiring and demolishing thousands of row houses, but the highway that was eventually built lay along the border of two election districts, a kind of “political no-man's land” that was, nonetheless, home to city residents, which raised the ultimately unanswerable question of who was responsible for their welfare before, during and after the highway’s construction (Lieb, 2011, p.54).

In Baltimore’s development environment, characterized by (a) residential segregation, (b) shifts in Baltimore’s postwar employment economy away from manufacturing and toward services, (c) insular political decision making heavily influenced by business interests and quasi-government organizations, and (d) development strategies based on the underlying assumption that that the fortunes of the city’s neighborhoods were intertwined with the health of its downtown business district, residents responded in two ways: organizing around the Black power movement partially supported by the federal government, and through neighborhood and ethnic organizing particularly around highway development (Nix et al. 2011). There were some major victories stopping highway development in White areas, but many African American communities were severely impacted by the real and perceived threat of highways. Urban unrest in these neighborhoods and the rise of conservatism in the wake of the riots limited

the future of this type of African American organizing while ethnic White organizations continued to repeat their successes in new forms into the 1970s and 1980s (Nix et al. 2011).

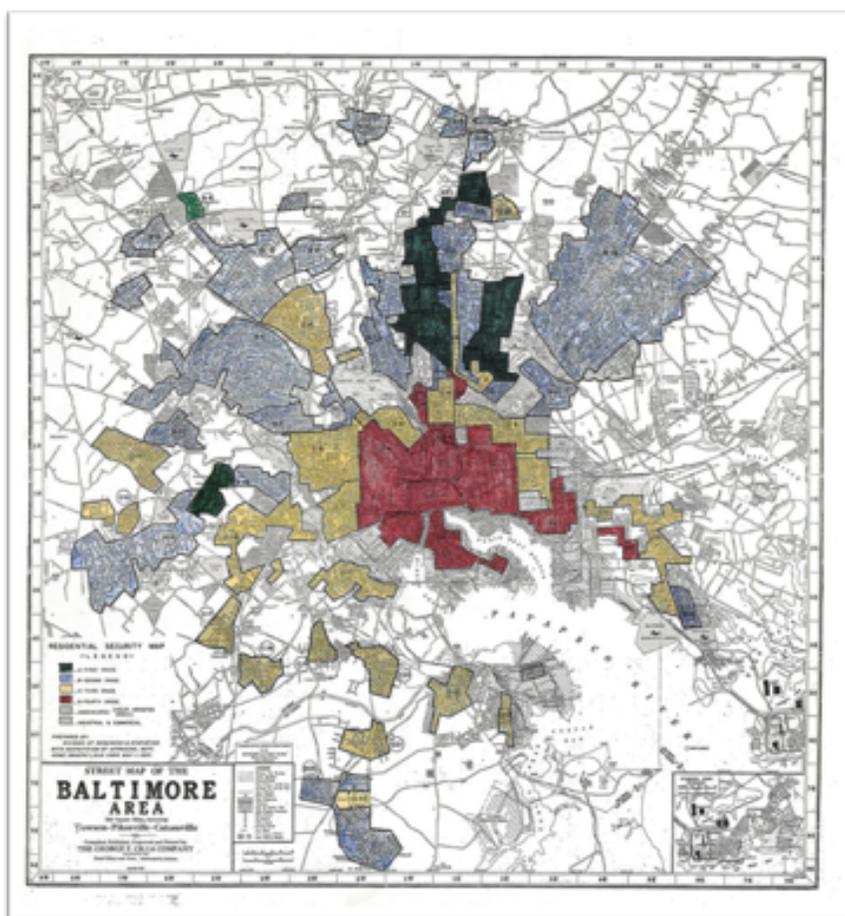
Uneven Development

The conditions that plagued African Americans in the 1950s can be traced back to decades of discrimination. As early as 1924, a *Baltimore Sun* newspaper article quoted a landlord who confessed that while he was “content with a 10 percent annual return on his property when tenants were white, he expected to get 17 percent when he converted it to black tenancy” (Pietila, 2010, p. 98). Through a variety of tactics, African Americans were shut out of decent, affordable housing, initially through restrictive covenants that forbade the selling of homes to African Americans and de facto segregation produced through racial steering. These efforts impacted residential geography for decades, and violence and resistance to integration continued even after restrictive covenants became illegal (Pietila, 2010). A 1910 law that banned African Americans from living in white neighborhoods was repealed only in 1944, and it was not until four years later that the United States Supreme Court ruled that it was illegal to enforce racially-restrictive covenants (Pietila, 2010). The resistance to building new housing for temporary war workers exacerbated already tight living conditions for African Americans, and the immediate postwar building focused on suburban housing for whites (Pietila, 2010).

African Americans in Baltimore also were the victims of redlining, a term referring to institutionalized practices begun in the 1930s in which the Homeowners Loan Corporation (HOLC) created “residential security maps” to indicate the level of security for real estate investments that could then be used to render minority neighborhoods

ineligible for financing. This practice wasn't officially banned until the 1950s, only after decades of denying home loans to many African-American neighborhoods (Schwartz, 2010). Like many versions of the HOLC maps from other cities, almost the entirety of downtown Baltimore was redlined (see map). African Americans in Baltimore were living in the “oldest and most congested parts of the city where they suffered disproportionately from unemployment, crime, disease and infant mortality,” despite the fact that rents in Baltimore's best white neighborhoods were generally lower than rents in African American areas (Argersinger 1988, p. 3; Pietila, 2010).

Map 4: Baltimore HOLC Map 1937



Source: HOLC, Division of Research & Statistics; Johns Hopkins University, <http://jhir.library.jhu.edu/handle/1774.2/32621>

Yet, in the years immediately following the end of World War II and due in part to the Supreme Court's ruling against the legal enforcement of racially restrictive covenant, demand for decent housing grew sharply among the country's small, but growing middle-class African American population. In Baltimore, for example, African American homeownership expanded by 194 percent between 1940 and 1950, while white homeownership only rose by 58.8 percent in the same period (Pietila, 2010). Even with limited options, growing numbers of African Americans still sought to buy homes, changing the racial makeup of the city and challenging longstanding notions of the security that whites felt came with homeownership. Like many urban areas, mortgage insurance was restricted to areas that were majority white, making it all but impossible for African Americans to obtain traditional financing to buy homes (Schwartz, 2010; Orser, 1997). Speculators began to fill the void, sniffing out a chance to make handsome profits using a variety of means to obtain financing themselves to lend directly to African Americans, often with extraordinarily high interest rates, inflated housing values and land installment contracts (Hirsch, 1998; Sugrue, 2005). "Blockbusting" was a process of "provoking white flight for a profit, buying low from those who fled and selling high to those in search of new housing opportunities in order to make excessive profits by buying low from those who fled and selling high to those who sought access to new housing opportunities" (Orser, 1997, p. 4). It became the standard way of home buying for African Americans in this period, and spurred rapid racial change throughout the 1950s and 1960s. Homes on Fulton Avenue, among the city's first color lines African Americans broke in Baltimore, were demonstrative of the African-American home-buying experience during this period, with African Americans purchasing these houses

for an average of 170 percent over prewar market value and at least 75 percent above postwar market value (Pietila, 2010).

Unlike some cities, Baltimore was, and remains, a homeowner city, with a housing stock comprised of homes primarily suited to single family use that continued to be built in the periphery of the city and attracted the middle class for decades. Homeownership has long been not just an economic engine, but an achievement that provides a sense of security and influence and political power in the United States, leading to what some scholars have called an ideology of property (Goetz and Sidney, 1995). The idea that homeownership affords the owner so much in the way of security, rights, influence and political power helps explain why so many Americans aspired, and continue to aspire to it, but it also explains how, once achieved, a perceived threat to homeownership isn't merely a perceived threat to a physical structure, or to the owner's wealth, but also a perceived threat to the owner's identity and a threat to their rights as property owners (Self, 2005). In his well-regarded study of racial change in Edmonson Village in West Baltimore, Orser, (1997) found that 40,000 people changed places (20,000 whites left, 20,000 African Americans came) between 1955 and 1965. This was representative of many neighborhoods during the "zenith of blockbusting". Orser, (1997) suggested that among whites that panicked and fled their neighborhoods there existed a widespread ideological conception of homeownership that revolved around a sense of security associated with homogeneous communities that was threatened by integration. Their actions were motivated and their departures were sped by the fear of a secure world changing drastically and their perceived inability to change it. . Similar sentiments echoed across urban areas nationwide; as Gillette (2005) wrote about Camden, New

Jersey, a similarly affected urban area, the shift represented “the loss not just of economic but personal security and its association among whites with an unwelcome intrusion of African Americans” (p. 42). Blockbusting capitalized on these attitudes and broke many racial housing barriers, for better or worse.

The obstacles African Americans faced to becoming homeowners remained omnipresent, affecting their everyday lives as well as their long-term economic stability and having long-term impacts on African Americans and Baltimore as a whole. The systematic overpayment for homes by African Americans compared to white homeowners limited the ability of African American homeowners to gain wealth, sustain homeownership and live in stable neighborhoods, and as such many African Americans seeking housing in the city continued to rent rather than own their residences. Owning a home had become synonymous with creating wealth, albeit only to certain segments of the population (Bratt et al. 1986). In this view, owning a home is moral, just and linked to good citizenship, while renting implies transience and deviance, too much of which can lead to neighborhood decline (Krueckeberg, 1999; Stone, 1986). This widespread perception, both nationally and in Baltimore specifically, was used to justify the institution of policies that limited the ability of renters, who were predominantly African American, to freely participate in the mainstream economic system, which aimed to enrich the fortunes of existing homeowners rather than make new homeowners out of renters. This exclusivity was supported by “a web of mechanisms that served to assure residential segregation...including individual prejudice and customs as well as controls exerted by powerful institutions including the real estate industry, state law and financial establishments” (Orser, 1997, p. 35). What Orser, (1997) implies, although never says, is

that the forces that kept African-American families from owning homes ultimately made it so that these families never experienced the same sense of security that white homeowners did. African Americans were limited in the ways in which they could influence their own individual fortunes by being unable to purchase homes, and then subsequently unable to access the wealth necessary to move to the suburbs as whites did, which then left them unable to follow the new professional positions that were leaving the city. As a group, they cumulatively suffered over time. Like many of its counterparts across the United States, Baltimore began to look like two cities, part of the nation the Kerner Commission described as “moving toward two Societies, one black, one white—separate and unequal” (National Advisory Commission on Civil Disorders, 1967).

African-American Organizing

It was in this context that early African-American organizing groups took shape, seeking to address poverty and inclusion, and receiving a financial boost and direct control through the federal War on Poverty, a series of programs designed to address persistent, concentrated poverty (Lemann, 1992). Prior to the 1960s, most poverty relief programs in Baltimore were led by White faith-based organizations, the Archdiocese of Baltimore, Associated Jewish Charities and the Community Chest as well as Baltimore’s Departments of Public Welfare and Health, but African Americans and African-American groups sought opportunities to become more involved in this process with the advent of increased federal funding for organizing to alleviate poverty. In 1964, when CAP funding first became available, Baltimore put together an application plan that largely excluded the African-American community, despite the fact that African Americans were disproportionately the victims of poverty in the city (Bachrach and

Baratz, 1970). Like the juvenile delinquency program from which it stemmed, Community Action Agencies (CAA) agencies were located within poor neighborhoods as a symbolic and functional presence to address poverty (Marwell, 2007; O'Connor, 1999). To remain operational, CAAs had to meet a "maximum feasible participation" requirement that ensured the programs they were instituting were created, endorsed and implemented by the actual poor residents they were intended to serve. The thorny process of evaluating what constituted "maximum feasible participation" was never clearly settled, but nonetheless, the requirement echoed the philosophy of the early 1950s Mobilization for Youth program in New York City, which focused on institutional reform and aimed to help residents organize to pressure the bureaucracy for change, rather than allowing plans to alleviate and address poverty to be determined and implemented by external forces without the input of poor residents. Before the city's CAP plan was finalized, the African American-led Union for Jobs or Income Now (U-JOIN) proposed an alternative plan that emphasized the mobilization of the city's poor African Americans to advocate for comprehensive jobs program, but despite the existence of an alternative plan put forth by a group representing poverty-stricken residents, the city rejected U-JOIN's proposal, and received funding a year later (Bachrach and Baratz, 1970). The development of Baltimore's CAP by whites angered African Americans and "to the Negro leaders, the Plan was a program designed by the 'white power structure' to do something for Negroes" (Bachrach and Baratz, 1970, p. 182). The process by which Baltimore submitted its CAP plan also directly contradicted the stated goal of the "maximum feasible participation" requirement, excluding from the program's creation the same citizens it was designed to help, but nonetheless, the mobilization of U-JOIN

and the rejection of their plan ultimately motivated African Americans to be intimately involved in the decisions surrounding the implementation of CAP. Their involvement continued to influence community development and local politics, and U-JOIN remained active in the city after their plan was rejected, and eventually sponsored the city's first welfare rights organization: Mothers Rescuers from Poverty, which sought rights and power for poor women (Williams, 2010).

Once the CAP funding arrived and the CAA was created in the city, there was a serious effort to address the lack of power and influence wielded by the residents of many low-income and minority communities. Baltimore's CAP engaged in efforts that diverged greatly from those stipulated in their originally submitted and approved CAP plan, including developing political power bases in African American neighborhoods, battling the curtailed funding of library and childcare services at neighborhood centers, mobilizing politically, demonstrating to protest municipal housing policy and radicalizing tenant councils in public housing (Teaford, 1990). According to Bachrach and Baratz (1970), "To put it plainly, without saying so, the CAP's managers were by the end of 1967 abetting a policy of organizing the African American poor into the City's political process and of building up a political base for the CAA as the City's 'chosen instrument' for the War on Poverty" (p. 84). Meanwhile, as organizations battled city hall to participate more fully in the federal funding for poverty alleviation, and met with some success, local African-American organizers made connections with national efforts to increase African-American participation in political processes, such as the Civil Rights movement and the more militant Black Panthers. The Congress for Racial Equality (CORE) designated Baltimore as a target city for major organizing and tried to

desegregate about 50 restaurants between New York and Washington, several of them in Baltimore, that refused to serve dark-skinned foreigners in addition to American blacks. CORE and Baltimore's Morgan State University also collaborated on direct action, sponsoring sit-ins at Northwood shopping center, not far from campus. Not only was CORE a significant presence in Baltimore, but they created an offshoot, Activists for Fair Housing, to directly address housing issues facing the African American community, including by filing a complaint with the U.S. Department of Housing and Urban Development (HUD) in 1966 that alleged Baltimore was operating a segregated and discriminatory housing program (Samuels, 2008). Additionally, the year after the national Black Panther Party (BPP) formed in Oakland in 1966, a BPP branch opened in Baltimore. By mid-1969, the Baltimore BPP, drawing from the larger Civil Rights movement, emphasized community control, largely through economic opportunity for African Americans. These efforts related to the BPP were decidedly about organizing residents for power; "This local pursuit of political power involved more than angry polemics, afros and dashikis (although they were part of the movement). The vehicle for achieving this power was to be community organizing" (Joseph, 2010, p. 6).

By 1965 a series of protests, which included the Conference of Mayors' threat to pass a resolution against it, threatened the CAP's "maximum feasible participation" component to CAAs and it was ultimately struck from the legislation, which weakened CAAs' organizing capacities. In 1967, Baltimore, like many cities across the country, significantly limited the activities permitted under the CAA, including forbidding CAAs from organizing residents for political action, which additionally limited their ability to build a political base (Bachrach and Baratz, 1970). In 1967 Congress enacted the Green

Amendment, requiring that organizations only receive funding if approved by the elected heads of local government, who declined funding to any organizing that was too radical (Castells, 1985, Marwell, 2007). The city attempted to restrict CAA operations to service delivery, but some CAA staff viewed community organizing and empowerment as mandated by the law, and necessary to achieve their mission. Despite their objections, local politicians regained firm control on the distribution of resources, and the CAA program itself ended in 1970.

Reflecting on this period in Baltimore's community development history, the first chief of Baltimore's CAA, Nathaniel Branson, expanded on how the CAA abandoned its organizing activities towards the end of the program;

“The EOA (Economic Opportunity Act) program was about acquiring power; trying to help the poor gain power. We really worked with people in poverty – neighborhoods for the most part – in terms of working with them on things like getting a traffic light at a corner, getting them on the board with certain organizations; really beginning to be organized in terms of demonstrations and picketing. For example, in the role of Chief of Operations I can remember an incident when we wanted to have a demonstration at City Hall. We needed to get people down there. So we used money from the program to rent buses to take them down to City Hall to demonstrate. You couldn't do that now” (Branson, as told to Luisa Tyrone, date unknown).

Near the end of CAP's existence in the late 1960s, the mayor and city council regained control over the city's community development activities through a number of different mechanisms, including the city's transition to the Special Impact Program and Model Cities, which restricted participants from political organizing and focused on physical redevelopment. The more moderate Special Impact Program (SIP), created in 1968, funded the Bedford-Stuyvesant Restoration Corporation, considered by many to be the first of the modern community development organizations, and sought to integrate physical development, business development, job training, health care, education and

other social services without the explicit organizing piece of the CAAs (O'Connor, 1999).

Model Cities, on the other hand, was founded in 1965 as the Department of Housing and Urban Development's (HUD) first major project. It was conceived of as a pilot, where six sites would undergo slum clearance and fully integrate public and private services for mixed-income residents, but it ended up being a much weaker program than originally envisioned. Baltimore was one of the Model Cities sites seeking to address housing, writing in their application "the large number of nonwhites who have migrated into the region have been almost totally unable to find housing in the suburbs and have continued to settle in the central city. They have occupied the housing vacated by whites, much of which presently is in substandard condition" (City of Baltimore, Maryland 1967, University of Baltimore Archives). Baltimore's application also argued that potential residents of these neighborhoods were forced to choose from an "obsolescent and deteriorating supply of housing within and at the fringes of the ghetto." While there was no participation requirement, Model Cities did require organizations to participate in at least one tangible activity, a provision included in the program largely in reaction to the inability of lawmakers to measure progress in the CAA, but most organizations satisfied this requirement through housing development. With the evaporation of CAP's maximum feasible participation requirement and through the institution of programs like SIP and Model Cities, the stage was set for generations of community development organizations to be assessed on the basis of how much physical improvement they could take responsibility for, with housing revealing itself as the preferred, obvious way for organizations to prove their value to skeptical policymakers.

Ethnic White Organizing

The Kerner Commission's aforementioned description of Baltimore during this period—heading toward an environment where it was “two cities, one white, one black, separate and unequal”—could also be used to describe the city's community development infrastructures during this period. There was one for blacks, and one for whites, and they were separate and unequal, but while the experiences differed between 1950 and 1971, the forces motivating them to organize were largely the same.

Highway development impacted the entire city, and while both white and African-American groups attempted to address it, occasionally converging on city hall together to protest plans (“the threat of the highway enacting like a zipper, drawing white and black together”), White neighborhoods were better able to keep these developments from destroying their homes than African-American neighborhoods. In 1966, the Baltimore city council passed an ordinance that would clear the way for Interstate 83 by permitting the demolition of hundreds of homes in Canton, an ethnic-white working class neighborhood in southeast Baltimore comprised of mainly first- and second-generation European immigrants. By 1968, 350 homes in Canton had been demolished (Cassidy, 1979), leading a group of community residents to organize the Southeast Council Against Roads (SCAR), led by Barbara Mikulski, who went on to become a long-term U.S. Senator for Maryland. While SCAR originally failed in their attempt to convince a design team to disguise the road, they continued to battle city hall over the demolition plan. SCAR was made up of dozens of churches, neighborhood associations and issue-oriented groups who saw the highways as a threat to the citizenship which they fought so hard to

establish and maintain. SCAR eventually lobbied successfully to include the neighboring Fells Point area on the national historic register and the highway was built as a tunnel, a successful community effort to block the expressway that was nationally publicized (Teaford, 1990). Building on this success, SCAR began to organize around other community needs including libraries, recycling, youth centers and challenges to city hall over a rezoning plan to make industrial land available for residential development. By the time SCAR transitioned into the more formal Southeast Community Organization (SECO) in 1972, the organization was a coalition of about 70 neighborhood groups, including block groups, civic associations, senior citizen groups, church groups and citizen boards (University of Baltimore archives, series VI, Box 1). SECO's approach was that of many of the first wave of community development organizations: confrontational politics, small victories and coalition building. Written material around the origination of SECO highlights this point, saying, "We were part of the 'silent majority'—why were we seen as silent? Simply because we were not organized enough that our voices were bring heard by the media and national leaders. Organizations all over the country sprung up in ethnic and working peoples neighborhoods and soon changed image of silence."(University of Baltimore Archives, Series Vi. Box 2). Their approach mirrored a transition among community development across the country from explicitly challenging the political system with the intent of empowering marginalized communities, to the more narrowly housing-focused, program-based organizations that operated within the dominant political and economic system. The ethnic organizing groups that successfully limited the highway expansion in largely white neighborhoods went on to become formalized community development groups, but underlying tensions

threatened their earlier gains in the 1970s as they shifted to housing development and neighborhood redevelopment

Nonetheless, during the 1960s, before SCAR became SECO, it had already been successful in its attempt to alter the course of highway development, creating a tangible victory around which residents and other citizen groups were able to rally and organize for years thereafter. African-American communities, on the other hand, met with no equivalent victories in the fight against highway development, thus turning these neighborhoods into sites for ongoing disinvestment and linking the highway plans to urban unrest in the 1960s. One resident of a predominantly-black neighborhood said, "Other neighborhoods had someone to speak up on their behalf, but this one did not," which could've been said about a number of African-American neighborhoods with regard to highway development (Lieb, 2011, p.4). To the people who lived in the neighborhoods slated for clearance, "expressway proposals made it clear that their homes and schools and luncheonettes and grocery stores were less important than an exit ramp." The "plans for highways, if they are around long enough, become self-fulfilling prophecies," said one author, noting that even by becoming slated for demolition, the neighborhoods in question rotted so thoroughly that they were unsuited to any other use other than to host a highway (Lieb, 2011, p. 52).

