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COVID-19 Impacts on Los Angeles Based Community Development Corporations

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Author

Faizah, Muthia

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COVID-19 Impacts on Los Angeles Based Community Development Corporations

A comprehensive project submitted in partial satisfaction of the requirements for the degree Master of Urban & Regional Planning

Muthia Kamila Faizah • 2021
Client: Little Tokyo Service Center
Faculty Advisor: Karen Umemoto



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Disclaimer

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Executive Summary

The purpose of this research was to understand the impacts of COVID-19 on Los Angeles Based Community Development Corporations (CDCs) and highlight specific strategies for organizational resilience during unprecedented times. Within the United States, the City of Los Angeles was most susceptible and disproportionately affected by the impacts of the pandemic. As a result, the novel virus brought uncertainty to many businesses and nonprofit organizations that already work with vulnerable and underserved neighborhoods to address housing production and community development by presenting unique challenges and uncertainties to organizations.

The study used a mixed-methodological approach using qualitative methods that began with a literature review, followed by a survey, and concluding with a set of semi-structured interviews. This research aimed to study the experience of Los Angeles CDCs when facing an unprecedented crisis such as the COVID-19 pandemic. The study area of this research was Los Angeles County and this research looked at the CDCs that develop affordable housing only within the boundaries of Los Angeles County.

Los Angeles CDCs tapped into different strategies to ensure the long-term sustainability of the organization. CDCs reflected on past crises to look at the current landscape, and they drew from strategic methods deployed to weather hard times. Regardless of the changing landscape, the study's findings suggest that the overall goals of CDCs in Los Angeles have not changed rather the methods to implement their mission have shifted. To ensure stability and maintain vitality during the COVID-19 pandemic, strategic methods included: collaborating with other organizations, utilizing new funding sources, expanding/reorganizing the roles of different employees, creating new programs, and strengthening interpersonal employee talent and relationships. Overall, the survey and interview findings from Los Angeles-based CDCs suggest that neighborhood-based organizations can reorient their work to fit the specific needs of their constituents and maintain viability.

This research concludes by providing recommendations to CDC staff, policymakers, and the general public to better support CDCs' work. The conversations during the interviews emphasized the positioning of the organization before the pandemic. Recommendations directed to CDCs emphasized preparedness. How the organization was faring financially and the connections they have cultivated before unprecedented times set the stage for how well the CDC handled hard times. CDCs could also use times of crisis to expand their capacity in entrepreneurial and innovative ways. Recommendations for policymakers involve investing in neighborhood-based organizations and creating an organized, inclusive, and extensive CDC infrastructure. Finally, the public can support CDCs by continuing to affirm the work that the organizations are doing.



Introduction

Within the United States, Los Angeles has proven to be one of the cities more susceptible to the impacts of the pandemic. Before the roll-out of the COVID-19 vaccine in January 2021, hospital intensive care units and emergency rooms reached maximum capacity, and Los Angeles saw record-breaking numbers of the public contracting the virus. According to the New York Times Coronavirus Case Count, as of April 2021, Los Angeles County experienced 1.23 million cases of COVID-19 and 23,653 deaths related to COVID-19. Pre-existing and worsening affordable housing crises, which plague low-income residents, contribute to the city's vulnerability, as overcrowded housing correlates to a higher infection rate. Within the City of Los Angeles, neighborhoods with the highest COVID-19 cases have the most crowded housing. As a result, the novel virus brought uncertainty to many businesses and nonprofit organizations that address housing production and community development.

Community Development Corporations (CDCs) that develop housing faced unique and complex challenges. They were under pressure to tend to their own organizational needs and the pressing demands of the neighborhoods they served. CDCs are nonprofit organizations created to support and revitalize underserved and marginalized communities. In times of crisis, CDCs play a central role in relief efforts within communities. They are involved in a wide range of community services that meet local needs, such as housing access, healthcare, business development, and other social programs. As a result of the COVID-19 pandemic, CDCs have found ways to alleviate and mitigate the damages caused by the outbreak. While many temporary relief efforts have been proposed and carried out to support these communities, CDCs are under pressure to expand their work further and bridge the service gap that government support does not meet. COVID-19 adds another layer of challenges and uncertainties for these community-based organizations. According to a Pew Research report, service and food industry workers experienced a greater risk of COVID-19 related layoffs due to the countywide mandate of many business closures. Which increased the service CDCs need to provide as many CDC constituents worked within those industries and experienced high levels of insecurity. Within the City of Los Angeles, different CDCs that develop housing serve a population focusing on a specific location within the region, providing services to a racially and ethnically diverse group of people throughout the city.

This study aimed to understand CDC resiliency in Los Angeles and the changing landscapes impacted by COVID-19. The work aims to highlight strategic practices that maintain the vitality and sustainability of the organization to address the needs and pressures of CDCs and ultimately suggest different policies and programmatic resources/opportunities that can help further support the work currently being done.