The ability of ethnic White organizations to prevent highway development from affecting their neighborhoods set that portion of the city's population on track for greater political influence, but also insulated their neighborhoods from the devastating effects of disuse and the looming threat of demolition; in the African-American neighborhoods, however, the decision to slate them for demolition already created a gap in the fabric of

these communities, which was split into an open tear by the assassination of Martin Luther King, Jr. and the subsequent riots. Many in Baltimore linked the ensuing uprisings in the wake of King's assassination to the highway decision: "Public policy declared over and over again that Baltimore's black neighborhoods were disposable, and in 1968 rioters treated them accordingly" (Lieb, 2011, p.52).

Unrest emerged across the country in the late 1960s surrounding the lack of political representation in decisions being made about redevelopment, housing, transportation and social services as well as the effects of urban renewal and displacement due to highway construction (Chaskin and Abunimah, 1999; Stoecker, 1997). While Baltimore was known as preferring "consensus over confrontation," and for many years managed much of the racial conflict and initially remained calm following the King's assassination on April 4, 1968, on April 6, African-American neighborhoods erupted after several initially isolated disturbances. By the end of the uprising, thirteen neighborhoods and half-dozen commercial districts experienced at least twenty incidences of looting, vandalism or arson. Every major black neighborhood of the city, with the exception of one, was affected, while predominately white neighborhoods were relatively unaffected, although close to 80 percent of all establishments that suffered damages were owned by whites (Levy, 2011). Baltimore suffered more than \$12 million in damage and over 10,000 Maryland national guardsmen and federal forces were called into the city. Baltimore experienced one of the highest levels of property damage of the cities in 36 states and DC that experienced rioting, with ramifications in the city's future community development as the damage stifled the Black Power movement and ignited a growing reactionary conservative movement, both of which elevated the political capital

of ethnic White organizing groups while further isolating African American neighborhoods.

The End of Radical Organizing

Ethnic organizing that mobilized residents in the pursuit of better service provision and improved neighborhood conditions eventually yielded results, and more in the way of a workable grassroots power base, but the organizations that conducted these early community development activities eventually faced greater challenges when their goals shifted from benefiting residents to partnering with the city to support redevelopment. Unlike white neighborhood groups that learned to work with city hall during the highway battles, trust between black communities and the city government remained elusive throughout the period between 1950 and 1971. New black organizations arose in the early 1970s that attempted to recreate that original grassroots power base, but in such a way that the organizations and their constituents could function within the city's power structure, and in support of its increasingly entrepreneurial agenda. Nonetheless, the efforts of these organizations met with limited results, and while black organizations did see some gains in political power, they were unable to translate those gains into significant improvements for residents; some argued that by being increasingly dependent on government for services, these organizations undermined the strength they had developed fighting for those services (McDougall, 1993).

The end of the 1960s signaled the end of radical organizing, both in the aftermath of the riots and in the decline of several previously influential organizing efforts geared toward directly challenging city hall and mobilizing residents to increase political power, but there were other signs too. The shift toward neoliberalism and conservatism wasn't

only a reaction to the riots, but also a pivot toward a new direction for community development. Organizations began to think about economic issues as opposed to racial equality as early as the late 1960s. For example, in Baltimore in 1966, the Greater Homewood Community Project, later changed to the Greater Homewood Community Corporation (GHCC), was created by Johns Hopkins officials to look at the area around the Homewood campus in northern Baltimore to address a decrease in housing quality, increase in the number of absentee landlords and continued flight of the middle-class whites to newer suburbs. In 1969 the GHCC split their official ties from Johns Hopkins, but the university was still very involved (Gamber, 2011). While GHCC was concerned with changing demographics, they focused on keeping the neighborhood integrated. Unlike other neighborhoods that transitioned from white to black, the area around JHU was historically predominantly African American. As such, GHCC was less concerned about the inclusion of African Americans, but about the changes from a community primarily comprised of single-family homes and homeowners to one increasingly inhabited by renters and multi-family properties, with one JHU professor stating in 1969, “the concentration of apartments and other rental properties in Greater Homewood made the area less attractive to middle-class African Americans who could afford single-family homes in other areas” (Gamber, 2011, p. 212). GHCC used code enforcement and beautification projects to attempt to address some of these concerns (Gamber, 2011). The organization moved from directly addressing racial inequality and focused on a “package of problems” which promoted interracial cooperation and economic opportunities (Nix et al. 2011). This included shifting the language from racial equality to “stabilizing” communities by “working in, maximizing benefits from and even accepting the restraints

of the existing political and economic system" (Gamber, 2011, p.214). GHCC's shift in focus from racial inequality to cooperation paralleled the turn to more formalized community development groups in the city, partially explained by the emergence of foundations as a partner during the 1970s and 1980s, and the end of the federal government's brief, but substantive commitment to community control.

Chapter 4: The “Rot beneath the Glitter:” Urban Decline and Downtown Redevelopment 1971-1999

Table 4.1 Summary of Organizations and Significant Federal Programs 1971-1999

Mayor(s): William Donald Schaefer (1971-1987); Clarence Burns (1987); Kurt Schmoke (1987-1999)		
City Housing Commissioner(s): Mark Joseph (1968-1973)		
Significant Federal Programs: Moratorium on federal housing subsidy programs (1973) Housing Mortgage Disclosure Act (HMDA) (1975) Community Reinvestment Act (CRA)(1977) New Federalism announced (1981) Tax Reform Act of 1986 HOPE VI (1992) Federal Empowerment Zones (1993) Personal Responsibility and Work Opportunity Act of 1996		
Organization	Type	Year Created
Northeast Community Organization (NECO)	Umbrella Organization	1970
Southeast Community Organization (SECO)	Umbrella Organization	1971
Druid Heights Community Development Corporation	Community Development Organization	1971
Neighborhood Housing Services	City Based Housing Organization	1973
Druid Heights Community Development Corporation	Community Development Organization	1974
Goldseker Foundation	Foundation	1975
Baltimoreans United for Leadership (BUILD)	Faith-based IAF	1977
Jubilee Baltimore	Community Development	1980
Sandtown-Winchester Comprehensive Community Initiative	Comprehensive Community Initiative	1990
Southeast Development Initiative forms (community development corporation arm of SECO)	Community Development Organization	1993-1998
Belair-Edison Neighborhoods Inc. (incorporated as nonprofit)	Community Development Organization	1991
Historic East Baltimore Community Action Coalition (HEBCAC)	Community Development Organization/Village Center	1994
Empower Baltimore Management Corporation	Quasi-governmental Organization	1994
Baltimore Neighborhood Collaborative	Foundation sponsored initiative	1996
Patterson Park Community Development Corporation	Community Development Organization	1996
France-Merrick Foundation	Foundation	1997

“Even within industrial landscapes that have been systematically devalued by capital, social attachments to place persist as people struggle to defend the everyday practices and institutional compromises from which capital has sought to extricate itself” (Hudson, 2001, as cited in Brenner and Theodore, 2002, p.355).

Introduction

In the 1970s and 1980s, Baltimore officials continued to grapple with deindustrialization and suburbanization by attempting to redevelop downtown. Federal funding to cities and community development declined, which stymied some early organizing efforts, and while foundation funding partially filled gaps left by reduced federal funding, their shifting priorities proved challenging for many community development organizations.

In spite of this, community development organizations found some success in the early 1970s through the mid-1980s by coalescing into umbrella organizations; for example, Baltimoreans United in Leadership Development (BUILD) formed a citywide coalition of African-American organizers and local faith-based organizations who had been active in previous decades. BUILD supported neighborhoods by addressing affordable housing and poverty by using Industrial Areas Foundation (IAF) organizing principles, focusing on small changes to build momentum to then tackle larger issues. BUILD and other African-American and ethnic-white organizers collaborated with a strong city housing department to address neighborhood conditions and worked with private lenders to improve access to financing for home purchases and the construction of community facilities. Despite these efforts, several of which met with success, by the end of the 1980s, the shift toward redevelopment influenced foundations to redirect their resources away from organizing efforts and, as such, umbrella groups began to lose much

of their organized support, eventually either dismantling themselves or dramatically shifting their priorities to providing limited social services (Stoker et al. 2013). At the same time, some organizations began to focus on physical redevelopment, such as the Southeast Community Organization (SECO), which emerged out of the highway fights of the 1960s and turned its focus to redevelopment issues in the areas adjacent to the Inner Harbor. SECO faced challenges as some residents argued that addressing physical issues in their neighborhoods largely through real estate often came at the expense of efforts to organize low-income residents. Some community development organizations successfully used block-by-block redevelopment to rehab homes left vacant and abandoned by unscrupulous lenders in order to sell them to low-income homebuyers during this time, but neighborhoods across the city still languished. By the 1990s, efforts to stem the decline in some of the most impoverished neighborhoods through comprehensive community initiatives and Empowerment Zones failed; community development needed a new approach.

This chapter tells the story of the deterioration in community development from the 1970s, a period of relative strength, to the 1990s, by which time the dissolution of the city's umbrella groups had created a fragmented community development system that had little interaction with city officials, minimal collaboration and inconsistent financing. The community development system was overwhelmed by a variety of factors including (a) a reduction in federal funding that created gaps that foundation funding failed to fill, (b) a continued devotion among city officials to downtown development coupled with a much weaker housing department after the 1986 election of Mayor Kurt Schmoke, (c) a shift to redevelopment that required a level of financial sophistication that only a handful

of city groups possessed and (d) the top-down approaches of Empowerment Zones and comprehensive community initiatives that relied on politically-influenced decision making in their administration. The events during this time, occurring in an environment of decreased federal funding and increased competition between cities, moved the pieces into place for a new community development system in the early 2000s that responded directly to this era's failures.

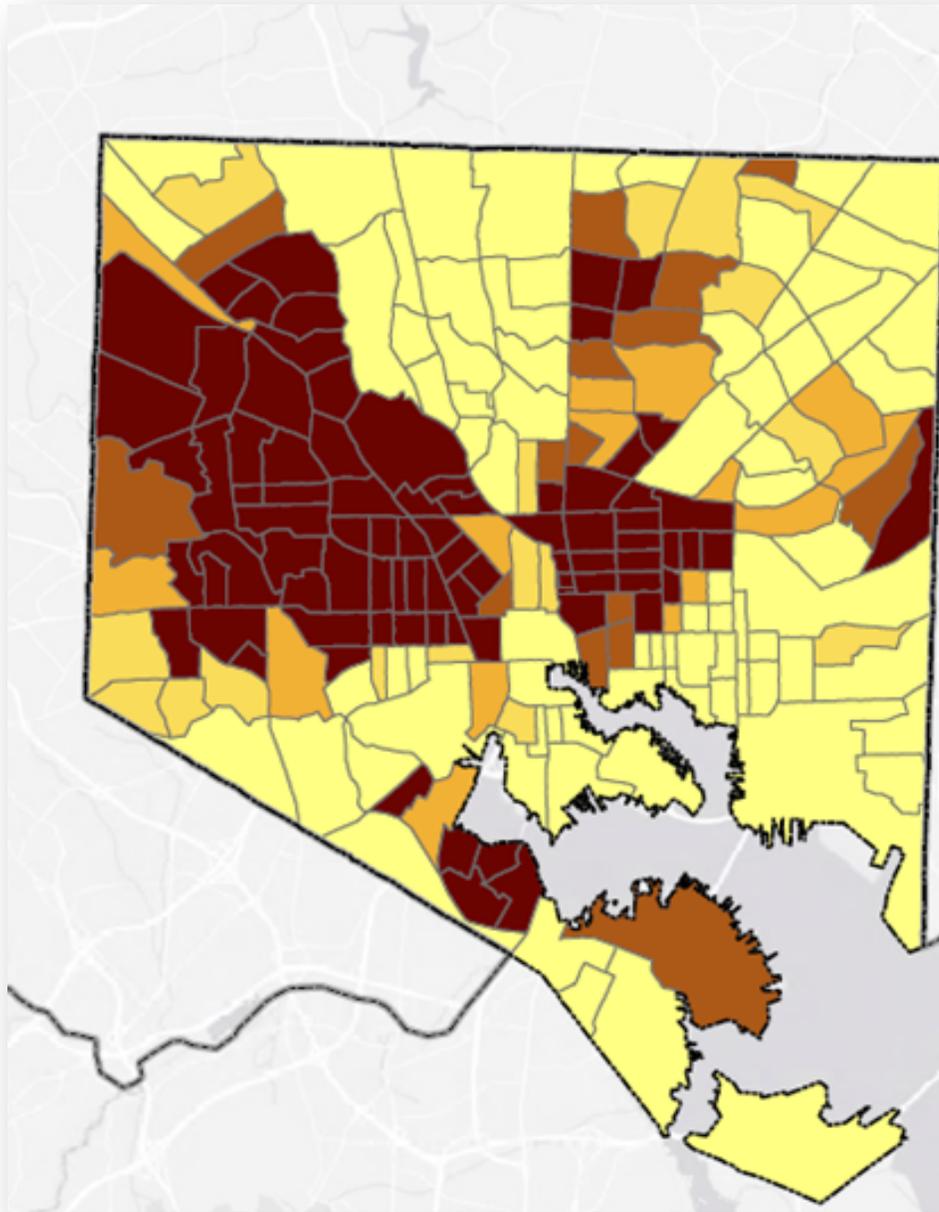
Baltimore Context

Baltimore continued to struggle economically into the early 1970s. Driven by the port, industrial output initially continued to grow after the war, linking Baltimore to the rest of the world, but the city's image quickly turned from a manufacturing powerhouse of wartime production to a flailing post-industrial city (Olsen, 1997). Manufacturing, by far the city's greatest source of employment, began laying off workers in the 1970s, shrinking the number of manufacturing establishments from 1,513 in 1960 to only 696 in 1984 (Harvey, 1992). The city lost 35,000 jobs between 1969 and 1980 (Harvey 1992) and what was particularly painful about these job losses was that they affected many of the companies that built Baltimore, such as Western Electric and Bethlehem Steel, both of which had closed by 1984, leaving thousands jobless. While the total employment in the metro region remained consistent from 1970-1990, the average wage declined substantially, shifting from blue collar jobs in high-paying unionized industries to white-collar occupations in low-paying and insecure service jobs, and many of the jobs moving from the city to the suburbs (Harvey, 1992). As such, thousands of people left the city and between 1970 and 1980, the population dropped by 120,000 people and 75 percent of neighborhoods experienced increased poverty (Gamber, 2011). The maps below show a

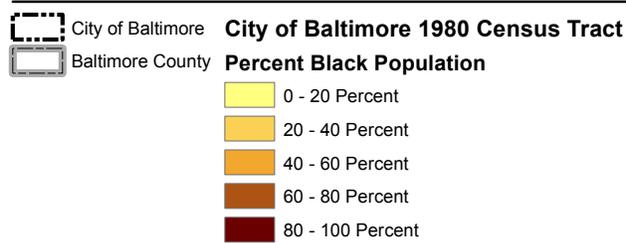
continued expansion of the African American population to the west and east of the city, with the many of the downtown neighborhoods remaining mainly white.

The economic restructuring that started in the 1970s produced a legacy of disinvestment in Baltimore that was shared by other northern and Midwestern cities (Hutton, 2008). Across the country, capital flowed abroad and domestic industry competed with foreign locales; companies left expensive inner-city locations for first suburban, then southern, locations, and finally moved abroad (Fainstein, 2011). Baltimore was full of communities that were inextricably linked to corporations and the people left behind were increasingly concentrated in immigrant and poor communities (Smith and Tardanico, 1997).

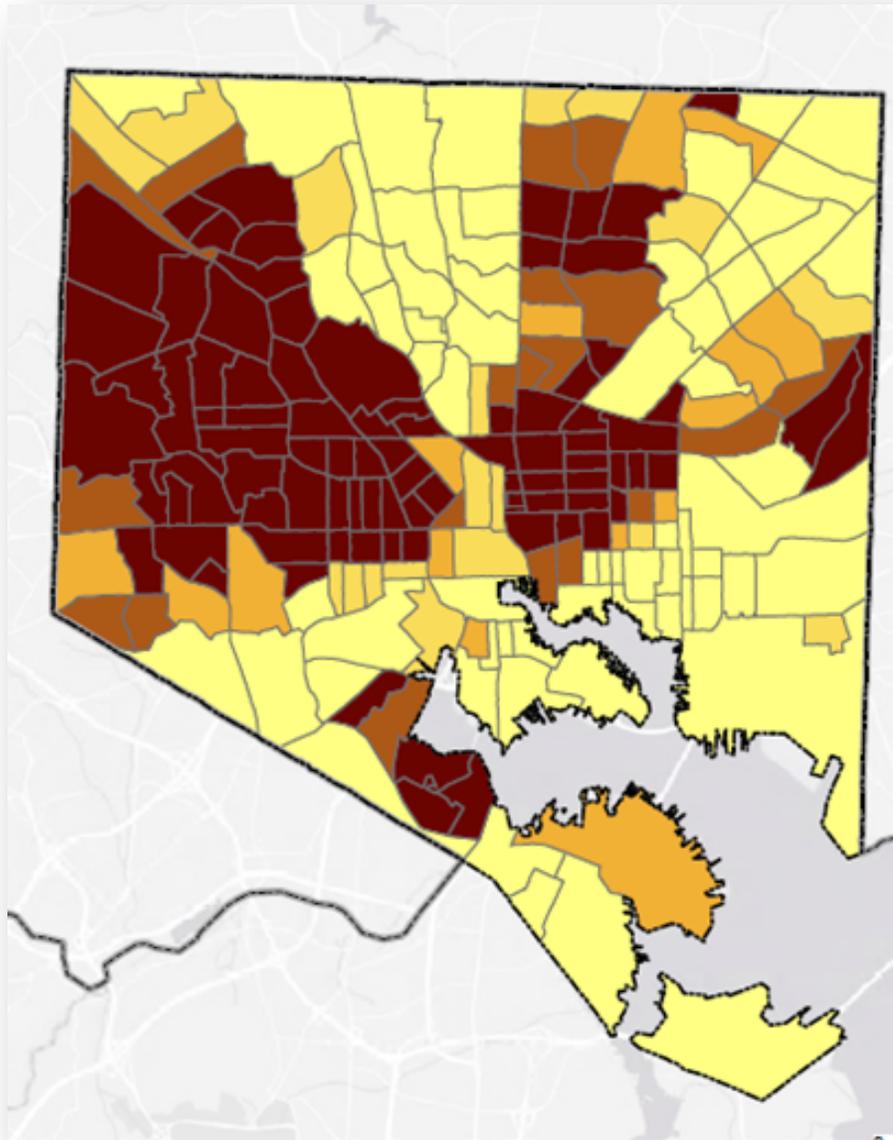
Illustration 4.1 Percent Black Population 1980



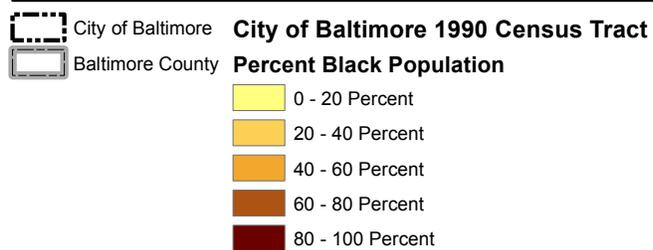
Source: Matthew Sloane, September 14, 2014.



Map 2: Percent Black Population: 1990



Source: Matthew Sloane, September 14, 2014.



Baltimore officials turned their focus to downtown to address the manufacturing losses while at the same time the federal government devolved responsibilities to state and local municipalities (Caraley, 1992). In this period of the federal dismantling of the welfare state that called for balanced budgets, fewer public social service programs and a general backing off of federal authorities in social service provisions, cities found themselves struggling to provide basic services in an increasingly competitive environment (Caraley, 1992; Fisher, 1994). In 1973 President Nixon passed a moratorium on federal housing subsidy programs and a year later, the Community Development Block Grant (CDBG) program was created to replace federal housing and development programs. Replacing eight federal programs, including Urban Renewal and Model Cities, CDBG became the primary federal funding program for which states and localities to address comprehensive community issues (Schwartz 2010). Rather than prescriptive direction from the federal government appropriating funds to Urban Renewal or Public Housing, CDBG gave discretion to the localities to address a ‘variety of development activities, as long as they comply with some general federal guidelines’ (Jacobs et al., 1986). In the following year, lawmakers enacted Section 8 to provide subsidies to low-income beneficiaries, enabling nonprofit and for-profit developers to build and rehabilitate units below market and shifting the government’s role to demand-side subsidies. By the 1980s, cutting community development funding at the federal level became more routine. Much of the funding for CDBG and Section 8 declined and HUD was reduced from \$33 billion in 1981 to \$8 billion in 1989. Over the course of the decade, federal community development funding was cut over 70 percent (Keating et al. 1990; Koschinsky and Swanstrom, 1999). The Carter Administration’s Neighborhood

Self-Help Development program, allocating \$14 million in federal grants of up to \$100,000 each to community development organizations in 1979 and 1980 (Koschinsky and Swanstrom, 1999), was not nearly enough to make up for the lost community development funding. But even in the 1970s, an era of federal devolution to the states, the majority of organizations still depended on government funding through the Office of Economic Opportunity, at least until it ultimately disbanded in 1981.

To make do, cities used public-private partnerships to draw people into downtowns through a variety of tourism-based activities. Baltimore was perhaps the prototype for the shift from “managerialism to entrepreneurialism,” focused on downtown to revive its economy by luring in tourists. As a result of this shift, investment in the Inner Harbor skyrocketed in the 1970s and 1980s, a period that saw an increase in the number of ethnic festivals, concerts and spectacular events taking place downtown, as well as the opening of the Maryland science center, national aquarium, convention center, marina and numerous hotels and shopping malls (Harvey, 1992). Mayor William Donald Schaefer, elected in 1986, capitalized on the quasi-government organizations set up in previous administrations to implement this policy and many heralded Baltimore as the “Cinderella City” of the 1980s (Harvey, 1989; Harvey, 1992). However, the mayor’s efforts to mobilize political and civic elites to focus on downtown development “insulated and isolated politics from the neighborhoods to minimize community conflict” (Personal Interview). Many argued that the focus on downtown came at the expense of neighborhoods, as almost 35% of the \$296 million in federal community development grants between 1975 and 1981 went to Inner Harbor projects. Under this tourism-based strategy, not only was there a need for public investment, “there [was] a danger in

creating an island of affluence and power in the midst of a sea of impoverishment,” which ultimately became the case for Baltimore (Harvey, 1992, p.143). While the focus on downtown appeared to generate positive outcomes, people living in neighborhoods were still struggling with poverty, population loss, crime, unemployment and vacancy, leading to David Rusk’s infamous reflection of the city, which concluded that there was “rot beneath the glitter” of downtown (Fee et al. 1993, p.238).

City Efforts

Even during this massive transformation, some people stayed in the city, and there was some interest at the city level in addressing neighborhoods, particularly the ethnic White neighborhoods which were largely made up “tight-knit communities of Polish, German, Welsh, Greek, Italian, Lithuanian and Ukrainian descent” (Merrifield, 1993, p.107). The fabric of the neighborhoods of Southeast Baltimore in the 1970s can be described as follows: “Many of the neighborhoods in Southeast Baltimore were essentially a patchwork of ethnic Catholic neighborhoods. It stayed stable a lot longer than most areas. People didn’t just live here, they went to church here, school here, and had relatives, friends and ancestors here... People didn’t just pick up and move in the 1970s when a lot of people did; they would never dream of that. They did eventually, but in a much more gradual way and they still keep a lot of ties to the neighborhood” (Personal Interview). Building off of past success, they were able to work with the city housing department to advocate for issues in their neighborhoods, contrasting from African American organizations, who largely felt left out of the city’s interest in addressing neighborhood conditions.

Several interviewees discussed the importance of the housing commissioner in the health of neighborhoods and how that role has shifted over time, with one interviewee saying, “City involvement in community development greatly depends on the housing commissioner,” and stressing the “importance of collaboration [and] strong leadership.” Yet, the level of support among city officials varied particularly by race; as neighborhoods continued to be segregated, African Americans were concentrated in the west and east sides of the city, with the more affluent north Baltimore neighborhoods remaining white (see map). The city was also segregated by religion, with the ethnic-white population significantly organized around churches. During the Schaefer administration, City Housing Commissioner Bob Embry ran a very strong housing and community department, “one of the second or third best departments of its kind in the country” (Personal Interview). Embry combined the housing department, focused on private housing, and housing agency, which focused on public housing, within the same purview, granting the role of housing commissioner a significant influence on the city as a whole as well as the ability to determine the direction of the department. Embry was behind a host of programs, including the well-documented “shopsteading” program that turned over vacant shops for \$100 to investors willing to rehabilitate buildings and open businesses (Teaford, 1990). His department also secured loan packages for neighborhood merchants to finance the repair of their properties, restore building facades to city design standards and support a neighborhood commercial revitalization program to prop up older retailing districts. Some argued that the informal relationship between Embry and community development groups was so strong that the city government did not feel a strong need to partner with neighborhood groups in an official capacity. This impacted

and influenced future efforts; however, as Embry became essential to the process and by failing to codify the programs and partnerships more formally, the city's period of relative development productivity ended with Embry, with the city ultimately settling on a view of neighborhoods as important but not essential.

Furthermore, the institutional favoritism along racial lines that became the norm for years in Baltimore blossomed under Embry, as African-American organizations never saw the attention that ethnic-white neighborhoods did. In a letter to the editor in the *Baltimore Afro-American* (1976), Dr. Richard Chandler, an activist working in Baltimore neighborhoods wrote, "Embry's record is bleak in its consequences for the vast majority of blacks in Baltimore." Chandler further wrote that to address an issue about a potential rapid transit line through the northwest black community, Embry used Community Development Block Grant (CDBG) funding to "divide and manipulate neighbors against neighbors through the Park Heights Community Corporation and the Northwest Baltimore Corporation, and to distract a few unsuspecting blacks from meaningful involvement in significant community development around them" (p. A4).

Many saw an opportunity after the election of the city's first African-American Mayor Kurt Schmoke in 1987 to redirect some of the resources that had been targeted downtown to support struggling neighborhoods and ease the considerable tension between neighborhood interests and downtown development (Personal Interview). Despite these efforts, by the 1990s Baltimore's experience showed the limits of what could be gained from transitioning a manufacturing economy to a tourism and services economy. By 1992, 40,000 families waited for access to public housing, and 45 percent of adults were not part of the job market (Levy, 2011). Inner-city neighborhoods recorded

a record number of teenage pregnancies, rat problems, high cancer rates, and resurgences of tuberculosis and lead poisoning, leading many to determine that “conditions of poverty in the city do not in any way appear to have [been] assuaged by all [the] massive downtown redevelopment” (Harvey 1992, p. 140). Harvey continued, describing downtown development as something that “functions as a sophisticated mask, invites us to participate in a spectacle, to enjoy a festive circus that celebrates the coming together of people and commodities. Like any mask it can beguile and distract in engaging ways, but at some point we want to know what lies behind it. If the mask cracks or is violently torn off, [it reveals] the terrible face of Baltimore” (Harvey, 1992, p. 143).

Umbrella Organizing

In the 1970s, Catholic Church-affiliated organizations and African American-led anti-poverty campaigns, such as Activists for Fair Housing, attempted to coordinate their interests to address low-income housing and poverty in both African-American and white neighborhoods while challenging city officials’ tactics in the Inner Harbor (Personal Interviews). The Catholic Church established the National Center of Urban Ethnic Affairs, and a pacification program that targeted Whites, while Catholic social activists also worked with Activists for Fair Housing and organized specifically against well-known real estate speculator Morris Goldseker, who was seen at the time as overcharging blacks on housing and instituting strict lending terms (Teaford, 1990). In African-American neighborhoods, Activists for Fair Housing collected information about acquisition and resale patterns and organized tenants, resulting in a land installment contract-buyers class action lawsuit accusing Goldseker of antitrust conspiracy and

violations of federal civil rights and Maryland's usury laws (Joseph 2010). The suit challenged a decades-old system that forced blacks to use exploitative middlemen if they wished to live in better housing. Furthermore, Activists for Fair Housing confronted Mayor Schaefer's plan for the Inner Harbor with regard to its effect on housing (Clinch, 2004). In the same letter referenced above, Dr. Cleveland Chandler wrote about the "inhuman removal of poor blacks and whites in South Baltimore without adequate provisions for them in the proposed Inner Harbor" (p. A3). In particular, James Rouse, a local real estate developer who played a significant role in Baltimore's development during this period and who led the design and construction of Harborplace, the centerpiece of Baltimore's downtown renaissance, decided to use public land for his festival marketplace instead of a former power plant offered by the city, which generated considerable opposition. Baltimore's residents feared their access to the waterfront would be lost to private control and feared the impact of development on their community (Clinch, 2004).

Organizers also worked together to gain access to financial resources as banks and investment continued to bypass neighborhoods. BUILD, one of the most well-known umbrella groups, was created in 1977 and while the national IAF provided full-time staff, community leaders were responsible for day-to-day operations. Like IAF groups across the country that were made up of members of multidenominational groups of religious organizations, BUILD intended to emphasize the development of a broad, powerful base that could relate to other power centers such as government, school systems and corporations (Orr, 2000). BUILD followed the approach that was common to IAF organizations, beginning with "small, winnable issues such as police protection, arson

control and rat eradication” and then moving on to larger concerns such as school safety, and then on to policy issues such as the agendas for capital improvement budgets or economic growth policies (Orr, 2000, p.74), and BUILD shifted from being a protest organization to assuming some responsibility for policy initiation and governance. Orr (2000) refers to this approach as “relational power” or helping shape local policy around public education and low-income housing, and specifically in Baltimore’s case, the issue of redlining. The groups were bolstered by organizing around the Community Redevelopment Act (CRA), which was passed in 1977 and required banks to invest in low-income neighborhoods in which they had a branch. During the 1970s, SECO members forced the city to investigate redlining by local savings and loans associations, and when city findings confirmed suspicions, community group won an agreement from financial institutions to halt the discriminatory practice (Teaford 1990). In 1980, BUILD began to use the CRA to discover that local banks were lending only to a small portion of mortgage funds in inner-city and black areas. In a ”penny campaign” BUILD encouraged its constituents to flood local banks and ask them to make change, causing a disturbance that resulted in an agreement with Baltimore banks and savings and loans to meet and negotiate agreements to expand lending (Orser, 1997). Much like the organizing of the 1960s, umbrella and faith-based groups were attempting to empower residents to make changes in their community with one interviewee saying “umbrella community groups that had been forming were kind of local democracy, neighborhood associations [determining] what services and developments do they want to see in their areas” (Personal Interview). A dozen or more community groups, in almost in every sector of the city, had a lot of church support and united neighborhood leadership

that was strong enough to resist some of the things the government was imposing, but their tactics differed from previous efforts in that they attempted to work within the political economic system, in particular by aiming to address lending, successfully in the case of many groups.

Limitations to Umbrella Organizing

By the 1980s, serious cuts in community development funding began in earnest and umbrella group-spawned community development organizations lasted longer than the services that led to their creation, due to the devolution of federal funding, the changing priorities of foundations and the United Way, which shifted its funding away from umbrella groups in this period (Personal Interview). But the process of devolution began years before 1980. While funding in the early 1970s tended to remain at the levels community development programs had fought for in the prior decade, the enthusiasm for experimenting with new programs diminished substantially and such was the case for umbrella groups.

An oft-repeated story in Baltimore highlights the point that the lack of a coordinated community development system influenced the field far beyond the 1970s. Starting in the mid-1970s, community associations followed a path of a clock, starting at just after noon, or the northeast quadrant, and moving clockwise around the city to east and south Baltimore. By the time they got to 9:00, or the western quadrant of the city, they were out of money and energy, and much of the west side never got organized like the rest of the city did (Personal Interviews). There has never been a significant effort since the 1970s to coordinate community development organizations like there have been in other cities. Many interviewees noted that the lack of a coherent system weakened

community development activities, with organizations competing against each other rather than working together for better services, which may have been exacerbated by Baltimore's lack of a community development financial organization. Cities such as Cleveland and Pittsburgh have worked to coordinate community development organizations, particularly to access financing with one community development analyst saying: "In Pittsburgh, for instance, the relationship between the neighborhoods and the GBC (Greater Baltimore Committee) counterpart is better defined. Neighborhood leaders can spell out how their community fits into the overall regional plan—something that doesn't happen in Baltimore," (Arney, 2003 para.10).

Physical Redevelopment

At the same time Baltimore was mitigating the effects of deindustrialization and shifting from a strong housing department to a weaker one, all the while favoring ethnic-white neighborhoods over traditionally African-American ones, some community development organizations began a steady shift to redevelopment. While thousands of residents left the city due to white flight and suburbanization, there was a movement by those left behind as to address their deteriorating neighborhood conditions (Personal Interview). Organizations in Baltimore and across the country shifted to redevelopment, partially in response to growing vacancies and abandoned properties due to white flight and poor lending in largely African-American communities, and partially in response to a funding shift as a result of the federal moratorium on public housing, the federal withdrawal of inner-city funding and the emergence of new intermediaries, such as Local Initiative Support Corporations (LISCs) and Enterprise, which offered financing and technical assistance. In Baltimore, early redevelopment efforts by SECO as well as block-

by-block redevelopment in Patterson Park exemplified the small- and medium-sized organizations' attempts to tackle redevelopment with varying levels of success.

The white organizing groups, such as SECO, began to address physical redevelopment, largely through real estate. SECO's interest in capitalizing on the newly-increasing land values in the wake of their successful fight against the highway expansion in the 1960s culminated in the creation of the Southeast Development Initiative (SDI) which was solely focused on low-income housing development. Some members feared that by running programs increasingly concerned with applying for grants and funding, SECO was straying from its initial organizing mission and being "co-opted by the establishment" (Cassidy, 1979, p.32). SECO and SDI operated under two separate boards of directors with a joint staff, but the concerns were in place long before the two organizations eventually split, with SDI continuing to support redevelopment projects and SECO acting as an organizing and mobilizing group. Some members believed that SECO could form partnerships with its opponents and still retain autonomy while other groups saw any shift away from confrontational politics as a threat to the credibility of the organization. While some of the neighborhood believed SDI represented the interests and politics of white residents and not the newly-transitioning African Americans and Latinos, the organization continued to operate as one of the stronger community development organizations in Baltimore. While the development side was successful, the original organizing arm, SECO, saw drastically reduced federal funding after changing its mission to become a service provider, literacy program and volunteer organizer. SECO became increasingly desperate financially while the development corporation flourished and dissolved in 1999 (Personal Interview).

The SECO story represented a turn to block-by-block redevelopment that other organizations used across east Baltimore to attempt to address concerns like safety, trash removal and vacancies, that turned into buying and rehabilitating homes, one at a time. One interviewee noted, “The origins of community organizing were often dominated by women who were focused on quality of life issues, not economic issues that men were focused on, and [they] literally met in their parish basements.” In one example, a group of elderly women who were distressed by the state of the neighborhood around Patterson Park in which they lived as vacancies increased, crime was problematic and residents fled, formed “Matilda’s Army” in 1973, naming it after their founder. These residents worked to address the quality-of-life issues they saw outside their doors and successfully worked with SECO, the Ford Foundation and the Federal Home Loan Bank to buy and rehabilitate homes in their neighborhood, which eventually drew the city’s attention and became the impetus for the creation of the Baltimore branch of the nationally-based Neighborhood Housing Services (NHS). NHS became a fully operational community development organization that focused on promoting homeownership, improving the physical appearance of neighborhoods, developing community leadership and stabilizing the local real estate market. The organization’s activities were emblematic of the ongoing split, locally and nationally, between community development’s commitment to organizing residents to build a political power base and its burgeoning interest in low-income housing development. NHS’ involvement in the city contributed to stabilizing home prices in the southeast section of the city, which lasted until the 1990s, and longtime residents continued to work on small projects around the area.

By the 1990s, the same area in Patterson Park, like much of East Baltimore, was facing abandonment and weakening housing values in part due to the effects of predatory lending, which left vacant and abandoned properties in its wake. Patterson Park and other neighborhoods were largely low-income, majority black and increasingly financed by subprime loans in the late 1990s, a ‘trifecta’ for predatory practices (Scharper, 2006). Decades after the redlining practices of the 1930s kept investment out of the inner city, and prior to the large-scale predatory lending and foreclosure crisis that swept the nation in the 2000s, unscrupulous investors capitalized on vulnerable homeowners by charging well above market rate for homes that were structurally unsound. Furthermore, flipping, or buying houses cheaply and reselling them under false pretenses for a profit, can offer great profits for flippers but leave homeowners, predominantly families, otherwise shut out of housing markets by segregation or a lack of resources, saddled with thousands of dollars in debt with homes in far worse condition than they had anticipated (Scharper, 2006). Almost 3,000 houses were flipped between 1996 and 2000, and foreclosures shot up to 6,000 a year, acting as “a modern form of blockbusting” (Pelton, 2003, para. 2). Predatory lending and flipping forced hundreds of homes into foreclosure, stripping the equity of hundreds more and leading to an overall weakening of the housing market.

In 1999, Baltimore City created the Flipping and Predatory Lending Taskforce, supported by Senator Barbara Mikulski, to address issues of unscrupulous lending in primarily African-American and low-income neighborhoods, advocating for tougher regulations, more stringent consumer protection and aggressive code enforcement (Sabar, 2002; Pelton, 2003). While the taskforce did ramp up regulations on flipping, the damage in many cases was already done, leaving a severely weakened housing market and

residents to address the aftermath. The area around Patterson Park, the same area where Matilda's Army in the 1970s addressed issues of abandonment and neglect, again faced rampant absenteeism and increased crime. Furthermore, as public housing towers were demolished in the 1990s there was a lack of affordable options for those holding Section 8 vouchers, and new renters began to concentrate in those areas where housing values were weak, particularly in Patterson Park, where landlords captured the guaranteed rent from the vouchers while not keeping up the properties, with some arguing the program was "a catalyst in neighborhood deterioration and ghetto expansion" (Rutkowski, quoted in Swope 2002, p.1). North of the park, decades of disinvestment left swaths of the city virtually abandoned and plagued by flipping and predatory lending. Homeowners began to leave the area, home prices declined and vacancies and foreclosures increased (Bishop, 2007). Yet, immediately to the south of Patterson Park, the neighborhoods of Canton and Butchers Hill, buoyed by their proximity to the waterfront "Gold Coast" neighborhoods of Fells Point and the Inner Harbor, experienced rising homeownership rates and increasing desirability which set the stage for a new type of redevelopment. Rather than going to the city to create a program like NHS, residents joined together to try and purchase vacant homes, redevelop them and resell them at an affordable rate. This was possible due to the new financing mechanisms available in the 1990s such as the tax benefits available after the 1986 Tax Reform Act. The Patterson Park model of block-by-block redevelopment was considered successful as home prices began to stabilize again, and the area became ripe for significant redevelopment in the 2000s.

The result of these gains was a new approach to community development that successfully transitioned into the 1990s and 2000s as organizations began to take on real

estate and became more like real estate developers of affordable housing. However, while successful in some neighborhoods, not all organizations were sophisticated enough to access financing, or their neighborhoods were not at a point where traditional financing was available. Generally, this shift was not enough to fundamentally change every neighborhood and many remained mired in poverty, but it did lay the foundation for future efforts.

Comprehensive Community Initiatives and Empowerment Zones

While local organizations were shifting toward redevelopment, there was a renewed interest by national foundations and the federal government to develop community capacity and address poverty in some of the poorest neighborhoods as there was an understanding that a singular focus on housing did little to transform a neighborhood. The federal government sought to achieve these goals through Empowerment Zones and foundations setting out to do the same primarily through Comprehensive Community Initiatives (CCIs), although both parties supported one another. The federal government devoted resources for Empowerment Zones to address poverty in seven cities: New York, Detroit, Philadelphia, Camden, Baltimore, Atlanta and Chicago. Through a competitive process, “city agencies and staff identified community needs and resources, developed goals and programs, determined zone boundaries and devised governance structures” (Gittell et al. 1998, p.535). The program allowed for flexibility in cities, and thus looked different from case to case. However, the primary assumption of both of these place-based programs, and the reason why they’re so often spoken of in the same breath, was that redeveloping housing alone wasn’t enough to address poverty and, as such, there was a short-lived effort on the part of foundations,

long frustrated about the limited impact of primarily focusing on housing and aided by the federal government, to take a more comprehensive approach to the poorest neighborhoods in the form of CCIs. Even as the program was originally designed to address schools, jobs, services and residential empowerment, in Baltimore, it primarily ended up focusing on low-income housing.

These efforts, both Empowerment Zones and CCIs, were going on across the country, and Baltimore was one of the prime locations for this experiment, combining significant federal resources, the home state of James Rouse, head of Enterprise Community Corporation, and the interest of some local foundations. While both programs poured millions of dollars into poor neighborhoods in Baltimore, they did little to change their trajectory. The history of community development shows the difficulty of addressing poverty, but community development organizations and the public also heavily criticized specific issues related to both CCIs and Empowerment Zones, including the top-down governance of both programs that relied on political alliances to make decisions, the approach of CCIs that focused on building low-income housing instead of the program's original goal of supporting the economic and political conditions of those who lived in the neighborhoods, and, in the case of Empowerment Zones, the unsustainability of the program once federal funding dried up. Despite the wide-ranging interest, the experience in Baltimore showed the limitations of this approach and the frustration of those involved drove them to try something different (Boehlke, 2004; Brown et al. 2001).

CCIs and Empowerment Zones shared the goals of community participation, but in Baltimore, both were led by a top-down approach with limited buy-in from the

community. Enterprise Community Partners, working together with BUILD and the city of Baltimore, introduced their large-scale CCI in Sandtown-Winchester in the 1990s in an attempt to radically redevelop an impoverished area and to be a model case of what could be done with a targeted effort to turn around the poorest neighborhoods, saying, “the main job now isn’t the center of cities, but the desperately poor neighborhoods” (Olesker, 1996, p.1). The foundation community heavily supported CCIs, intending to concentrate resources in a specific community to facilitate collaboration and encourage neighborhood empowerment in the hopes of addressing multiple, comprehensive sources of neighborhood decline (Brown, 1996). CCIs were popular across the country in a brief return to increasing resident participation that in some ways was similar to community empowerment efforts from the 1960s without the emphasis on political change. But from the start, political posturing determined where efforts would be funded, including in Baltimore. The CCI money was slated to flow to East Baltimore, but Mayor Schmoke moved it since that area was the political base of his recently-defeated mayoral opponent, and funneled the money instead to the Sandtown-Winchester project on the west side of the city. To assuage the east side residents, he promised them that when the city received the next large sum of money, they would be first in line (Personal Interview).

In 1990, Sandtown-Winchester was one of the poorest neighborhoods in the city with the neighborhood population shrinking from 30,000 at its height to 10,300. At the start of the decade, 3,000 of its 4,600 housing units needed rehabilitation or demolition, and 600 were boarded up (Goetz, 1996). The CCI involved Rouse, known in and around Baltimore as the president of Enterprise Community Partners and the developer behind both Harborplace in downtown a decade prior and the newly planned Columbia

Township in the suburbs west of the city, who sought to address the poorest neighborhoods saying “we wanted a place that could be called a ‘bottom’ neighborhood, one with real human devastation, where people were really living in the worst possible conditions” (quoted in Gugliotta 1993, p. A1). The Enterprise Foundation, the nonprofit arm of Rouse’s Enterprise Community Partners, raised over \$130 million dollars for the project, the bulk of which came from Enterprise, with additional funds from the federal government, including from the Empowerment Zones initiative and other foundations. The project’s partners, including the mayor, the residents and the foundations, created six intermediaries and the CCI was eventually able to build 1,000 affordable housing units, and institute job training and placement programs in an effort to create a model for an all-encompassing effort for neighborhood transformation in Sandtown-Winchester. However, significant limitations included the need to simultaneously raise funds, adopt and create best practices for other initiatives, create infrastructure to support change and mitigate internal conflicts between established partners while managing the very high expectations that all parties found it difficult to live up to. While the neighborhood saw improvements in city sanitation and public safety services and provided job training and placement for hundreds of residents, as a project and as a neighborhood, the initiative failed to fully transform Sandtown-Winchester, which still struggled- with higher than average foreclosure rates, unemployment and weakly performing schools throughout the ten-year initiative, and after. By 2010, over 20 percent of the neighborhood remained in poverty.

One of the critiques of the program was the difficulty program managers had in mobilizing residents as active participants. The organizing group BUILD was initially

involved in the planning process but quickly grew disillusioned with the project. While BUILD argued for funding for political organizing and leadership skills—as “new homeowners in the neighborhood need the tools to fight politically for economic security if they want to hold on to their dwellings”—the city’s, and Enterprise’s, vision of building new homes with some social support won out and BUILD became less involved (Yoeman, 1998, para. 22) While Enterprise led the initiative, some observers say the foundation let grassroots organizing fall by the wayside throughout Sandtown-Winchester. “They’re developing relationships with banks, not with people,” said Harold McDougall in his 1993 book “Black Baltimore: A New Theory of Community.” Furthermore, Enterprise officials struggled to gain residents’ trust to accurately represent their interests, in particular as the primarily African-American residents saw the Enterprise organization as largely out of touch, and representing white interests over their own. In an evaluation of the program, a local program manager said:

"The people with money are white. The people with money always want control. There is a built-in assumption that they know what is right for you. It's a racist assumption, but pervasive nonetheless. Of course race is a factor, but it is subtle. It's so subtle, in fact, that it's built into our assumptions, so that it's hard to see...They have the money, they set the standards and they design the project" (Brown et. al, 2001, p. 42).

Others argued that the Sandtown-Winchester initiative reflected the changing role of foundations from supporting explicitly political initiatives to comprehensive planning initiatives that diffused tensions like race and power. Comprehensiveness effectively replaced empowerment as an organizing idea in community redevelopment (Rich et al. 2008). Comprehensive initiatives sought to “collaborate across racial and cultural lines without really taking on responsibility for racial group empowerment” (Lawrence, 2008).

The federal government in the 1990s also became interested in addressing persistent poverty in inner-city neighborhoods across the country, with the Clinton administration pledging to address cities after the long absence of federal support in the 1970s and 1980s (Gitell et al. 1998). Baltimore was granted \$100 million as part of the federal effort to address poverty in the inner city through the Empowerment Zone initiative, making it one of the seven original cities that received grant money. The city's plan involved creating eight village centers which would report to the central management office, the Empower Baltimore Management Corporation (EBMC). Six of the proposed centers were created, five of which were formed as entirely new organizations, with the one existing organization only two years old (Clinch, 2004). Empowerment Zones were created with the intent of designing a community-driven service provision, to counteract the years of mayoral control of the CDBG funds, and emphasized community participation in the design and delivery of services. The concept of the Empowerment Zone initiative was to use a comprehensive strategy, not unlike CCIs, but to address a variety of issues in one place including economic and workforce development funds linking economic development strategies to community development. Yet the boundaries chosen for Empowerment Zones were explicitly political and “attempts for community participation [were] stymied by political posturing,” although a change in leadership showed that it was possible to have community input (Personal Interview).

The city's six Empowerment Zones, that encompassed about seven miles of the city and of which Sandtown-Winchester was a part, included about 72,000 residents with a poverty rate of 42 percent and unemployment rate of 16 percent (Busso et. al, 2013).

The program started out resembling a typical quasi-governmental corporation of the 1960s, with which Baltimore was familiar (Clinch, 2004). The first leader of EBMC publicly stated that they were a corporation and not accountable to the public; meetings were confidential, and the group made decisions entirely outside of the community's oversight (Personal Interview). Until 1995, only 5 of 29 members of the EBMC were community representatives with an additional 2 representatives of religious organizations. The rest were made up of institutional partners such as universities, medical institutions and foundations (Gitell et. al 1998). Community residents heavily protested, with hundreds of residents attending community meetings, and eventually were able to replace the lead with Dianne Bell-McCoy. Bell-McCoy influenced the culture of EBMC by incorporating community participation through informal relationships and the formal committee process, yet questions remained about the ability of the residents to have any significant power over the decision-making process.

In Baltimore, Empowerment Zones and CCIs attempted to replicate a “professionalized” model that attempted to take the public-private partnership model that was successful downtown and implement it in some of the poorest neighborhoods, and any local efforts to focus on organizing and political representation lost out to the heavy home-building strategies. While there are longstanding challenges to measuring place-based programs to understand their impacts, there is a general consensus in the city of Baltimore that both CCIs, represented most vividly by Sandtown-Winchester, and Empowerment Zones failed to dramatically turn around the neighborhoods in which they worked. One evaluation summed up some of the problems with the developing of community capacity through Empowerment Zones: they could have done better to

mobilize the community; identify, support and build community leadership; build the networks of linkages necessary to promote redevelopment; and address the history of failed redevelopment attempts in these communities (Brown et al. 2001). Furthermore, unemployment, vacant and abandoned properties, poverty and poor educational attainment remained high in the neighborhoods, and the goals of creating self-sustaining community development organizations, in the form of the aforementioned intermediaries and village centers, fell short as many did not last past the end of the federal funding.

Conclusions

The post-2000 landscape changed significantly but was very much influenced by the experiences of the 1990s. Through two mayoral administrations in Baltimore, the focus on tourism and downtown development came at the expense of neighborhood investment and, by the 1990s, neighborhoods suffered from unemployment and extreme poverty (Cohen, 1992; Friedman and Anderson, 2012). There were some efforts to coordinate community development to advocate for citywide change in the 1970s, but by the end of the 1980s, these umbrella groups had lost much of their organized support and were either dismantled or rendered unrecognizable by a shift in their priorities due to the split between organizing and development-based issues, decreased federal funding and organizational infighting (Stoker, 2011). The disappointment of the CCI in Sandtown-Winchester and the winding down of Empowerment Zones resulted in a serious reevaluation of the types of neighborhoods in which community development actors were willing to invest. While the federal funding in Empowerment Zones was substantial, it was apparent that it was a onetime infusion in an otherwise ever-decreasing funding environment, spurring the interest in other financial mechanisms to fund community

development. Enterprise was limiting their reach in Baltimore to smaller technical assistance projects. In the aftermath of these programs, community development actors were ripe for a new approach in terms of both funding sources and political context. Additionally, as the city attempted to recreate the approach that worked downtown in neighborhoods largely through new quasi-governmental organizations, the federal government developed a renewed emphasis on promoting homeownership, partially made possible by the increased availability of global capital. Thus, the city government, foundations and community development organizations turned to a market approach through homeownership to redevelop city neighborhoods.

Chapter 5: In the Middle: Data-Driven Strategies to Drive Development

“Increasing homeownership in Baltimore is key to the transformation of the city.”- Mayor’s Council of City Living, 2003, p.16

Introduction

Community development in Baltimore in the 1990s was defined by large-scale efforts to address the most impoverished neighborhoods through Empowerment Zones and Comprehensive Community Initiatives (CCIs). At the same time, some organizations worked block-by-block to revitalize neighborhoods by buying and rehabilitating homes to sell to low- and moderate-income homebuyers who previously would not have been able to make such an investment. Community development organizations and foundations, frustrated by years of limited success reviving the most poverty-stricken neighborhoods, saw an opportunity in the beginning of the 2000s, with rising home prices in certain areas, to build on the block-by-block redevelopment, specifically by attracting middle- and upper-income homebuyers. This aligned closely with the city’s new strategy, led by newly-elected Mayor Martin O’Malley, to attract middle- and upper-income residents to attract young professionals, whose interest in moving back to cities nationwide began to grow in the early 2000s, to purchase homes promote growth. In the 2000s, the city, well versed in operating in an entrepreneurial manner, turned from their downtown development focus to cultivate an investment atmosphere in neighborhoods they believed held market potential. As such, community development actors shifted from addressing neighborhoods through improving employment opportunities, education or building resident capacity to supporting a market environment in which “neighborhoods compete[d] with each other in a city or metro area for residents, businesses and

investment” (Brophy, forthcoming, p. 143). Homeownership became the primary means to support neighborhoods, and in this chapter I’ll explain why.

The shift from community development organizations aiming to address the city’s most impoverished neighborhoods to promoting homeownership to support development, occurred in the context of changing demographics in Baltimore and national economic trends that supported increasing homeownership, particularly among African-American and Hispanic buyers. In Baltimore, the goal of community development efforts undertaken by the city, community development organizations and foundations was not just to increase homeownership, but to use homeownership to attract middle- and upper income residents to the city. However, given their inability to support reinvestment in every neighborhood, city officials enlisted the help of The Reinvestment Fund (TRF), a Philadelphia-based community development financial organization that had met with success previously implementing a data-driven strategy in Philadelphia. TRF developed a similar strategy for Baltimore, using demographic, market and financial data to target six, and eventually eight, in-the-middle neighborhoods in which, TRF’s model argued, it made the most sense for the city to invest. Foundations, community development organizations and the city government signed on to this approach, resulting in the creation of the Healthy Neighborhoods Initiative (HNI), a public-private partnership that sought to attract middle- to upper-income residents to neighborhoods determined by TRF to have market potential. In this chapter, I explain why actors were so willing to sign on to the approach to target certain neighborhoods and how HNI’s creation and operation was the mechanism by which the strategy was implemented.

Despite the variety of organizations that coalesced around this approach, the operation of HNI and the data-driven decision making that targeted certain neighborhoods for investment, while leaving others out, did not want for controversy. While the data-driven strategy was meant to assuage the accusations of political posturing that characterized past community development efforts, the way it established which neighborhoods to target lacked transparency and limited alternative options for community development. Furthermore, the risk for neighborhood organizations and residents of tying their fortunes to the market was made acutely apparent when foreclosures increased in the middle of the decade, which I will discuss in greater detail in Chapter 6.

Homeownership Expansion as Community Development

Since the Great Depression, the federal government has been involved directly and indirectly in promoting homeownership in the United States, mainly for white suburban communities (Schwartz, 2010). As described in the third chapter, urban communities, and African Americans in particular, were adversely affected by many of the policies that supported homeownership in the suburbs (Landis and McClure, 2010; Sugrue, 2005; Squires and Hyra, 2010). African Americans consistently pay higher for substandard housing, have reduced access to market rate mortgages and are more likely to live in segregated communities (Massey and Denton, 1993). Thus, by the 2000s, a large gap existed between African-American and White homeownership, which was frequently conflated with a gap in African-American and White wealth as “homeownership is without question the single-most important means of accumulating assets” (Oliver and Shapiro, 1995, p. 8), which in turn can generate wealth for their

owners. As a result, African Americans as a group gained less wealth over time from increasing housing values because homeownership was significantly lower for them than it was for white homeowners due to years of lopsided housing practices in the prior decades.

Armed with this knowledge, and faced with a stark separation between homeownership rates among African Americans and Whites, policymakers nationwide came to view the act of bridging the homeownership gap between African Americans and Whites, as a significant federal priority. In the 2000s, there was a push to address the wealth gap separating African Americans from Whites in the U.S. by increasing the number of African–American homeowners.

In 2002, then President George W. Bush gave a speech to the St. Paul AME Church in Atlanta, GA, outlining his administration-wide priority to expand homeownership, particularly to minority households:

“Too many American families, too many minorities do not own a home. There is a homeownership gap in America. The difference between Anglo-American and African-American and Hispanic homeownership is too big. And we’ve got to focus the attention of this nation to address this. And it starts with setting a goal. And so by the year 2010, we must increase minority homeowners by at least 5.5 million. In order to close the homeownership gap, we’ve got to set a big goal for America, and focus our attention and resources on that goal.” (The White House Office of the Press Secretary, 2002)

But the homeownership-focused approach also fit in with the neoliberal doctrine of personal responsibility, using homeownership as a way to promote wealth and address economic issues without relying on social welfare supports or having to explicitly invest public dollars. The federal government used tax incentives and block grants since the 1980s to increase the supply of housing; for example the LIHTC to provide credits for multi-family affordable housing, HOME credits for moderate income home building and

CDBG for local governments to support home buying through mortgage assistance, to create an increased supply of more affordable homes. Community development organizations offered one way for low to moderate income residents to access the financing for homeownership. The federal government put enormous resources into promoting homeownership: federal tax breaks for housing totaled \$103.1 billion in 2000, including \$61.5 million in deductions on mortgage interest, an \$18.9 million deferral of capital gains on home sales and \$22.6 million on deductions on property tax payment (Stone, 2006).

Community development organizations became important mechanisms to support the homeownership policy-not only by linking potential buyers to mortgage financing, but by supporting economic development initiatives to improve the marketability of neighborhoods in order to attract and retain homeowners and as such, participated in “state-sponsored, low-cost mechanisms to provide service delivery to low-income neighborhoods and transforming areas through economic development” (Fraser and Kick, 2005, p. 30). Thus, most efforts to develop or redevelop neighborhoods only got off the ground, financially and ideologically, if they were designed to attract and retain middle- and upper-income homeowners.

Baltimore in 2000

Foundations, community development organizations and local governments across the country operated under this new political economic context. For Baltimore in 2000, there were three complementary factors that made it fertile soil in which a new, homeownership-focused approach to community development could take root throughout the city’s community development infrastructure: 1) community development actors’

frustration after the failures of past efforts to address the poorest neighborhoods; 2) the existence of some isolated pockets of stability alongside more popular neighborhoods; and 3) the city's community development organizations aging into a level of sophistication at the same time the U.S. economy was becoming increasingly financialized and lending-oriented. Similar efforts were taking place around the country.

Failures and Frustrations

In the 1990s Baltimore failed to keep up with cities across the country as some saw a rise in downtown populations and a resurgence in development for commercial, entertainment and residential uses (Brophy, 2012). Across the country, cities with over 100,000 people grew at a median rate of 8.7 percent, between 1990 and 2000, more than double the rate of the decade before. Yet Baltimore failed to achieve the kind of growth other cities had, and had the second-highest population loss among cities over 100,000, particularly among higher-income households. Citywide in 2000, the overall population in Baltimore was 651,154, down 11.5 percent from 736,014 in 1990. Furthermore, even after a decade of concerted efforts on the part of community development organizations, the results of their efforts on actually alleviating and addressing poverty were negligible. The lack of growth in neighborhoods, despite significant investment in CCIs and Empowerment Zones, frustrated community development organizations and city officials.

The largest investments were the largest failures, and located in the most devastated neighborhoods. For example, Sandtown-Winchester, which received millions of dollars of investment in the 1990s, still faced significant challenges in 2000 and looked much the same as it had before the institution of any of the aforementioned community development initiatives. While the city was 64 percent African American, 31.1 percent

white and 1.7 percent Hispanic, Sandtown-Winchester was 97.6 African American with less than one percent white or Hispanic. While median household income in the city was \$30,087, in Sandtown-Winchester it was \$18,924 with 37 percent of the neighborhood living below the poverty level (US Census, 2000). But Sandtown-Winchester was merely one example. By 2000, across the city, many inner-city neighborhoods struggled with low employment rates, high levels of poverty and limited job opportunities. The service industry represented the majority of all jobs in the city, generally held by low-wage, low-skilled individuals and often characterized by low pay, high turnover, irregular or part-time schedules, few benefits, job insecurity and little to no union representation (Cohen, 2001). Generally, in terms of poverty, income and demographics, Baltimore's most downtrodden areas in 2000 looked much the way they had in 1990.

Organizations were aware of this and, after a decade of limited, if any, successes, most became disillusioned with the model of community development that funneled resources to the areas of the city that were most in need. Put simply, community development organizations in Baltimore wanted out of the poverty business, after finding that it required great volumes of investment capital and institutional support, but yielded little in the way of positive outcomes.

Pockets of Stability and Opportunity

However dismal the large-scale and most-visible efforts of the 1990s were in Baltimore, a great deal of variability existed in the city's existing neighborhoods. For every Sandtown-Winchester and East Baltimore, there were as many neighborhoods that needed little intervention and had already begun attracting young people. It was these

neighborhoods on which the new mayor sought to build, along with others where relatively stable home prices could, hopefully, turn into growth.

O'Malley aimed to capitalize on increasing national interest among young professionals in moving to cities by building on the strength of Baltimore's existing institutions—Johns Hopkins University, the University of Maryland's Baltimore City campus, Morgan State University and others. O'Malley sought to “broaden community development goals to include retention and recruitment of middle-income homeowners, without abandoning the affordable housing strategy” (Brophy, 2003, p.9) but ultimately he primarily focused on the first goal of attracting middle-income homeowners. Baltimore hoped to attract these potential new higher-skilled residents with higher-income jobs and by increasing the number of science, technology, engineering and math positions to entice young college graduates. Furthermore, moving the Baltimore Orioles to Camden Yards downtown in 1992 led to the opening of several new hotels and convention centers, and the decision of several high profile financial companies, such as T.Rowe Price and Legg Mason, to locate their offices downtown added new feathers to Baltimore's cap, at least as far as drawing young professionals was concerned. This continued throughout O'Malley's administration, as the city continued to lure companies downtown to support new jobs for young college graduate professionals by way of using public financing for private development.

Canton, Fells Point and the Inner Harbor/Federal Hill are all downtown neighborhoods that experienced growth as popular destinations for young professionals. By 2000, these neighborhoods were considered market-ready and needed only small investments to remain competitive in the housing market. The median household income

citywide was \$30,078, well below the state median of \$52,868. However, the aforementioned neighborhoods varied in terms of race and ethnicity, as well as median income. Canton, Fells Point and the Inner Harbor/Federal Hill , neighborhoods that were close to downtown enjoyed considerable investment. The neighborhoods were majority white, with 88.9 percent, 76.7 percent and 81.5 percent, respectively. Fells Point experienced a higher Hispanic population than the other neighborhoods and the city average, with 16.5 percent Hispanic, while Canton had 3.9 percent and Federal Hill only 1.7 percent. They had above the city median income, with \$40,235, \$41,898 and \$51,615 respectively, making them ideal for hosting the young professionals that O'Malley sought to attract to the city, and primed for the kind of growth that had eluded the city's development efforts in the prior decade.

City officials and community development organizations even found bright spots in some neighborhoods by 2000. Even in the wake of the flipping scandals discussed in detail in chapter four, there were opportunities to be had in the weaker housing markets where there were some signs of stability. Belair-Edison and Patterson Park were examples of two in-the-middle neighborhoods in which the house prices were stable, if flat, but each possessed a footing for potential growth in home values, which the city's homeownership strategy sought to address. These two neighborhoods will be the primary focus of Chapter 6, but here they provide context for how community development actors viewed these "in the middle" neighborhoods in 2000: not quite the same as the guarantees of Canton, Fells Point or Federal Hill, but safer bets with greater chances of success than the next Sandtown-Winchester. At the time, Belair-Edison was 77 percent African-American and 19.6 White with less than 1 percent Hispanic, and Patterson Park was still

majority African-American with 50.9 percent African-American, a greater Hispanic population with 6.6 percent and 37 percent White. Median household income in Belair-Edison was slightly above the city median at \$36,512 while in Patterson Park, it was closer to the median at \$27,663, a distinction that became more relevant by the end of the decade (US Census, 2000).

Community Development Organizations' Access to Capital

Despite the relative disillusionment with the old model of community development in Baltimore, which made the city, organizations and foundations hungry for a new approach with the potential for more feasible, or more tangible measures of success, additional economic factors supported a shift in Baltimore's community development mode of operation.

In the early 2000s, given the failure of the income-restricted efforts that defined the prior decade, community development actors began to suggest that previously need-based methods of distributing government funds were outdated, arguing that they should be replaced with non-income restricted funds that were focused on building on assets, marketing and resident interaction, an approach that was embraced by city government and local foundations (Brophy, 2012). In an influential paper written for the Goldseker Foundation, David Boehlke (2004) argued that organizations needed to attract higher-income residents, and to do so, they needed to be able to reduce some of the income restrictions that were common in the Community Development Block Grant (CDBG) program, and other federal community development programs. Organizations argued that their attempts at purchasing homes were being outbid by private developers and that they needed a mechanism by which to compete with private actors to buy and rehabilitate

homes. This shift in approach aligned with the neoliberal shift at a federal level, and, more locally, with the city's priorities to draw young professionals to the area, but it also reflected the relative age and increased sophistication of Baltimore's community development actors, who by this point had the administrative knowledge, if not the capital, necessary to compete with the private sector.

By 2000, many of the city's most prominent community development organizations had existed for more than four decades, and, as their counterparts did in cities across the country, had fought since at least the 1970s to increase access to capital. A Living Cities report that describes community development in the early 2000s argues,

“Community organizations, foundations, local government agencies are becoming more sophisticated and business-like in their approaches, are increasingly concerned about investing strategically and assessing the impact of their interventions, similarly as businesses begin to realize untapped economic potential for unserved urban areas, increased demand for specialized analytics and products that are tailored to unique characteristics of urban markets” (Weissbourd et al. 2009, p.3).

In Baltimore, some organizations traced their heritage back to the highway fights that initially gave birth to Baltimore's community development history back in the 1950s and 1960s. Since then, these organizations had made connections, within city hall and within the circles of the city's prominent donors and prominent financial institutions, that made them extremely adept at accessing financing. Whereas in decades prior these organizations might not have even been able to get through the front door, by 2000, they had matured to a point where the burdens of accessing financing were more easily mitigated, and partnering with a lender, donor, foundation or financial institution was more common due to the community development organizations' increased level of sophistication and their increasingly business-like approach. This experience began to

bear fruit at the turn of the millennium, a time when, in the financial world, increased capital was available for urban neighborhoods, through direct investment as well as the loosening of mortgage lending for low and moderate income homebuyer. This came at a time when community development organizations were ready and sophisticated enough to acquire new financing for new projects.

A New Approach

While these factors made the national, local and community development contexts fertile soil for a new approach, in Baltimore, the election of Mayor O'Malley solidified the pieces. Schmoke's decision not to run for mayor in 1999 opened up a set of possibilities for the city. For the first time in 28 years an incumbent mayor was not running for reelection, and a sense of excitement was building around the possibilities of new leadership (Personal Interview). After his election in 2000, Mayor O'Malley created the Mayor's Council of City Living, led by the new housing commissioner Paul Graziano and consisting of representatives from foundations, financial institutions, private and non-profit development companies and the city and state offices of housing and community development. The Council identified a "loss of confidence in Baltimore as a place to invest" as the city's primary problem and suggested that any new approach to helping neighborhoods focus on housing market conditions rather than employment, education or building capacity (p.3). The Council was created to develop a new direction for the city's redevelopment efforts, which became the foundation for using homeownership as the primary means to support neighborhoods. The new model turned prior strategies "upside down" by focusing on neighborhoods that could support reinvestment rather than those that had the greatest need (Personal Interview).

In a 2003 report to the mayor, the council divided neighborhoods into four categories largely based on their housing market conditions: preservation, stabilization, reinvestment and redevelopment. While the draft of the 2003 report was never officially approved, it still drove much of the policy direction of O'Malley's terms, and its focus on market terminology was repeated throughout his tenure (Personal Interview).

Reinvestment neighborhoods became the primary focus of the new approach, characterized as having some level of housing market stability but remaining at risk of turning deeply distressed without some intervention. These neighborhoods became known as in-the-middle neighborhoods in which the hope was that with some public investment, home values could increase and stabilize neighborhoods, with the report arguing that it is “imperative that the city helps these neighborhoods in the middle to overcome emerging problems” (Mayor's Council of City Living, 2003, p. 47). The focus was on these neighborhoods instead of preservation and stabilization neighborhoods, which required minimal public investment into the housing market and possessed a well-maintained housing stock, high or nearly-high homeownership rates, low vacancy rates and generally low abandonment, because they would require the least amount of government intervention with the greatest returns. Shortly after the report was released, the city commissioned a planning effort that looked at an approach to retain and attract new middle- and upper-income homeowners to Baltimore, reduce the number and visual impact of vacant structures and lots and substantially raise housing values and expand the city's tax base (Mayor's Council of City Living, 2003).

The question of why the city went in this direction can be answered by examining the underlying assumptions of the approach which many cities followed in the wake of

the decline of federal funding and the need to attract capital to survive. As public investment was not enough to address the problems of urban neighborhoods, city officials needed to determine how to attract private capital. A second, but equally important, assumption was that data could be used to organize people around a consensus that accepted the first assumption. Both of these assumptions fell squarely in line with the neoliberal philosophy that urban governments had been rallying around for decades, making it a politically-viable option to those that fully embraced those ideals. Moreover, TRF, described in the next section, legitimized the city's efforts, given their work in other cities and their extensive ability to access financing. Excluding TRF, Baltimore's community development finance system was, and is, decentralized with few CDFIs and CDFI-like organizations. The city lacked a central player outside of city government with the capacity and the legitimacy necessary to develop and execute a broad community development agenda, or at least it did, until it hired TRF.

The Reinvestment Fund

Building off the Council's initial broad characterizations, the city planning department developed two additional efforts to develop a more specific typology to identify neighborhoods that may be supported by public investment in the housing market. In 2003 the city created a market typology using housing data and then turned to TRF, a Philadelphia-based community development financial institution, in 2005 to create a Market Valuation Analysis (MVA). Created in Philadelphia in 1985 as primarily a community development financial institution, TRF funded more than 2,000 urban revitalization projects across the east coast by 2007 (Barry, 2007). Equipped with substantial data from their development activities, TRF found itself in a position to

provide insight into understanding neighborhoods, and also to influence neighborhood redevelopment. Similar to the initial categorization, the MVA divided the city into areas that could support redevelopment and those that needed rehabilitation, with the primary focus on those neighborhoods in which it was possible to support housing development. The MVA is a more detailed analysis of neighborhood market conditions “based on a wider range of indicators [than the city typologies], including foreclosures and subsidized rental units as well as median sales prices and percentage of homeownership” in order to “offer snapshots of the city more detailed than the neighborhood level” (Siegel, 2005, para.11; Goldstein, 2011). The analysis was based on a cluster analysis of ten variables aggregated to the census-block group level including median and variability of housing sale prices; housing and land vacancy; mortgage foreclosures as a percent of units (or sales); owner occupancy rate; presence of commercial land uses; share of the rental stock that receives a subsidy; and density (See map). As Ira Goldstein, president of TRF, explained

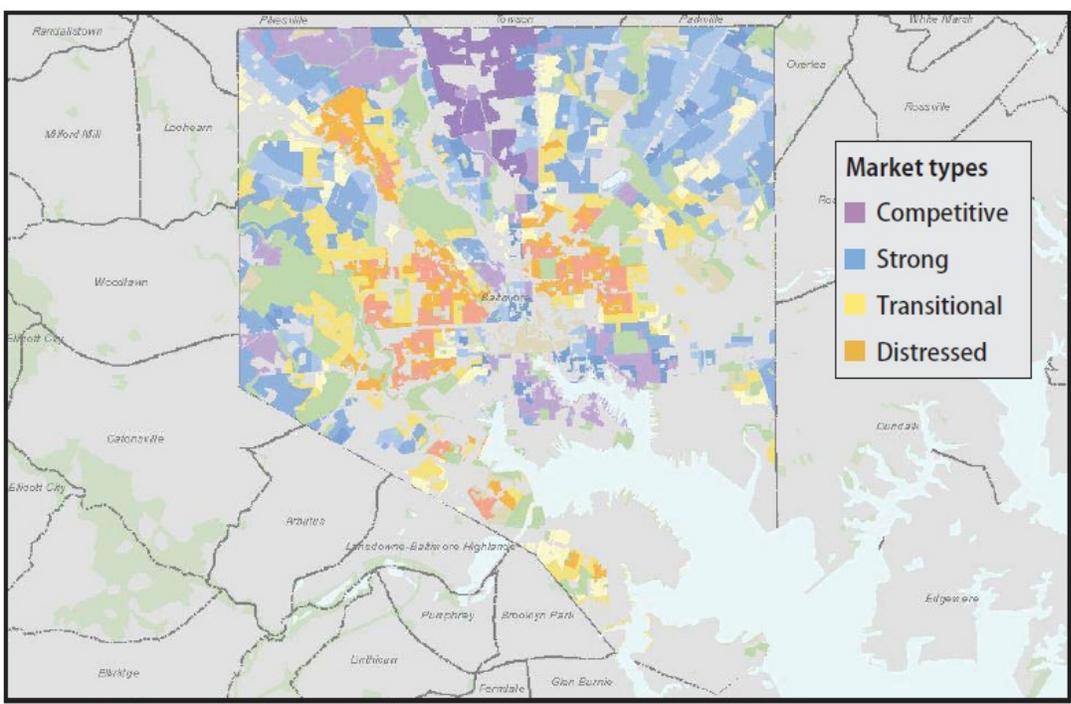
*“A cluster is a statistical procedure that creates homogeneous groupings of cases (i.e., block groups) each [of] which share a common constellation of characteristics. The groupings are generally designed to maximize the similarity of cases within groups and maximize the differences across groups. Indicators are put on the same scale, typically through a transformation (e.g., z-score). **The cluster analysis does not require an a priori decision about what level of any indicator is more or less desirable (e.g., owner occupancy is good and rental occupancy is bad).** It is the constellation of characteristics as revealed by the statistical analysis that helps to define the market categories” (Goldstein 2011, p.53, *Emphasis mine*).*

The analysis resulted in a typology of four neighborhoods that ranged from distressed to competitive (see map). Neighborhoods with healthy housing markets were identified as competitive and strong, while those with large areas of distress required large-scale interventions due to blight and vacancies. The “transitional markets,” those in

yellow, are considered the in-the-middle neighborhoods, and piqued the interest of actors implementing the new strategy, particularly if they were adjacent to more stable markets (Goldstein 2011). Baltimore used TRF's MVA in a variety of ways, including informing much of the master plan created in 2006, the first comprehensive master plan since 1971. The 2006 plan included numerous recommendations for the city's future to help to guide the targeted allocation of public resources (Barry, 2007). On the other hand, redevelopment neighborhoods, even with public investment, their housing markets were unlikely to rebound. Thus, officials determined that the primary strategy for those neighborhoods should rely heavily on demolition. A strategy that aimed to address some of the impoverished neighborhoods largely focused on demolishing abandoned buildings and priming vacant land for purchase through the city's Vacants to Value program. This program also used the targeting framework to identify 700 vacant properties located in the weak market areas, and sought to leverage additional resources behind the idea that large-scale demotion projects could entice private market forces.

Illustration 5.3 Baltimore's Market Value Analysis, 2008

Baltimore market value analysis, 2008



Baltimore MVA category characteristics, 2008

Market	Distribution summary			Analysis variables								
	Block groups	Housing units	% of city housing	Fore-closures 2006-07 as % of all owner-occupied units	Owner-occupied housing units, %	Vacant housing notices as % of all housing units	Vacant lots as % of all parcels	Occupied single-family units as % of all	Housing units per acre	Commercial land use area as % total block group area	Section 8 units 2008 as % of all rental units	Median 2006-07 sales price
A	12	7,071	2.40	0.87	67.42	0.01	0.00	98.65	6.22	2.05	4.10	\$615,915
B	63	33,584	11.41	1.98	51.21	0.92	0.04	93.90	19.43	0.36	1.56	\$293,598
C	30	16,261	5.52	3.37	45.19	2.45	0.48	91.93	17.19	18.77	2.22	\$244,309
D	117	51,865	17.61	4.50	58.60	1.69	0.46	93.91	11.31	0.00	8.51	\$161,447
E	72	37,488	12.73	4.33	54.30	1.68	0.25	93.57	10.86	4.71	7.55	\$153,311
F	59	24,700	8.39	5.45	50.09	5.72	0.75	87.54	14.63	18.79	16.37	\$97,409
G	118	45,714	15.53	5.75	51.93	6.09	1.01	87.63	15.52	0.07	17.37	\$80,315
H	89	29,374	9.98	6.53	34.84	24.01	5.24	66.85	15.91	8.50	11.07	\$40,409
I	85	25,786	8.76	6.72	33.40	27.28	4.91	63.18	18.56	0.00	10.30	\$36,119
Block group average				5.03	48.02	9.69	2.10	83.87	14.89	4.35	10.26	\$130,712

Source: The Reinvestment Fund: Reprinted in a publication of the Board of Governors of the Federal Reserve System, 2011

Data-Driven Decision Making

While TRF was using data to determine which neighborhoods in which to invest, Baltimore was already interested in growing trend to data driven decision making. Mayor O'Malley introduced the CitiStat program early in his administration to focus on addressing crime, an early indication of city leadership's preference for data-driven policymaking and resource allocation. CitiStat, based on CompStat in New York City, relied on a performance-based measurement system with weekly updates and accountability metrics and is widely credited with spreading data-driven performance metrics from crime into the delivery of other city services. While data-driven models like the ones used to create CitiStat and CompStat emerged in the 1990s, they became increasingly popular in the 2000s to address urban redevelopment, particularly through initiatives like the Urban Markets Initiative, National Neighborhood Indicators Partnership, Data Place and others (Living Cities). While they all differed slightly, the main idea of these initiatives was to collect and analyze neighborhood-level administrative data that may not have been previously available, such as births, deaths, crime, health status, educational performance, public assistance and property conditions. The proliferation of Geographic Information Systems (GIS) and the lowering costs of technology aided the analytical capabilities of officials relying on newly-available data (Pettit and Kingsley, 2011). In Baltimore, The Jacob France Institute was the local subsidiary of the National Neighborhood Indicators Partnership and gathered micro-level data for neighborhoods that helped to support some of the city's new initiatives.

TRF used something similar although it built more of an analytical model for a very particular purpose to help understand what was going on in neighborhoods, often in partnership with city officials. TRF's work in Baltimore mirrored triage efforts that urban areas such as Detroit, Baltimore and Cleveland used to direct resources as far back as the 1970s; while these efforts historically targeted "in-between" neighborhoods, much like TRF's more recent efforts did in Baltimore, they faced considerable political opposition due to the fact that the neighborhoods left out of the triage were largely minority and low-income, and that the approach represented the surrender of some neighborhoods in order to allow other neighborhoods to thrive (Thomson, 2008). Urban triage delineated neighborhoods based on housing conditions, dividing them into "healthy, very deteriorated and in-between, with the expenditure of the bulk of urban development funds in in-between neighborhoods" (Kleniewski, 1986, p. 564). City officials followed the federal government, concluding that certain neighborhoods that were too-far vacant or devastated should not be the target of funding and implying that in order for some neighborhoods to succeed, others would necessarily have to be deeply disinvested and, in some cases, abandoned (Kleniewski, 1986; Thomson, 2008). More recent urban triage efforts shifted from these early principles in favor of efforts that were locally-created, funded more by non-governmental organizations and foundations rather than the federal government, and focused less on decline and more on preserving and building upon salvageable neighborhoods. While early efforts were about focusing services, and current efforts were attempts to lure in investment, in many ways the outcome has been the same: some neighborhoods are able to access services while others are left behind.

Healthy Neighborhoods Initiative

The city government began to undertake a large-scale planning effort that divided neighborhoods into those that could be potentially addressed by the housing market and those that were largely out of the range of being in the general housing market. It was a new way of defining the issue of neighborhoods, and while some efforts touched the most impoverished neighborhoods, largely through demolishing vacant land or through isolated experiences, the next section will focus on the neighborhoods that were determined to be viable for the private housing market.

In 2005, to support this type of strategy, foundations and community development organizations developed the Healthy Neighborhoods Initiative (HNI) to invest in building home equity, improving physical conditions and strengthening neighborhood connections among residents. The genesis of the HNI was a program in Battle Creek, Michigan similarly titled in which the city, foundations, corporations and community development organizations determined several neighborhoods with good housing options in which actors could work to restore housing values (Boehlke, 2004). In Baltimore, after hearing of this plan, the Baltimore Community Foundation and the Citizens Planning and Housing Association began conversations to determine if something of this nature could occur in Baltimore. Working with the Goldseker Foundation as an early ally, the group began to pool funds to develop a similar program in Baltimore. Timothy Armbruster, then-president of Goldseker, was formerly the head of the Cleveland Foundation, a prominent community foundation in Cleveland that acts as a conduit of community development funds and ideas throughout the city (Mirabella, 2012). The foundation of HNI was an attempt to create a more coordinated entity that

could shape Baltimore's community development system – something that many actors had said was lacking in Baltimore since the early umbrella efforts stalled 20 years prior. The first round of financing consisted of \$5.45 million in low-interest loans from 10 area banks, loan guarantees by the Maryland State Housing Fund for up to 10 percent of losses for up to 10 years, \$3 million from the city and about \$300,000 from foundations including Goldseker and Abell.

Eighteen neighborhood groups initially applied to be part of HNI; the City Department of Housing and Community Development selected 10 to recommend to Mayor O'Malley who chose six initial in-the-middle neighborhoods (Boehlke, 2004).

“Organizations in HNI neighborhoods accessed:

- *A pool of \$4 million in second mortgage financing for 15-20 years to be used for home improvements by existing owner occupants or for renovations as part of a purchase by a new owner occupant.*
 - *Self-help neighborhood project support of \$3000 per neighborhood per year. Additionally neighborhoods could apply for funds up to \$25,000 per neighborhood to be awarded by the Baltimore Community Foundation.*
 - *First mortgage commitments by participating lending institutions for loans.*
 - *Operating support between \$25,000 and \$50,000 for selected organizations in target neighborhoods.*
 - *Technical assistance from a variety of nonprofit and city partners to assist neighborhoods in marketing, design, planning, using data and indicators. Partners included the Neighborhood Design Center, Live Baltimore Home Center, City of Baltimore and Baltimore Neighborhood Indicators Alliance.”*
- (The Baltimore Neighborhood Indicators Alliance, 2004; p 3.)*

HNI became a program that operated outside of city hall, with a board made up of foundations, real estate interests and bankers, but operated with the city's support (Brophy, forthcoming). HNI was a single purpose non-profit organization created solely to carry out the new strategy with the support of the city. While quasi-organizations of the past were largely created from city officials looking to create organizations to carry

our their strategy, in this case, foundations and community development organizations went to the city with their ideas and not the other way around. Representatives said, “while there is a housing commissioner on the [HNI] board, and [the] mayor is a friend, they [the city] have no idea what we do. They are not a part of formal programs as they could be. They operate with the city on their terms, [and we’re a] city partner when we want to be.” HNI was still looking to keep with the market-driven strategy by trying to recapitalize the loan pool and focus on the market value of neighborhoods. Under this approach, community development organizations became partners with the city to access some of the HNI funding, changing their relationships with the city and with the community; “We don’t care to fight with city hall, instead we focus on positive things like money for street fairs and festivals, not for negative actions. We find it very useful because government is a financial or strategic partner. They have their priorities they are willing to help on, and what they aren’t willing to help on” (Personal Interview). In essence, the HNI became the primary way by which Baltimore instituted its new approach to community development, which focused on in-the-middle neighborhoods, data-driven decision making and market support as the keys to successful redevelopment.

While the strategy focused primarily on the middle-income neighborhoods, and while HNI was the primary vehicle through which this portion of the data-driven TRF-influenced strategy was implemented, TRF also undertook efforts in the more distressed neighborhoods, particularly when they could find a strong community partner, as they did in the Oliver neighborhood. TRF worked with BUILD, the group that had operating in primarily African American neighborhoods for decades, and that had built up trust with the community. The condition of Oliver as a neighborhood in the shadow of the Johns

Hopkins Medical Campus in east Baltimore before TRF's arrival is perhaps most acutely illustrated by a 2002 killing in which gangs' doused gasoline and set ablaze the house of BUILD member Angela Dawson, killing her, her husband and five of their children. Dawson and her BUILD colleagues were, at the time, working to stop the drug trade, and her murder was largely believed to be an act of witness intimidation (Duncan, 2012). The killing was a pivotal moment in the Oliver community, which had long been plagued by violence, crime and vacancy, striking a chord and spurring a significant city and civic effort geared toward addressing the community that also drew the attention and resources of TRF. TRF created a reinvestment plan to build several hundred homes suitable for middle-income homeownership, but faced significant resistance from residents about building a community center close to Johns Hopkins, an institution in which they had little trust. After enlisting in BUILD to build a rapport with residents, and using their data-driven methods to highlight the market benefits to building close to Johns Hopkins, the residents acquiesced, but not without some residents angered by the process (Personal Interview). Once the original community center was built, TRF turned to housing. Due to housing market conditions TRF ended up building far fewer than they had originally proposed, and the majority of the properties were rented because the change in market conditions largely due to the foreclosure crisis limited the ability to sell. While this effort in Oliver was built on unique circumstances and diverged from the organization and city's overall focus on in-the-middle neighborhoods, TRF's activities still relied on data to drive their investments and the organization explicitly relied on data to build consensus among Oliver's residents. While Oliver was not an in-the-middle neighborhood as defined by TRF's original typology, TRF's efforts there attempted to show the value of

data-driven strategies in all types of neighborhoods, even if the city only focused on those that were previously determined to be in better, more investment-friendly condition than Oliver. As the aim was to grow the economy and high-end jobs, transforming Oliver, the neighborhood next to one of the city's biggest economic actors, fit into that portion of the overall strategy.

Consensus-Building

Data-driven decision making appealed to community development actors because it allowed them to build consensus rather than rely on political alliances and institutional power to justify where city officials invest resources. Peter Auchincloss, chair of the Baltimore's Planning Commission said "What we want to do is develop a useful working document that transcends politics" (Siegel, 2005, para.13). City officials, TRF and foundations turned to data-driven decision making largely to turn a corner from the political decision making that defined the Schموke Administration, with the president of TRF explaining, "the (cluster) analysis ...gives us the ability to base decisions more on facts than on political whim or which community leaders are savvy" (Siegel, 2005, p.1).

Data was both a cause and symptom of a broader movement toward consensus building in community development as well as a larger turn to depoliticizing decision making in cities. As a rationale for decision making by creating a clear picture of return on investment for the city, it allowed development efforts to circumvent the active protest that defined early community days, as well as the more sporadic, but still powerful, community protests of the recent past. Data-driven decision making didn't so much drive the investment, but it made it more difficult to argue why the decisions were made. Data

further mitigate the split that previously existed between people wanting active protest and others wanting economic or housing development.

The turn has been described by DeFilippis (2008) as neo-liberal communitarianism which can be defined as “unambiguously market-based in its larger goals and programmatic details” and by “the promotion of non-confrontational forms of engagement and organizing” (p 33 and 35). In addition to these shifts and the possibilities presented to development organizations by using data to back up their efforts, the government supported this form of community development as well because it freed them from being connected to any political movement and moved them to temper the “21st-century capitalism’s deeply antagonistic social relations” (MacLeod, 2011, p. 2632). On the other hand, the turn to consensus assumed that there were no power differentials in society, and that conflicts could be worked out systematically. Baltimore’s approach, described in more detail below, was characteristic of this model, emphasizing the extinguishment of conflict as well as embracing the use of the market to address neighborhoods.

As such, there are few examples of community resistance over the direction of the community development approach after the initial creation of HNI which was founded to institute the city’s new data- and market-driven community development approach and had a great deal of buy-in citywide by Baltimore’s community development infrastructure. Two thirds of its initial \$3 million budget came from a \$5-million pot of HUD money that had originally been geared toward helping primarily African-American victims of housing scams in poor neighborhoods described in previous chapters; activists argued whether or not the HNI’s activities fell into the category of the type of predatory

behavior the federal money had been appropriated to address (City Paper, 2000, para.2). Representatives of the Association of Community Organizations for Reform Now (ACORN) criticized the plan, saying the money should be spent in poor black neighborhoods that really needed help, and activists “questioned the O'Malley administration's commitment to poorer neighborhoods” with a city official firing back by “accusing them of trying to torpedo HNI” (City Paper, 2000, para.1). The city government defended itself, saying that "flipping" plagued two of the initial HNI neighborhoods (Patterson Park and Belair-Edison) which justified the use of a portion of the HUD funds specifically earmarked to address housing scams to support them. ACORN, however, argued that predatory lending, rather than "flipping," was the primary target of the HUD funds, and therefore the entirety of the money should be used to address neighborhoods ravaged by predatory lending behavior. An ACORN organizer maintained that the federal money was intended to strictly attack the mortgage issue, rather than to bolster semi-frayed communities block-by-block. "It's all about whether resources go to richer neighborhoods or poorer neighborhoods, and the question is, can you do both?" Klein said. "If you added up all the tax breaks that go downtown and the chump change in this little squabble, I don't think there's any question about who gets the most attention. The city needs to learn how to listen to a community group that represents poor people" (City Paper, 2000, para. 9). Despite the protests, initial opponents of the HNI came to support the program.

While data-driven targeting offered rationality to decision making, it also put the decision-making process beyond the reach of most residents, and despite some efforts on the part of TRF to engage "civically-minded Baltimoreans," the proprietary nature of the

data upon which they relied made it nearly impossible for residents to effectively determine how and what planning efforts would take place in their neighborhoods (Goldstein, 2013). One resident, whose house was considered in a “distressed” neighborhood while one across the street was considered “stable,” recognized the challenges of a plan that is implemented with little community input. She wondered if this could potentially split neighborhoods that had previously worked together, arguing that “number-crunching done out of state and filtered through perceived market fluctuations may cause a shift in planning that leaves neighborhoods and their residents out of the decision-making process” (Barry, 2007). As opposed to the east side experience in the 1990s, where community protest against the top down nature of the governance of Empowerment Zones led to a change in leadership and an increased commitment to participation, it is difficult to find any examples of community influence over the direction of the policy or the ways in which neighborhoods were identified on the maps, highlighting one of the problems with consensus-based planning: that it limits residential involvement, and could potentially serve the already advantaged (Fraser and Kick, 2005). The use of these measures and objective facts and data implicitly excluded communities from the process by making it more complicated to argue against the approach, and in effect excluded them by moving the decision-making process to a private organization.

Alternative Approaches

There were some grassroots attempts at participatory governance taking the form of the Neighborhood Congress, a citizen group active in the Mayoral campaign leading up to O’Malley’s victory in 1999. While they were successful in organizing residents

around their common needs, a lack of a concrete plan as to what to do after the agenda was created, internal shifts in leadership and the shift in foundations' priorities that led them to stop funding organizers ultimately stopped the Neighborhood Congress short of implementing their newfound agenda. Nonetheless, their efforts represented an attempt by activists to work with community residents to create a common agenda and simultaneously attempt to directly influence the policy agenda leading up to and during the mayoral transition period. The campaign aimed to build off a "newly-charged activism" as community organizers put together a series of forums to develop a neighborhood agenda of priorities that mattered to community residents and organizations (Stiehm and Shields, 1999, para.3). These priorities that came out of the forums were later to be voted on and presented to the new mayor, and efforts revolved around daily issues in neighborhood life, including safety and crime prevention, transparency in city business, and drug addiction. A significant voter registration effort accompanied these attempts to drum up resident involvement and coincided with efforts to promote a citizen action campaign and urge city officials to develop a neighborhood agenda. In the early period after O'Malley was elected, however, the Neighborhood Congress faltered, and never fully realized the potential they had hoped for leading up to the election, and the city ultimately abandoned the concept of endorsing a neighborhood- or citizen-led agenda in its decision to adopt a data-driven methodology to determine resource allocation.

Nonetheless, while community development organizations are used to straddling many roles, in this shift, they came to act primarily as private developers, with a profit interest and a change in outlook that affected the city itself. Community development

organizations that had historically been working outside the traditional market to support homeownership, under the assumption that gaps in the market meant that people were underserved, were now, thanks to the city's new market-driven approach, competing directly with for-profit developers, and straddling the goals of serving the moderate-income population and the goal of increasing homeownership overall. While this represented a major shift in the city's approach to community development, arriving after years of unsuccessful and disappointing attempts by community development actors to have a real positive impact on neighborhoods through a multitude of programs, its implications for residents differed geographically and racially, limiting the ability of residents to have a say in what happened in their neighborhoods and tying the fortunes of the city and various community development organizations to the market.

Potential Risk

The shift to homeownership came with significant risk to organizations that facilitated lending and homeowners who often unwittingly took out loans with problematic terms. While many community development organizations had strict requirements on the loans they facilitated, and offered homeowner counseling, the private market for mortgage lending was expanding in the 2000s, and expanded access for low to moderate income borrowers. Many of the homeowners in the neighborhoods that participated in HNI received subprime loans or other loans with terms that made them unsustainable, a larger problem that stemmed back to the 1990s. While capital rapidly became more available across all areas of the financial system, the housing market was perhaps the most extreme example of the changes in the economy. Traditionally, banks lent to potential homebuyers and kept loans on their books, thereby creating an incentive

for banks to lend to well qualified borrowers, and importantly, to work with homeowners who may have gotten into trouble paying their loans (Immergluck, 2010; Engle & McCoy, 2002). But securitization, a process that helped insulate lenders from the risk of a transaction, by bundling and selling of mortgages to outside investors, which by the middle of the 2000s became the main method of home financing nationwide (Krippner, 2011). In the period of 2002-2006, the innovation of securitization played a large role in funding the mortgage market, including the proliferation of subprime loans. Subprime mortgages differ from traditional mortgages. Not only do they contain higher interest rates, subprime mortgages are more likely to contain a prepayment penalty, have teaser rates that skyrocket after an introductory low rate, contain a balloon payment and not require documentation of income (Gramlich, 2006; Carr, 2007). The ability for mortgages to be repackaged to be sold on the securities market allowed for unprecedented amount of capital available to be resold into new loans. It also created a niche market for mortgage brokers, who worked neither for the lender or the borrower, and instead made a commission on each loan. Many times brokers were members of the community, friends or relatives of homeowners, and were quickly trained (Ross & Squires, 2011). In this environment, lenders gave out riskier loans with low teaser rates some of which included riskier terms like prepayment penalties, high balloon payments and no-down-payment clauses, among others (Stone, 2006; Immergluck, 2011). While, to some extent, President Bush's goals of increasing homeownership were met even in the face of early foreclosures, the sharp decline of homeownership in just a few years underscores how unsustainable those gains really were.

Across the country, and in Baltimore, the rise of foreclosures starting in the mid-2000s threatened neighborhoods as home values fell, leaving hundreds with underwater mortgages, poor loan products left people unable to meet terms and deterioration in the housing market spilled over into the broader economy contributing to the greatest recession since the Great Depression (Carr, 2007; Immergluck, 2008). While foreclosures eventually threatened the global economy, throughout the 2000s, the problem disproportionately involved subprime loans, and non-bank loan originators and concurrently, more likely to be seen in African American neighborhoods as African Americans were three times more likely than whites to receive a subprime loan, and four times more likely to refinance from a subprime lender (US Department of Housing and Urban Development, 2008). A 2008 report commissioned by the Baltimore Homeownership Preservation Coalition found that Baltimore City foreclosures were more likely found in areas with higher percentages of African-American residents; that more loans in foreclosure were obtained for home purchases rather than refinances; that homeowners in foreclosure likely bought their homes with very little equity, leaving them susceptible to foreclosure from even minor economic shocks; and that the loan pool in foreclosure was disproportionately subprime (The Reinvestment Fund, 2008).

In 2007, the same year in which he was promoted from Baltimore Mayor to Maryland Governor, Martin O'Malley responded to rising default and foreclosure rates by establishing a Homeownership Preservation Task Force charged with developing an action plan "to address escalating foreclosure rates and identify effective ways to preserve homeownership for Marylanders" (p. 3). But by then it was largely too late for many homeowners. The foreclosure crisis has roots that go far beyond the turn to

homeownership, and eventually moved to impact the entire financial system. However, the focus on homeownership during this period is not a coincidence, and would eventually prove to be a risky strategy, for lenders, the city, its community development system and one-time homeowners nationwide. When the market collapsed during the foreclosure crisis in the middle of the decade, many of the same community development organizations that found success in accessing financing from lenders were rendered insolvent by the increased cost of the previously easy money they had acquired, and the decreased value of the homes they had purchased and rehabilitated. Nonetheless, in the early 2000s, the city's hunger for a new approach, and the desire to support homeownership, trumped any future risk.

Conclusions

Homeownership was not new territory for community development organizations as they had been buying and rehabbing homes since the 1980s. But what did change was the way in which organizations were doing it-- by accessing private financing and acting far more entrepreneurial than previous efforts and for whom they were doing it --for middle- and upper-income individuals rather than low- and moderate-income individuals. That the city, TRF, foundations and community development organizations coalesced around the approach did not mean it looked the same across the city, as the next chapter will outline how two very different approaches led to different outcomes for organizations and the neighborhoods.

Chapter 6: On the Ground: How Targeting Worked in Two Neighborhoods

Introduction

While many community development organizations signed on to the idea of attracting middle-and upper-income residents through homeownership, organizations differed in their implementation of the approach. Cities across the country were increasingly supporting reinvestment due to a broad consensus to disperse poverty and support mixed-income neighborhoods, support homeownership as a way to build assets for low-income individuals and rely on the private market rather than state resources (Newman and Ashton, 2004). Still, in Baltimore, organizations with experience in the housing arena had a significant advantage over those that had previously focused on service delivery issues and had limited access to financial capital. As such, some became more intimately involved in bringing urban development strategies to neighborhoods, while others, that in prior decades focused on services and primarily represented neighborhoods with more stagnant housing prices relied on the Healthy Neighborhoods Initiative (HNI) as a conduit to financial institutions for access to financing (Personal Interview). Regardless of organizational ability, the foreclosure crisis in the mid-2000s hit Baltimore hard, limiting the ability of the data-driven program while calling into question the sustainability of homeownership as a community development strategy.

This chapter looks at how the community development approach that used the promise of homeownership to attract moderate- and upper-income residents played out in two different neighborhoods. As discussed in the previous chapter, community development organizations moved away from building or renovating housing for the poor

for several reasons: federal resources continued to dwindle, organizations were frustrated with large-scale failures and community development actors shifted to support the idea that neighborhoods could be improved by increasing the number of higher-income households. In 2001, these factors contributed to the formation of HNI, which became the primary instrument used by the city and other community development actors to collaboratively implement their new middle- and upper-income, homeownership-focused strategy. It created a pool of money available for HNI-designated neighborhoods to attract new residents through primary and secondary mortgage financing, and to build on their existing assets by making improvements to existing structures and community areas. Neighborhoods competed for HNI designations, through their respective community development organizations, but only neighborhoods that TRF's typologies had identified as in-the-middle were eligible to participate. HNI initially designated six neighborhoods, each of which possessed its own degree of community development and housing acumen, as well as their own reasons for wanting what HNI had to offer. For Patterson Park, represented in the HNI process by the Patterson Park Community Development Corporation (PPCDC), the neighborhood and the PPCDC were already capitalizing on rising home prices in the 2000s, and were able to use their knowledge of home buying and existing relationships with financial institutions and city leaders to attract new potential middle- and upper-income residents, many of whom who were being priced out of neighboring areas such as Canton and Fells Point. The HNI money, for PPCDC, was merely a way to augment the organization's already sophisticated housing-oriented community development operation. For Belair-Edison Neighborhoods, Inc. (BENI), at the time of their HNI designation there was little in the way of higher home values and

BENI lacked the financial and city connections that aided PPCDC, making the existence of the HNI and BENI's participation therein more vital to the neighborhood's ability to implement the new homeownership strategy. Regardless of the strategy or the reasons for their participation in the HNI, both organizations struggled during the mid-2000s. PPCDC declared bankruptcy in 2009, citing issues of overleveraging leading up to the foreclosure crisis. BENI struggled to recapture short-lived gains in housing appreciation in the wake of its HNI designation and as federal funding for foreclosures dries up. In both cases, the foreclosure crisis greatly impacted these organizations and highlighted the risks of linking community development activity to the housing market, but their experiences illustrate the different ways in which community development actors implemented the city's new strategy of attracting middle- and upper-income residents through homeownership.

Neighborhood Context

The differing experiences of Patterson Park Community Development Corporation (PPCDC) and Belair-Edison Neighborhoods, Inc. (BENI) offer lessons about the role community development organizations played in the shift from assisting low-income individuals to courting middle- and upper-income residents back to the city, as well as unique but complementary examples of how the foreclosure crisis affected these neighborhoods, their residents and their respective community development organizations. The organizations are located in comparable neighborhoods that began the decade with similar population and demographic characteristics, in addition to their own functioning community development organizations (see Table 1). Both are located on the east side of the city, and both were initial beneficiaries of the HNI program, but neither

was part of major initiatives like Empowerment Zones in the 1990s. Both neighborhoods were also victims of the home-flipping scandals described in chapter 4, where mortgage brokers, lenders and investors quickly purchased homes, made superficial improvements to them or fraudulently misrepresented their value and resold the homes at hugely inflated prices leaving residents, largely first time home-buyers, saddled with homes that were worth much less than they paid for it, and generally in terrible condition (Hopkins, 2005; O'Donnell, 2000).

In the mid-2000s, both neighborhoods experienced high numbers of foreclosure filings.¹ Baltimore was in the midst of a housing boom in the early 2000s, with median sales prices rising by 85 percent (adjusted for inflation) from \$60,000 in 2000 to \$150,000 in 2009. But starting in 2007, sales declined, the number of days a house stayed on the market increased and foreclosures began to rise. From 2000 to 2008 there were more than 33,000 foreclosure filings in the city and the number of foreclosure-related events in Baltimore increased fivefold from 2006-2007 alone (Maryland Department of Housing and Community Development, October 2007). By 2009, Patterson Park, and Belair-Edison were among the neighborhoods with the highest percentage of homes receiving foreclosure filings, seriously threatening the stability of the neighborhoods (Baltimore Neighborhood Indicators Alliance).

¹ Measuring foreclosures is difficult as there are many different stages of foreclosure, including notices of default, foreclosure sales, and lender purchases of foreclosed properties. A borrower may refinance or sell their property once they receive a notice of default. Further, Maryland processes foreclosures through the judicial process which can mean properties that remain in the court system for months. For consistency sake, I used the Baltimore Neighborhood Indicator's definition of foreclosure files which states the following The percentage of properties where the lending company or loan servicer has filed a foreclosure proceeding with the Baltimore City Circuit Court out of all residential properties within an area. This is not a measure of actual foreclosures since not every property that receives a filing results in a property dispossession

Patterson Park Community Development Corporation

The neighborhood of Patterson Park surrounds a 137-acre park north of fast-growing Canton in East Baltimore. Located about two miles from downtown, the neighborhood is adjacent to McElderry Park, Butchers Hill, Fells Point and Highlandtown (see map 1), and is home to where “Matilda’s Army” decades earlier had worked to create Neighborhood Housing Services (NHS) in the 1970s (Braswell 1993; Bishop 2007). In the beginning of the decade, Patterson Park, made up of about 15,000 total residents was 50.9 percent African-American, 6.6 percent Hispanic and 37 percent white, compared to the city which was 64 percent African-American, 1.7 percent Hispanic and 31.1 percent white (Baltimore Neighborhood Indicators Alliance – Jacob France Institute, 2014). The median income was \$27,663, significantly lower than the city median household income of \$30,078 and well below the state median of \$52,868.

Patterson Park’s demographic characteristics were also impacted by the rise of the federally-subsidized Section 8 housing vouchers in the 1980s, which continued to pay absentee landlords who did not maintain their properties as well as the demolition of high-rise public housing projects in the 1990s, which scattered low-income residents in need of affordable places to live into the adjacent neighborhoods (Sullivan, 2005). Many residents of the high rises relocated to Patterson Park, where landlords were able to buy properties cheaply and turn them into rentals, eventually repeating the playbook of absentee landlords who exploited Section 8’s guaranteed rent while leaving the properties to deteriorate, and creating a contagion effect that kept housing prices low in the area. Patterson Park also began the 2000s with a high foreclosure rate, largely due to the flipping scandals of the 1990s, but this rate had declined by 2005 only to climb back up

to 4.79 percent by 2009 (Baltimore Neighborhood Indicators Alliance-Jacob France Institute 2012).

In 1996, Ed Rutkowski founded the Patterson Park Community Development Corporation (PPCDC) with a budget of \$300,000, hoping to buy homes that had been left vacant and abandoned in the neighborhood (Sullivan, 2005). PPCDC eventually grew its operations over the course of the next decade, employing as many as 25 individuals before declaring bankruptcy and closing its doors in 2009 (Sullivan, 2005). In its first year, the organization bought about 10 houses, but over the years, the organization invested millions in the neighborhood, eventually buying more than 500 properties, rehabbing vacant houses and developing more than 170 rental homes (Sullivan, 2005). Some of the homes were rehabilitated and sold, others were managed by the organization as rental property, others remained vacant, and, in some areas, the homes were bought in groups on the same block by the organization in an attempt to stabilize the neighborhood (Sullivan, 2005). With early support from the Abell Foundation, which guaranteed a portion of private bank loans for acquisition and renovation, as well as to sell the homes it initially funded the purchase of, PPCDC began to implement a two-pronged approach: increasing neighborhood safety, and raising homeownership rates to attract higher-income residents.

From the beginning the strategy to target middle- and upper-income residents was explicit, with a former executive director saying Rutkowski said “the only people eager to buy in the beginning were poor blacks” but that he “felt that a neighborhood could not be rebuilt if it didn’t attract a wider array of buyers and [that] a neighborhood needed to balance itself out, racially and economically, to become viable” (Sullivan, 2005. Para.27).

By the mid 2000s, PPCDC had grown confident from their initial purchases and began an aggressive strategy to buy and rehabilitate homes block-by-block, and market them to middle- and upper-income professionals. As interest rates dropped and financing became more available, they were able to sell these homes more quickly and at greater prices.

PPCDC worked with a variety of partners and developed relationships over time, particularly with financial institutions that were willing to work with community groups like theirs. The PPCDC leadership worked closely with the city housing commissioner at the time, Dan Henson, to make funds available that were not restricted by income (Personal Interview), collaborated with the politically-savvy Friends of Patterson Park organization and had an advocate in Senator Mikulski who was personally invested in restoring the park and worked with the state leadership (Personal Interview). Friends of Patterson Park was more than just a citizen effort to clean up the park; it was a foundation-sponsored entity that raised significant funds with the help of financial and business support in the neighborhood. Friends of Patterson Park handled many of the marketing and social-support aspects of the HNI program, such as neighborhood cleanups, free youth and family programs and park improvements, which freed the time and resources PPCDC could use to focus on buying and selling homes.

As PPCDC focused its efforts on building on areas immediately adjacent to the park, it began to function more like a private developer by not relying less and less on government funding which required certain income restrictions for those who participated. This gave it a great deal of investment freedom, but also placed the abundance of the financial risk on the organization, a shift that would eventually be PPCDC's undoing.

Besides the initial startup funding, the Abell Foundation also provided funding for incentives for people to purchase homes in the neighborhood, including grants for nine years of Catholic school tuition and a guarantee of payment of losses due to declining property values for owner occupants living in their house for five years or more (Oakes, 1998). Between these incentives and the wages of its own home-buying and selling operations, PPCDC relied less and less on direct public, which is to say government, support over time. In 2004, out of a \$9.7 million budget, just over \$500,000 came in the form of direct public support, shrinking to just over \$200,000 in 2005. In 2006, PPCDC accepted an increased \$847,419 in public support, but ended that year with a \$1.5 million deficit. Nonetheless, at the height of the organization's existence, all of its income came from donations and revenues generated through its programs and services. "It ascended over time to become the area's "quiet power player," owning millions of dollars' worth of properties before eventually suffering from declines in home prices that created a seemingly insurmountable budget deficit" (Sullivan, 2005, para.11). While PPCDC found relief in the increased freedom that came with "the-no-strings-attached" revenue, as opposed to the strict income requirements of government funding and the benchmarks of foundation funding, these latter mechanisms would've also provided a safety net for the organization when the housing market could, and did, soften (Sullivan, 2005). This type of risky, leveraged, financial structure was relatively unique to PPCDC, at least in East Baltimore. For example, another organization that did similar rehabilitation efforts in the area, the Southeast Community Organization (SECO), estimated their income stream was about half direct public (government) support, one quarter corporate funding and one quarter foundation support, whereas the PPCDC relied primarily on the revenue of its real

estate dealings. PPCDC was "in essence, acting as a private developer," SECO president Chris Ryer said. "I think that their motives were pure, but their income stream, I would guess, was unbalanced from a CDC perspective. Ed was really riding that market wave, and it crashed" (Sullivan, 2009, para. 17).

Before its downfall, by 2005, PPCDC was selling homes for \$419,000 and \$439,000 with high-end, modern amenities. According to a report in *The Baltimore Sun* about one of PPCDC's newest developments at the time:

"They are calling the newest houses that the organization is working on the 'Palaces on Port Street.' North Port Street, a narrow alley street that was once lined with ragtag two-story rowhouses, is being remodeled by the organization into a series of "doublewides"—that is, two side-by-side rowhouses turned into one extra-large unit. Each 2,000-square-foot home is architect-designed and features high-end stainless-steel appliances, granite or Corian countertops, new hardwood floors, whirlpool baths, patios and privacy fencing" (Sullivan, 2005, para.39).

In the same article, PPCDC's then-marketing director noted that in many ways, PPCDC at this time did less gutting and rehabbing and focused more heavily on marketing; as they developed their properties to match the standards of taste and quality of other commercially-developed properties, they began to compete with them by marketing to the same potential customers as well.

Patterson Park was one of the most successful neighborhoods in the HNI program, as measured by a 2003 evaluation of the program that relied on such indicators of success as residential rehab investment, number of homes sold, days on the market, median sales price and percentage of homes that are vacant and abandoned (Baltimore Neighborhoods Indicators Alliance, 2004). They measured PPCDC as among the highest in the program on most of those indicators, with median sale price jumping from \$43,750 in 2001 to \$127,500 just two years later. Furthermore, the report found that residential

rehab investment activity soared with 3.8 percent of residential properties with significant rehab investment activity in 2001 jumping to 9.7 percent in 2003. By many accounts, the program achieved many of its goals. Through relationships with financial institutions and the city, PPCDC grew their operating budget to over \$18 million, selling homes for more than \$400,000 at the height of the housing boom. Median sales prices peaked in 2006 at \$209,900 but declined to \$159,900 by 2009.

Displacement

While PPCDC focused on areas near the park, some residents who were renting there were priced out, and areas outside of their focus area continued to suffer. Rutkowski's philosophy, and thereby PPCDC's, was that "people just wouldn't move in if they thought the neighborhood was poor and black" (Sullivan 2009, para. 27) As far as PPCDC's redevelopment activity was concerned, "the upside was that a new kind of buyer—white, upwardly mobile—was beginning to move into the area; the downside was that some of the neighborhood's older families, many of them black and of modest income, were bought out" (Sullivan, 2009, para.29).

On the one hand, displacement and gentrification felt so far in the distance when PPCDC's work began that in his book, *The Urban Transition Zone*, which largely guided the theory behind PPCDC's approach, Rutkowski argued, "the truth is that we do not have an answer to the general theoretical problem of gentrification that causes displacement of the poor. The neighborhood is simply too large, with too basic a housing stock, for gentrification to be a consideration anytime in the next twenty years... therefore we do not pursue this possibility" (p. 36). Yet, there was evidence of displacement in the neighborhoods next to the areas targeted by PPCDC's east-side

revitalization activities, including an influx of residents and drug activity. “If you were poor and black and owned your own home, it was great,” Rutkowski said, noting that people stuck with houses in a neighborhood they no longer wanted to live in, or homes they could not afford to rehab, could sell them to the PPCDC or other investors for a decent amount of money. “But if you were a tenant, you got pushed out,” he added (Sullivan, 2009 para.43). Many of the area’s former renters moved several blocks north of the park, areas that struggled even as home prices in Patterson Park rose and that many have argued Rutkowski and PPCDC overlooked in their work, purposely or not. Places like McElderry Park, Ellwood Park and other neighborhoods along the Monument Street corridor saw an influx of displaced residents but little of the appreciation in housing that Patterson Park did. One interviewee said "the areas immediately adjacent to Patterson Park still struggle. There's a line between where PPCDC drops off—a line between where they are working and where they haven't been. You have \$300,000 houses a block away from [unrehabbed] shells" (Sullivan, 2009, para.11). Since the foreclosure crisis there have been efforts north of the park to attract services for lower- and middle-income residents, such as dry cleaners or a grocery store, but it has yet to see the kind of appreciation that was, and is, evident in Patterson Park.

Trouble for PPCDC

In many ways, the unsustainable nature of the astronomically rising house prices was PPCDC’s largest liability. While PPCDC's activities appeared to meet the goals of the HNI, it fell into trouble by the mid-2000s. Signs of trouble were clear by mid-2006 (Sullivan, 2009), as PPCDC downsized from 25 to 12 workers and stopped buying homes. Additionally, at the time, the organization still owned properties that it had yet to

rehab or resell—more than 150 rental units and from 100-200 houses in “various states of decay and rehabilitation”—with Rutkowski explaining “rents did not adequately support mortgage payments as property assessments tripled or more. Finished houses were sitting unsold; it didn't make sense to finish construction on properties that would not sell” (Sullivan, 2009, para.41).

Rutkowski stepped down in 2007, and by 2008 the *Baltimore Business Journal* was reporting that PPCDC was struggling to stay afloat. Its board laid off its acting executive director Mark Tough in December 2008, after he had brought in a restructuring offer to help raise money and pay off PPCDC’s debt. Despite this effort, the organization defaulted on more than \$900,000 in loans and revealed that it had borrowed heavily against the value of their properties. In February 2009, Patterson Park filed for bankruptcy and the remaining properties were sold at auction (Sullivan, 2009). Despite PPCDC’s bankruptcy filing, Patterson Park today remains a stable, desirable area and housing market in the city, having fared slightly better than the city overall in median income and unemployment during the late 2000s recession (Baltimore Neighborhood Indicators Alliance, 2013). Over the course of the decade that saw PPCDC rise and fall, the makeup of the neighborhood changed dramatically. There was a dramatic decline in African Americans in Patterson Park, from 51 percent in 2000 to 38 percent in 2010, much greater than the difference in the city as a whole, which remained steady around 64 percent (see table). The gain was largely made up by the change in Hispanic residents from just over 6.5 percent in 2000 to over 21 percent in 2010. The neighborhood’s unemployment rate tracked closely with the city, with 10.9 percent in 2000, before increasing to 12.7 percent while the city rose from 10.9 percent to 12 percent. The

median income was actually higher by 2010, at \$50,575 in Patterson Park, while the median income citywide was \$40,100 (Baltimore Neighborhood Indicators Alliance, 2014).

Belair-Edison Neighborhoods, Inc.

Like Patterson Park, Belair-Edison surrounds a park, and while it was largely comprised of middle-class homeowners, it suffered from stagnant housing prices from the 1970s to the 2000s (Johnston 2012). Unlike Patterson Park, the neighborhood has remained solidly African-American over time. With a housing stock of almost 7,000 row houses, the neighborhood had a "long-standing existence within the city as the steady, stable neighborhood" (Johnston 2012, p.1). The neighborhood remained solidly homeowner, but by the early 2000s, the neighborhood was "stuck in the middle" with low vacancy rates but stagnant home values that had not increased in decades (Personal Interview). Belair-Edison shared many characteristics with the city and was often considered a "typical" Baltimore neighborhood in its history, development and racial composition (Johnston, 2012). In contrast to Patterson Park, Belair-Edison was one of the last neighborhoods to see any housing appreciation ahead of the foreclosure crisis, while from 1999 to 2005, house prices grow 59 percent across the city, Belair-Edison was one of only five city areas with average house prices less than 20 percent, only growing 4 percent during that period (Hopkins, 2005a).

Belair-Edison Neighborhoods, Inc. (BENI) was originally founded as Belair-Edison Housing Services in the late 1980s with the goal of stabilizing and supporting the neighborhood. The organization employed up to eight full-time employees with an annual budget that started around \$450,000, primarily from public and foundation sources. Prior

to its HNI designation, the organization acted as a facilitator of city services in the neighborhood, receiving complaints of trash in an alley or problems with rats and then contacting the appropriate city service agency. They also provided pre-purchase counseling to attract people to the neighborhood, although buyers who participated could purchase homes anywhere. The process was grassroots, if reactive, responding directly to resident needs down to its decision to become part of HNI, which was done in response to the community's wishes to bring additional resources to the neighborhood.

After its HNI designation, Belair-Edison Housing became Belair-Edison Neighborhood Initiative (BENI), and began organizing residents to better access city services, rather than immediately rehabilitating homes like PPCDC. They chose to work with long-time non-profit housing developer St. Ambrose Housing to empower residents, block-by-block, to enable them to directly access and demand better city services and address their neighborhood's challenges, an approach that gave residents, and BENI, a clearer, more complete picture of the neighborhood's issues. The residents' ability to address individual problems such as calling the city for trash removal that had previously taken up much of BENI's time allowed the leadership at BENI to "see the neighborhood at a larger scale" and plan more direct efforts to increase homeownership (Personal Interview). Without having to focus as much on things like accessing city services, BENI was able to focus on attracting residents to the neighborhood. The organization conducted several resident meetings to determine whether the neighborhood wanted to be a part of the HNI, finding that there was overwhelming support in the neighborhood for starting to address the stagnation of home prices and for trying to attract new residents to the neighborhood (Personal Interview). BENI began housing redevelopment around 2004,

starting with the homes immediately adjacent to Herring Run Park, the neighborhood's centerpiece, to attract "responsible homeowners." The organization augmented these efforts with a marketing campaign that hinged on BENI's relationship with residents, who offered to the campaign their thoughts about what they liked about their neighborhood, and aimed to paint Belair-Edison as an up-and-coming area of the city. BENI also eventually targeted Herring Run Park itself as an asset on which to build and use to attract new residents. In the first two years of the program, Belair-Edison residents secured about 40 loans totaling about \$450,000 through the initiative (Fields, 2002).

BENI found moderate success in the program: in the 2004 HNI evaluation it was noted that a marketing campaign to showcase the neighborhood as an alternative to other residential areas in the city was successful, as one of the three local teachers who had recently purchased a home in the neighborhood saw an advertisement for it on a Live Baltimore Trolley Tour, without which the new resident would not have known about the area (Baltimore Neighborhood Indicators Alliance, p.10). The HNI evaluation included benchmarks that the HNI- designated neighborhoods agreed would accurately describe the initiative's success, including housing values that are re-established and rising (measured by median number of days a home is on the market; median sale price; total housing units sold); an increase in investment activity (measured by the percentage of residential properties where rehab investment above \$5000 takes place, the percentage of residential properties classified as vacant and abandoned and the percentage of residential properties with other types of housing violations); an increase in neighborhood confidence (defined by "self-managing blocks" and measured by the aforementioned percentage of residential properties where rehab investment above \$5000 took place); and

neighborhoods possessing stronger identities and healthier images (measured using qualitative measures. However, there was little information about the characteristics of the buyers who came into the neighborhoods, with the evaluation admitting, “this report does not show the effectiveness of the program itself, like use of the HNI loans, demographic patterns of buyers, and other programmatic or performance indicators and how these may have an impact on changing conditions” (p. 5). Further, there was little public information about who was moving into neighborhoods, either an oversight on the data collection or a misstep in the development of the approach which could have given organizations a better understanding of who might be at risk for future challenges.

While the evaluation noted significant interest in the neighborhood, median home prices remained relatively constant from \$66,000 in 2001 to \$64,000 in 2003 (Baltimore Neighborhood Indicators Alliance, 2004). Nonetheless, evidence still suggested that things were improving with the number of homes sold increasing fairly dramatically from 11 in 2001 to 109 in 2003 (Baltimore Neighborhood Indicators Alliance, 2004).

Though BENI was more active and connected to the neighborhood it represented, its leadership lacked the political connections of PPCDC's, and so it relied on HNI as an intermediary to bring in private funding and city power. This allowed HNI to "speak bank" on behalf of BENI while they could focus on the neighborhood and on becoming more proactive in their work (Personal Interview). In 2008, BENI had a modest annual operating budget around \$600,000 and remained focused on neighborhood issues, rather than creative financing for housing development, throughout the decade (Leland, 2008). In the mid-2000s, house prices slowly began to rise, but at the same time, foreclosure threats were beginning to surface. The homeownership rate dropped in the neighborhood

from 80 percent to 69 percent from 2000-2010, but BENI, using HNI as its financing-savvy intermediary, remained committed to the push for homeownership, conducting open houses and trying to attract homebuyers even as the foreclosure crisis hit the neighborhood hard. Hundreds of residents faced delinquencies, and BENI's nonprofit partnership with St. Ambrose became vital in keeping the homeownership strategy in Belair-Edison alive.

In the depths of the crisis, BENI began to change the way it worked with residents and other housing groups. "BENI turned to the Community Law Center, a non-profit legal organization in Baltimore, and worked with them to identify residents who were receiving foreclosure filings to proactively reach out to them to work with them to try and modify their loans. Their reaction to foreclosure was to strengthen outreach," said Sally Scott, co-chairwoman of the Baltimore Homeownership Preservation Coalition" (Leland 2008, p. A1). BENI began to collaborate with other housing organizations and use public records to identify local residents that might've been at risk of foreclosure, either due to a high-interest or adjustable-rate mortgage (Personal Interview). They offered free counseling, in order to help residents lower their payments so that they could be better managed (Leland 2008). BENI reached out to the neighborhood with a local newsletter and a sign hung prominently, in contrast to the proliferation of investor signs across the city promising a quick fix to getting rid of underwater homes, reading "We Don't Buy Houses. We Help You Save Yours" (Personal Interview).

Despite BENI's shift toward outreach during the foreclosure crisis, the neighborhood still suffered, experiencing an increase in distressed sales linked to the late 2000s recession that went hand-in-hand with the foreclosure crisis. For example, in 2009,

distressed sales leapt to 46 percent of all homes sold in Belair-Edison, up from 21 percent just a year prior (BENI Annual Report). The losses to the neighborhood and its residents might've been even greater had St. Ambrose and BENI not had such a close relationship. As the only market developer in the neighborhood, it was widely-accepted that St. Ambrose's efforts kept the floor of the collapse from getting any lower (Personal Interview).

BENI remains active in the neighborhood, working to stabilize it in the wake of the foreclosure crisis by going block-to-block to help residents manage their affairs and organize the community, but the neighborhood still struggles due to the lasting effects of the economic crisis: lower home prices, underwater mortgages and a decline in the homeownership rate. BENI continues to work in the community "ramping up its community organizing capacity, using HNI funds to do tremendous organizing... on block after block to help folks manage affairs" (Personal Interview). But the community still struggles. While the median household income remained slightly higher than the city in 2010 at \$42,921 compared to \$38,346, it grew at a slower percent at 17 percent compared to the city gain of 27 percent. Further, the unemployment rate rose from 10.5 percent to 16 percent, higher than the city unemployment rate, which rose from 10.9 percent to 12.6 percent. Unlike Patterson Park, which saw a greater influx of Hispanic population, Belair-Edison became more heavily African American, with 87 percent, with a smaller gain in Hispanic population and a drop in the white population to 17 percent. Further, as of 2009, median house prices remained around \$56,000, down over 50 percent from its peak in 2007 of \$119,000 and well below the 2009 city average of \$100,000. Even more troubling, underwater mortgages are even more common than before the crisis

(See table 2). Families have struggled with the economic crisis, and BENI's focus now is to keep neighbors engaged at a time when there is not much money in the neighborhood (Personal Interviews).

Conclusions

The different experiences of PPCDC and BENI, as well as their respective neighborhoods, speak to the power of geography, but also to the different approaches of each organization to achieve its goals. PPCDC focused on development, marketing to upper-income individuals in a way that was productive during good times, but left little room for error. Several significant factors drove the Patterson Park experience: the neighborhood is close to desirable areas of downtown, the community development organization was relatively sophisticated and could support private development organization and, moreover, the organization had political power, that, while partially tied to the history of Matilda's Army in the 1970s, was acquired and wielded by relative newcomers to the neighborhood and its community development infrastructure. Just as the city of Baltimore reached beyond its borders, to TRF, to develop its 2000s community development strategy, PPCDC rose to prominence with the help of outside interests and from the people that moved into the neighborhood at a time when Patterson Park had a "power vacuum," as one interviewee described it. This, along with a relative lack of exciting organizations, allowed relative newcomers to create the PPCDC, direct its operations and benefit from the political power that, at that time, had yet to be claimed (Personal Interview).

On the other hand, Belair-Edison Neighborhood Inc. spent much of their early years helping residents access basic services from the city, with little of the sophistication

of accessing private financing for higher income homes, leaving them, their neighborhoods and their community development organizations more focused on organizing than attracting higher income residents. Thus, while BENI had little experience in making significant inroads in the political system, they were able to get residents to buy into the idea that they could in small ways, get the city to work for them. BENI also used its position to support residents and the neighborhood housing market as well as it could but they relied heavily on HNI support in terms of access to mortgage financing. But the neighborhood saw fewer gains in house prices during the high point, and suffered during the foreclosure crisis. In the future, however, BENI's heavy reliance on nonprofit and federal funding could pose a threat to the organization, and the neighborhood, as those funds dry up with no guarantee of alternate funding sources to fill in the gap.

Nonetheless, the experiences of Belair-Edison and Patterson Park as they implemented the city's new homeownership-focused marching orders through the HNI raise questions about the model of community development that uses increased homeownership as a means to improve neighborhoods and increase home prices. This model expands on the growing notion, nationwide, that depicts a home as less a place to live and more of an investment, like the purchase of stock, although it's possible this model was unsustainable from the start: home prices began rising alongside foreclosures, suggesting that the market has as much capacity to increase homeownership as it does to rescind it, and as much power to improve neighborhoods as it does to harm them.

In terms of what goals the city achieved using this strategy to improve its neighborhoods through homeownership, the measures of success are increasingly blurry.

If home prices are the only indicator used to measure neighborhood health, then Patterson Park appears better off despite PPCDC's closing, but other indicators pertaining to HNI's stated goal of "increasing resident interaction" paint a different picture, wherein residents in Belair-Edison are more civically-engaged than those in Patterson Park, and enjoy an overall lower crime rate as of 2010, as well as lower dropout rates (Baltimore Neighborhood Indicators Project). While these two neighborhoods do not encapsulate the entirety of Baltimore, they provide a way to understand how different neighborhoods interpreted the city's data-driven strategy, and how those different interpretations affected residents, the neighborhoods and their community development organizations.

Table 6.1: Patterson Park and Belair-Edison, Demographics

	Total Population	Percent change	African American	White	Hispanic	Median Income	Unemployment rate
Patterson Park North and East							
2000	15,233		50.9%	37.7%	6.6%	\$27,663	10.96
2010	14,549	-4.5%	38.0%	36.0%	21.1%	\$50,575	12.7
Belair-Edison							
2000	17,346		77%	19.6%	.72%	\$36,512	10.54
2010	17,416	.4%	87.3%	17.2%	3.2%	\$42,921	16.0
Baltimore City							
2000	651,154		64.04%	30.86%	1.7%	\$30,078	10.86
2010	620,961	-4.6%	63.7%	29.6%	4.2%	\$38,346	12.6%

Source: Baltimore Neighborhood Indicators Alliance – Jacob France Institute. (2013). *Vital Signs 12*. Retrieved from: <http://bniajfi.org/wp-content/uploads/2014/05/VS12-Belair-Edison-CSA-Profile.pdf>

Table 6.2 Housing in Patterson Park

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Percent Vacant and Abandoned	N/A	9.72	9.43	9.47	9.88	9.9	9.08	8.92	8.1	7.14
Median Home Sales Price	\$56,900	\$51,253	\$56,000	\$65,000	\$100,000	\$125,000	\$209,900	\$200,000	\$200,000	\$159,900
Total Sold	367	352	454	438	613	740	471	466	253	308
Owner Occupied	N/a	N/a	N/a	47.64	47.7	47.29	48.72	49.97	48.63	49.14
Percentage Under Mortgage Foreclosure	5.07	5.82	4.29	2.99	2.2	1.36	1.29	1.95	2.88	4.79
Total Number of Residential Properties	6,309	6,308	6,299	6,557	6,323	6,306	6,264	5,894	6,224	6,257

Source: Baltimore Neighborhood Indicators Alliance – Jacob France Institute. (2013). *Vital Signs 12* Retrieved from: <http://bniajfi.org/wp-content/uploads/2014/05/VS12-Patterson-Park-CSA-Profile.pdf>

Table 6.3: Housing in Belair-Edison

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Percent Vacant and Abandoned		1.25	1.41	1.76	1.17	1.41	1.36	1.02	1.64	1.65
Median Home Sales Price	\$58,000	\$57,582	\$59,929	\$59,000	\$65,000	\$78,000	\$112,400	\$119,000	\$106,000	\$56,000
Total Sold	319	310	399	373	468	539	449	405	169	129
Owner Occupied	82.35	80.86	79.94	77.45	75.28	72.75	72.07	70.97	69.95	67.93
Percentage Under Mortgage Foreclosure	3.15	4.48	4.4	3.92	3.71	2.42	2.36	2.76	2.73	4.14
Total Residential Properties	6,310	6,316	6,316	6,319	6,311	6,312	6,308	6,456	6,419	6,298

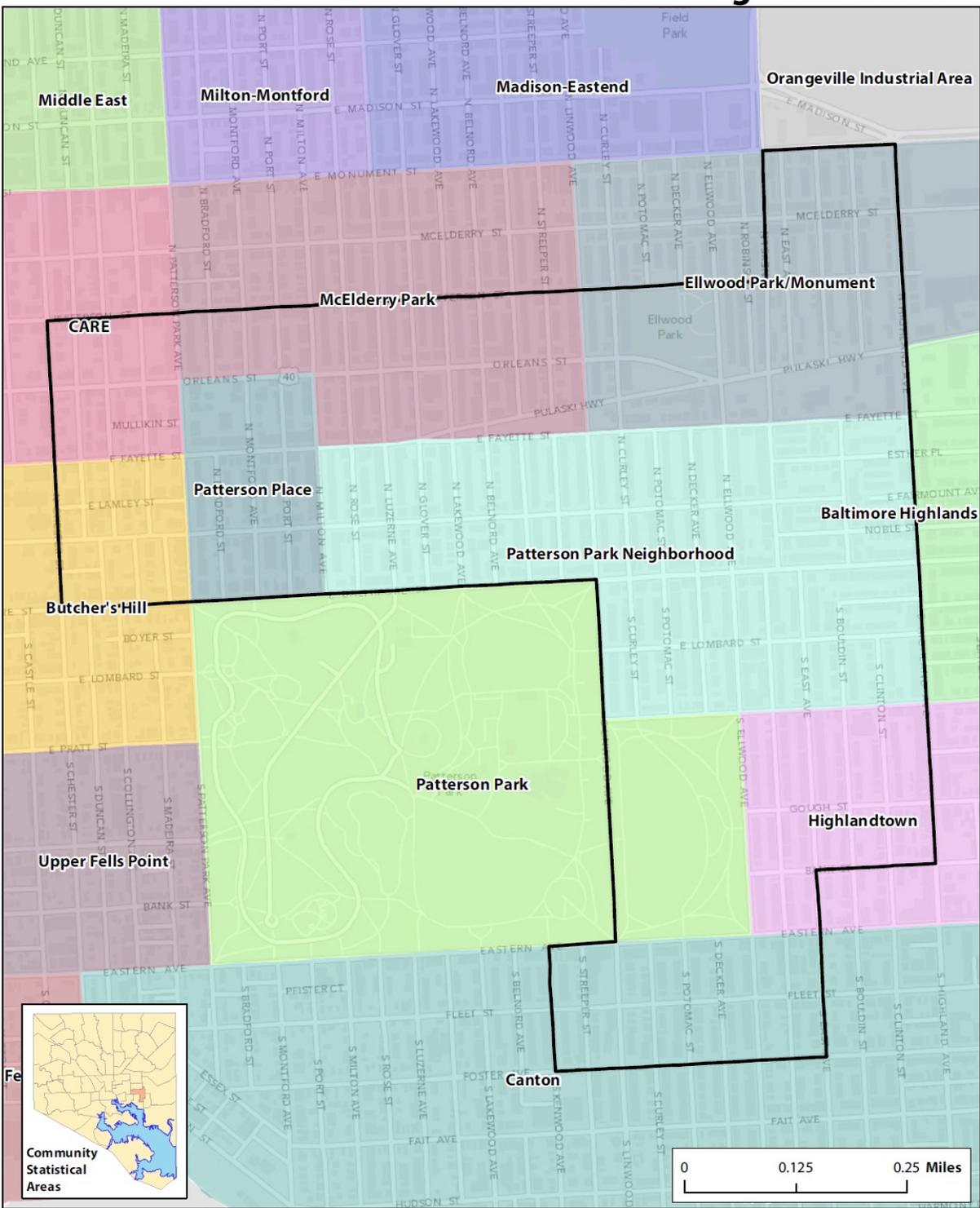
Source: Baltimore Neighborhood Indicators Alliance – Jacob France Institute. (2013). *Vital Signs 12* Retrieved from <http://bniajfi.org/wp-content/uploads/2014/05/VS12-Belair-Edison-CSA-Profile.pdf>

Table four: HNI Area

HNI Area	Residential Rehab investment activity		Percent vacant and abandoned residential properties		Median days on market		Median sales price		Number of houses sold	
	2001	2003	2001	2003	2001	2003	2001	2003	2001	2003
Belair-Edison	0	0.87	9%	13%	86	62	\$66,000	\$58,450	11	109
Patterson Park	3.87%	9.70%	4.25%	3.21%	42	27	\$43,750	\$127,500	10	39

Source: Baltimore Neighborhood Indicators Alliance, 2003.

Illustration 6.1: Patterson Park North and East CSA and Neighborhoods



Source: The Baltimore Neighborhood Indicators Alliance, Jacob France Institute. March 2014, Retrieved from www.bnaijfi.org/vital_signs

Chapter 7: Findings and Contributions

While people retain roots in their communities, economic enterprises no longer do so. (Fainstein, 1997, p. 323)

Introduction

At their peak, foreclosures in Baltimore outpaced the help that local counselors were able to give, and the debt burdens of many city homeowners in some areas were so great that no amount of assistance could save their homes. An episode depicted in a *New York Times* article from 2008, focused on Belair-Edison Neighborhoods' efforts to stem foreclosures, is illustrative of the dire circumstances facing the city, its home-owning residents and the organizations dedicated to assisting them at the depths of the crisis. In the words of one BENI housing counselor, "Volume has doubled or tripled... Families in the past were losing their homes because they lost a job or had a medical expense. You could fix that with a couple thousand dollars. But now we have families coming in where the loan is two times the value of the property, and there was never any income, and there's just nothing you can do for that person. One counselor said, 'I'm exhausted.' And the phone keeps ringing" (Leland, 2008).

Elsewhere in the state, officials and agencies leapt into action to relieve debt-saddled homeowners. In 2007, Governor O'Malley created a new homeownership preservation taskforce to study the problem and recommend statewide solutions, ultimately resulting in a suite of proposals to reform the state's mortgage industry, as well as its lending and foreclosure practices. O'Malley's legislative proposals also recommended the creation of a mortgage fraud statute to hold deceptive and predatory

lenders criminally responsible. “The proposals we are announcing today will help those families at risk of foreclosure, and create greater protections for future homeowners,” O’Malley said, announcing these reforms. “These initiatives will also serve as a reminder for those in the mortgage industry that we will not stand by while Maryland’s middle class families fall victim to irresponsible, deceptive, and predatory lending practices” (Maryland Department of Labor, Licensing and Regulation, January 14, 2008).

The results of the statewide effort to address foreclosure were reminiscent of the proposals that emerged from a similar effort, undertaken early in O’Malley’s tenure as Baltimore mayor, to study and address the flipping scandals of the 1990s. Despite occurring on O’Malley’s watch, this project was undertaken federally, at the behest of Baltimore native and Maryland Senator Barbara Mikulski, but its report and recommendations established a script of responses that O’Malley would largely follow later in the 2000s as his administration sought to address the foreclosure crisis: criminal liability, stronger enforcement and programs to assist the victims. However, an important distinction separates the response to flipping from the response to the foreclosure crisis: one was coupled with a shift in community development strategy, while the other was not.

In response to flipping, the taskforce recommended programs to boost local homeownership to combat the problem that had ravaged the city in the prior decade. The idea was to return homes to the hands of residents, rather than to “a web of predatory brokers, lenders and appraisers” who, according to a *Baltimore Sun* article on the flipping taskforce’s final report, “buy [homes] from the [Department of Housing and Urban Development (HUD)] at bargain-basement prices and then do minimal repairs before

reselling them at more than double the purchase price” (Sabar, 2002). These programs coincided with, and reflected a shift in community development in the city, which began to endorse the homeownership strategy put forth by then-Mayor O’Malley around the same time that the flipping taskforce made its recommendations.

In response to the foreclosure crisis, policymakers used a similar playbook, but their response was unaccompanied by a similar shift in community development. The strategy of Baltimore’s community development actors in the wake of the foreclosure crisis is indistinguishable from their strategy before the crisis took hold. Given Baltimore’s community development history, it would be reasonable to assume that this crisis would have led to a major shift in strategy, much as it had when highways threatened neighborhoods in the early 1960s, or when officials and organizations swung toward neoliberalism and personal responsibility after the riots of the late 1960s, or when actors in Baltimore focused on redeveloping housing for low-income individuals in the 1980s after a decade of devolution and the evaporation of funding for radical organizing, or when community development organizations and policymakers targeted middle- and upper-income individuals and homeownership after the devastation of flipping scandals and the high-profile, low-income failure of projects like Sandtown Winchester. But as inevitable as this shift might have seemed, it didn’t happen after the foreclosures crisis, not in Baltimore, and not in America. It still has yet to happen. Baltimore’s homeownership-focused community development strategy continues unabated. More neighborhoods are becoming part of the HNI. In 2010, Baltimore’s Mayor Stephanie Rawlings-Blake announced her administration’s goal of bringing a somewhat arbitrary

10,000 new families to the city. Despite changes in federal and local leadership, faith in homeownership as the solution to every neighborhood's ills remains largely unshaken.

Main Findings

During this research, I expected to determine how actors approached community development from 2000-2010 and how and why that changed from prior efforts. While some of the actors in the current system are the same as those who participated in prior community development efforts, I suspected that the logic of the system shifted in 2000 as the agenda was increasingly defined and shaped by attracting middle- and upper-income residents, building collaborative public-private relationships and relying on private market financing mechanisms. I sought to understand why it changed, if in fact it did, and how, during the foreclosure crisis, the logic of the system was transformed with new actors, processes and outcomes.

I found that community development shifted over time, which is illustrated in the chart below. While some of the shifts can be explained by political economic conditions, I found that there are some differences that point to a more fundamental alteration of the community development environment. Early organizers protested highway development, and then the goal of increasing political participation gave way to approaches that sought to redevelop neighborhoods, first with block-by-block physical redevelopment and large-scale initiatives that sought to transform the poorest communities. Then there was a significant change in the overall approach starting in the 2000s. Under new political leadership, community development organizations, foundations and the city turned their attention to neighborhoods targeted specifically for their ability to attract middle- and upper-income residents with the promise of homeownership. The strategy assumed that

these neighborhoods, the ones The Reinvestment Fund (TRF), on behalf of the city, had labeled “in the middle,” could thrive with an influx of capital and higher income residents, and that organizations should primarily be concerned with maintaining housing values for current homeowners and attracting new homeowners. Ed Rutkowski outlined this approach in his book, stating that the primary goal of community development organizations is to “increase neighborhood financial capital” by increasing the amount of money in the community and increasing the number of times that capital is recycled within the community, ultimately making the financial capital self-sustaining (p. 33). The idea was to attract people to neighborhoods, and try to keep them there using existing assets such as parks and other neighborhood amenities.

Table 7.1 Changes in Community Development Organizations

	Pre 2000	Post 2000
Areas of Change		
Targeted income groups	-Low-to moderate-income residents including renters and homeowners	-Middle-to upper-income homeowners
Geography	-Poor neighborhoods -Some efforts to rehabilitate homes on a small scale	-Neighborhoods in which housing markets could be supported
Political Space	-Reactionary to political and economic conditions -Some partnership with local government pushback on areas of disagreement	-Some organizations actively involved in decision making, others implement -Relatively little active protest
Disruptions to Approach	-When something went wrong, groups tried something new	-Foreclosures seen as a temporary condition, organizations largely continue to support it
Source of funding	-Large-scale government and foundation initiatives when available -Government grants and tax incentives such as CDBG, LIHTC -Relationships with financial institutions such as CRA	-No large-scale government and foundation financing -Healthy Neighborhoods Initiative--pooled financing -Some private financing through individual relationships with banks

The point at which community development in Baltimore instituted this capital- and homeownership-centric approach, however, is the point at which community development stopped shifting over time, as far as my research period is concerned. My hypothesis, that the increase in foreclosures in the middle of the 2000s would shift the strategy in some way, was not supported. Foreclosures during this period significantly impacted Baltimore and its neighborhoods as well as the actual day-to-day operations of at least two neighborhood community development organizations in Baltimore: Patterson Park Community Development Corporation (PPCDC) failed despite its contributions to Patterson Park's successful conversion into a prime homeownership market for middle- and upper-income individuals, while Belair-Edison Neighborhoods, Inc. (BENI) continued its work by taking a proactive approach to staving off foreclosures despite negligible shifts in the neighborhood's actual wealth, homeownership rate or demographic composition. Yet, my research indicates that despite this impact, community development's homeownership strategy remains in place. At present, policymakers and existing organizations appear unlikely to dramatically shift away from this strategy in the near-term, and despite the fact that logic may point to organizations seeking an alternative to homeownership, if the force of the worst foreclosure crisis in a generation was too weak to dislodge this approach from Baltimore's community development consciousness, it's unlikely that more subtle political economic shifts would result in a more drastic outcome.

Main Contributions

Community development organizations and the private market

The dissertation helps to explain the role of community development organizations in a neoliberal political economic environment. In Baltimore, and elsewhere, the ever-tightening link between market forces and community development programs meant that community organizations shifted to align themselves with city-led efforts to revive neighborhoods by drawing in middle- and upper-income home-buying customers. Since their inception community development organizations have been navigating the tensions of working within the confines of capitalistic development and seeking to mitigate its effects on low and moderate-income individuals. As the expansion of capital for real estate became available for neighborhoods that had long been ignored through mortgage lending, many community development organizations sought to take the opportunity to improve neighborhoods. But the case in Baltimore shows that through the HNI, community development organizations shifted almost entirely to supporting the market logic. The shift continues and its consequences are still playing out.

The data-driven targeting strategy determined which neighborhoods were appropriate sales tools for higher-income homeownership, and it was to these neighborhoods to which the city and its community development organizations turned their attention. In this environment, the best neighborhoods that weren't deemed market-worthy could hope for was either a large-scale redevelopment plan or a widespread demolition of properties, neither of which occurred all that often between 2000 and 2010,

as the market, and therefore the city and its community development organizations, saw very little opportunity for growth in these neighborhoods.

But as the saga of Patterson Park illustrates, even when the neighborhood succeeds in the market, the community development organization may fail, as PPCDC did after it became overleveraged and the value of its assets (mainly neighborhood homes) diminished sharply as predictions that housing prices would continue to go up in perpetuity failed to come true. Belair-Edison Neighborhoods, Inc. (BENI) is a much more traditional community development organization that relied on public financing resources and a nonprofit housing developer to support its work, rather than relying on market financing, but now, the concern about the organization's future after federal money dries up is palpable.

Some say community development organizations mediate or act as a barrier from market forces, but when organizations are actively part of market, the barrier disappears and these organizations can no longer afford to protect residents. Virtually all of the resistance to city hall has been removed; instead, community development actors, the city and private lenders are all in the same boat, and they sink or swim together. At the same time, organizations shifted from addressing local conditions by actively protesting city hall or forging relationships with local financial institutions to working within a context of international financial markets determining the value of neighborhoods that should be invested in, and as such the scales at which they operate has changed. The implications of this may extend beyond community development in Baltimore; as organizations across the country deal with the fallout of the foreclosure crisis and the shrinking supply of local

financial institutions from which to access funds, all while city hall continues to compete globally for capital.

When the city announced the plan to direct resources to neighborhoods that could support a functional housing market, it opened a new avenue for development in the city. The approach helped “change the city’s development mindset, which had previously been targeted based on level of need,” with one developer saying, “to our dismay, [in the past] the city would build into the middle of a blighted area, and do a block because they own a bunch of properties there,” (Yeebo, 2012). The developer continued, “they would just throw a bunch of money right into the middle of a war zone.” But in the new approach, the city attempted to use data to identify neighborhoods that could support homeownership and reoriented their role from distributing resources to communities on a need basis to a partner in the newly-created housing market. However, in this scenario their success depended on the success of the housing market, marking a departure from the reliance on federal funds to support other community development initiatives. The process and the foreclosure crisis exposed the increasing link between urban redevelopment and community development, wherein the success or failure of the former determines the success of the latter.

Community development organizations and the state

Community organizations have long been understood as a reaction to the dominant political economic condition; in Baltimore the first organizers reacted to a local government that never had their interests in mind. Later, they reacted to the city’s decision to prioritize downtown development over neighborhood assistance by focusing on addressing poverty in the poorest neighborhoods. The actions of community

development organizations in the 2000s may be understood as a reaction to the failures of large-scale interventions like Sandtown-Winchester in the 1990s, and as a reaction to the political economic conditions in which they were operating at the time, wherein state support for social welfare was limited and governments viewed the market as a near-universal good, and communities and residents as responsible for the improvement of their own qualities of life (Fraser and Kick, 2005). In Baltimore, community development organizations saw these things in place, and reacted by aligning themselves with the city, rather than against it.

While a correlative reaction has yet to occur since the early 2000s, this last shift allows this dissertation offer a way to understand community development organizations as part of the approach, moving with the current of political economic conditions rather than against it. While community development organizations have been collaborating with government for decades, the story in Baltimore goes further than just partnering with the city; they are acting as an arm of the government role. In some ways, community development organizations move towards working in line with the city goals to attract growth can be seen as an extension of their filling the gaps in service delivery when the state abandoned in favor of competing for growth. But as organizations move towards supporting middle and upper income needs, who is left to fill the space left behind?

Some organizations in this period such as BUILD, that had previously responded against the dominant political economic environment, were active participants in the strategy to promote homeownership and economic growth, while others, such as Belair-Edison used the strategy as an opportunity to catch up to economic trends. This alignment

of political economic conditions and community development activity is relatively, if not entirely, unique in Baltimore's community development history.

The drive for consensus

When Baltimore and its community development actors adopted this strategy, it used data as a decision-making tool to augment broader political decision making that relied on building consensus in order to support markets. Community development organizations behaved similarly, and were active participants in the process by which data was used to make, and justify their development decisions. My findings further question the suggestion, popular among proponents of this data, that the process of using data as a decision making tool is an entirely objective process, as, in Baltimore, it failed to take into account the decades of uneven development. While the political benefit of this approach was evident, using data to ensure a strategy's smooth implementation appears to have limited some potential participation that may have otherwise influenced the execution of the approach.

Baltimore had long relied on entrepreneurialism and the allure of market potential to promote downtown development, but its partnership with TRF pushed this same activity out into neighborhoods; like the original downtown development strategies, doing so moved much of the political participation and opportunities to influence decision making beyond the public's grasp.

While TRF has always held that it is committed to including community input in the way it carries out its market valuation analyses, it is worth looking critically at a proprietary process, led by a private organization whose primary stakeholders are investors, to see how, or if, it truly accounts for community input. TRF's relationship

with BUILD in the Oliver neighborhood is an example of a long line of attempts for an outside organization coming into the city and working with an established organization to gain neighborhood support. In fact, Enterprise attempted to work with BUILD in the Sandtown-Winchester initiative. But the question remains as to how this partnership works in the long run with vastly different incentives. TRF has shown a willingness to invest in neighborhoods, but at the end of the day, if the investments don't pan out, they have little motivation to stay in the neighborhood. In an environment of shrinking public resources, oversight over the direction and implementation of programs meant to address the welfare of residents is more important than ever. The reliance on data as a salve for politically-biased decision making makes oversight more difficult, while the reliance on housing markets to both identify and address a neighborhood's problems places more risk on those least likely to have had a say in how these programs are structured and a city or community development organizations' resources allocated.

This is important as the turn to data in almost every aspect of city life and local decision making is being played out in urban areas across the country, in some cases making new city offices like the Office of New Urban Mechanics in Boston and The Mayor's Office of Data Analytics in New York City. This is only the tip of the data-driven decision-making iceberg, and planners need to be more careful in thinking less about what the data say, and more about who wants to know the data and why. Any basic statistics course will inform researchers that data aren't neutral; there are ways to manipulate data to achieve a certain outcome. In particular, many of the current neighborhoods marked in Baltimore as distressed are historically-underserved neighborhoods; funneling investment away from them again, and using data as a

justification, does nothing to address the challenges those neighborhoods face and reinforces the already-broad disparities between neighborhoods slated for investment and neighborhood slated for demolition. Additionally, the argument of which neighborhoods are deserving of investment becomes circular: the neighborhoods that garnered investment are deserving of investment according to the data, so they garner more investment, which leads data to suggest that they're deserving of more investment, and so on and so forth.

It is important to note that the implementation of data-driven strategies does not have to be an exclusive process. Many people look to data as a way to democratize information, and it can be valuable in holding people accountable. In Baltimore, the early emphasis on data led to the creation of the Baltimore Neighborhoods Indicator Alliance, which in its early iterations was meant to train neighborhood residents how to use city and other data to improve their procedures and programs. The original idea for the data organization in Baltimore was to give community groups an opportunity to see what the city saw, and operate on a level playing field, but the turn to proprietary data highlights the ways that data can be used to both give residents a voice and silence opposition. Researchers have begun to seek how the rise in GIS and other geographic data influences decision making; while in some ways the prevalence of data available for use can democratize some of the information, the question of who owns the information and who wants to know about it, and why, still remains (Elwood, 2006). The opportunity for meaningful public dialogue is one of the few ways for residents to be a part of the political process, and the explicit desire for consensus over conflict, and using data to artificially generate that consensus, reduces the debate that's integral to the success of

any functioning democracy. When the organizations in Baltimore shifted their community development strategy, taking their cues from the city and supporting the city's use of data as a decision-making tool, they became more akin to research think tanks over the years, highlighting the gulf between using data for better democratic decision making, and using proprietary data to make decisions.

Further research

There is a considerable amount of further research that could be done on this topic, in Baltimore and across the country. What happened after the somewhat arbitrary stopping point of 2010 to see how neighborhoods continue to fare, and what the state of the homeownership approach? How did the other HNI neighborhoods implement the approach, and what happened to them during the foreclosure crisis? As TRF brings its data model to cities across the country, what does it look like, and how are other cities influenced by the approach?

Future of community development

Finally, Baltimore's experience as discussed in this dissertation raises questions about community development's future. The history of community development influenced the ability of organizations to become a part of the new 2000s paradigm. Interestingly, the Homeowners Loan Corporation (HOLC) maps from the 1930s show almost the entirety of the downtown redlined, or marked as a bad investment for mortgage lenders, but historically redlined neighborhoods today represent some of Baltimore's most desirable real estate. The city invested in those neighborhoods, with the homesteading program in Federal Hill in the 1970s turning vacant shops over to investors willing to rehabilitate buildings and open businesses for \$100, and millions of dollars in

downtown development supporting the adjacent neighborhoods of Canton and Fells Point (Teaford, 1990). The boundaries of the redlined maps may not have been set in stone, but continually uneven development practices have kept the practice's legacy alive. Yet organizations that had previously served ethnic White areas seemed better able to handle the level of sophistication and political access needed to access financing while attracting middle- and upper-income residents, whereas traditionally African-American organizations struggled to keep up with lagging home prices and significant challenges in marketing neighborhoods.

While, historically, community development was created to address things that the market could not, more recent efforts have organizations operating as market-driven entities, calling into question the need for community development organizations. This point is made by a community development expert: "I no longer think CDCs are crucial to the future of neighborhoods. There is a need for neighborhood associations and block groups but not as developers of neighborhoods. Neighborhoods now need to figure out how to get private developers to have neighborhood groups steer development rather than being developers themselves" (Personal Interview). If that is the case, then community development organizations need to seriously consider what their role is in this new market. If community development has long held a tension about people contesting state practices to becoming an active participant in efforts to ameliorate some of the impacts, the question remains, what happens when community development organizations are active participants in promoting capitalism without much regard for the impact? In other words, are community development organizations now so intertwined with the forces promoting homeownership and seeking to attract capital that they no longer are able or

willing to even go so far as to ameliorate the impacts of capitalism that they once sought to address? Does the fact that the market doesn't care about people or places go against the idea of community development being a vehicle for people to come together and make a difference in their own neighborhood.

The biggest change is that while community development has always been outside the mainstream market, going from protesting it, to working on the margins, it is now completely part of it. Being a part of it means not only cooperating with city officials and seeking funding from foundations and government sources, but to be providing services that are profitable and can compete in national and international financial markets. Community development organizations that need to operate in these conditions may need to continue to limit those they serve to who can afford private market services, further limiting their reach to low income and minority residents for whom they original sought to serve. The case of Patterson Park Community Development Corporation and the neighborhood it served- where homes a few blocks north of the park continue to be abandoned and struggle with crime offer a stark reminder that people who are not able to participate in this new approach are merely pushed past the boundaries and rarely see any benefits. Community development has become part of urban redevelopment, and the implications of this shift have yet to really be understood.

Community development is often a study of who and why people stay in neighborhoods and represents the struggle for people that are still there, whether by choice or by circumstance. Their continued residency is more than just economic; there is a fundamental feeling that people have about place that takes place through social and political relations that helps to explain why people buy here, or buy there, and why some

stay despite falling home values and others leave despite rising ones. The decision to live somewhere isn't made on the basis of dollars and cents; people can transform a place not just by physically reorganizing their homes and neighborhoods, but by ascribing new meaning to the place itself (Lefebvre, 1992). Community development is about tapping into something more meaningful than financial investment, although that does play an important role in an ever-unstable financial environment. So far, people have battled for meaning, largely through community development, and in some cases are able to hold on to meanings or create new meanings for themselves. As the rapidly-destructive path of mobile capital shows no sign of stopping, and abandoned homes and ruined credit are left in its wake, can community development still enable residents to do that? If so, how can it do it differently in this environment? Homeownership was one of the last stable things that people had, but it also became the biggest target of investment activity for community development organizations and the city. With the increased risk, will people be willing to fight those battles for place, armed with their identities as homeowners, or can they even determine what battles they should be fighting anymore?

The community development field in Baltimore is presently best described as a vacuum of sorts. There is less of a model or a system around which organizations are rallying. There is the city, that's looking at energy efficiency, there is a development company that redeveloped abandoned warehouses for teachers, there is some emphasis on food security issues and there is an ongoing fight against vacant properties. None of these items has yet to truly galvanize Baltimore's community development system, and in some ways it could be said that the reason the strategy of community development has

yet to change in the wake of the foreclosure crisis is simply because no unifying alternative has presented itself.

But where there is a vacuum, there may be some opportunity. The reactionary history of community development may provide a path for the future, and the sheer amount of programs and community development infrastructure, as well as officials and residents armed with knowledge of the challenges and missteps that have already gone by, provide a foundation from which the city can build. Learning from past lessons will be critical to the success or failure of whatever future activities in which community development organizations in Baltimore choose to participate. Moreover, the definition of success or failure raises even more questions about the role community development organizations have to play moving forward. For example, the perceived success of Patterson Park ended in the organization's bankruptcy, and while the housing market has remained relatively steady, there are still concerns about crime and the livability of the neighborhood (Wells, 2014).

There will be no clear, smooth path or singular response that undoes decades of challenges, but if community development in Baltimore is to have a role in the future of its neighborhoods, it'll be because despite the decades of challenges, despite the changes in approach, or lack thereof, despite the failures, despite the foreclosures, despite the bankruptcies and despite the wandering eye of the market, people are still here. People still care. Their stories continue to matter and they do not follow the tale of David vs. Goliath; community versus developer, or city versus state. They do not necessarily fit into theories about community development or urban redevelopment. But they show that cities are still constantly evolving, and that despite the lack of a new approach around

which an entire city's community development infrastructure can get behind, community development organizations, for now, are still searching for ways to make their neighborhoods a better place to live.

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