This project addressed the following:

- 1. *How did housing CDCs adjust their work to cope with and address the impacts of the COVID-19 pandemic?***
- 2. *How did COVID-19 affect the focus and direction of work within CDCs?***
- 3. *What strategic practices did CDCs in Los Angeles deploy when facing a new landscape to maintain the viability and sustainability of the organization?***

This research used a mixed methods qualitative approach beginning with a literature review, followed by a survey, and concluding with a set of semi-structured interviews.



Literature Review

Background on Community Development Corporations

Today, there are approximately 4,600 that operate across the United States (Community Wealth, 2006). However, the number of active CDCs rise and dwindle after eras of both uncertainty and prosperity. In times of unprecedented crisis, CDCs expand their role to meet the growing neighborhood demands; however, the support network for CDCs often decreases due to the fiscal and political complications of the changing urban landscape. In 2020, the world faced a new public health challenge that creates ongoing, multifaceted crises. While the COVID-19 pandemic is novel in its impact on communities, we can look to the history and highlight eras of trying times to identify best practices that effectively sustain the work of CDCs.

CDCs are nonprofit organizations created to support and revitalize underserved and marginalized communities. They are a model of nonprofit housing and social services. In the 1960s, an era characterized by political advocacy, civil rights, and social movements; created the first wave of CDCs. The first was of its kind was the Bedford Stuyvesant Restoration Corporation. The organization began to establish CDCs and the critical role in serving as a foundation for community-based decision-making and policy implementation (Johnson, 2004). However, the quantity of CDCs did not rise until an increase in federal funding for low-income housing development in the form of Low-Income Housing Tax Credits. On a national scale, CDCs began to identify their role as affordable housing developers and pursued new and various funding support for the community (Vidal, 1992). CDCs continued to shape their organizational roles as affordable housing developers through the 1990 federal investments in the Community Block Grant, HOME, and tax credit programs. The availability of funding sources increased the scale of development activities and built relationships relying on local and state government support. Governmental support complemented with significant philanthropic and corporate funding helped contribute to the community development efforts made by CDCs (Gittel & Wilder, 1999).

Within Los Angeles, there are many Community-Based Organizations (CBOs), but not all of them consider themselves or qualify as CDCs. There is little empirical research that studies the role of “CDCs” within Los Angeles. However, we can take lessons from the extensive literature that focuses on the organizational resiliency of CBOs and apply them to CDCs within Los Angeles. CDCs are specifically concerned with the growth and “development” of underserved communities. In Los Angeles, CBOs that provide housing services for the homeless population stand vulnerable to the potential disruption of an unprecedented crisis (Gin, Krane, Saia, & Dobalian, 2016). The findings of Los Angeles CBOs highlight the value in properly allocating resources and strategically making connections to motivate and facilitate organizational resilience in times of crisis. Additionally, many CBOs in Los Angeles cater to a diverse range of ethnicities within the urban landscape. Resilient CBOs in Los Angeles possess great technical assistance and training to help prepare them for disaster. The level of CBO preparedness indicated how well they could withstand a natural, political, and economic crisis. Additionally, many CBOs heavily relied on the support and resources of other organizations, outside funders, and politicians as a safety net during and after crises.



Community Development Corporations Capacity and Success

CDCs provide a wide range of services that meet local needs. These services often include affordable housing development, healthcare access, business growth, and other social programs. Understanding the organization's capacity to carry out these services helps define the role of CDCs and how crises impact their efforts. Researchers define capacity as the extent to which CDCs successfully carry out different types of services. They identify five different variables methods in how CDCs carry out their role:

1. **Resource Capacity:** The ability to generate and acquire resources from grants, loans, donations. The CDC must be able to attract, manage, and maintain funding to carry out its objectives.
2. **Organizational Capacity:** The competence of the internal operations of the CDC. The organizational leadership must be able to manage staff and provide proper training and support for their employees.
3. **Programmatic Capacity:** The ability of the CDC to provide social services, build and manage affordable housing, and focus on the economic development of the community they serve.
4. **Network Capacity:** The ability to interact and collaborate with other organizations and institutions within and outside of the community they serve to gain support.
5. **Political Capacity:** The ability to represent and effectively advocate for residents and community members within the larger political arena.

The organization's ability to carry out the different forms of capacity ultimately contributes to improving residents' lives. As their successes are attributed to their ability to continue providing services, studies identify different factors that make certain CDCs more successful than others (Glickman & Servon, 1998). Additionally, the CDC's ability to uphold its mission for as long as possible determines its level of success. The codified mission statement reflects the priorities of the organization and the ultimate goal they are trying to accomplish. A successful CDC fulfills every capacity method to ultimately accomplish the mission statement's goals (Gittel & Wilder, 1999).

Community Development Corporations Limitations

CDCs often face constraints when carrying out their mission. Funding, staffing, and capacity limit the ability of CDCs to address all constituent needs. As a nonprofit organization, CDCs are reliant on donations and government contracts. Solely depending on individual donations adds levels of precarity. The number of donations received vary from year to year, causing an unreliable source of funding. When government funding contracts are involved, they often hold restrictions on either use or population. For example, as many CDCs utilize Low Income Housing Tax Credits to build affordable housing, this leaves out groups of people who need housing but do not qualify for a unit based on population restrictions (Sarmiento and Sims, 2015). How and who will execute the CDC's goals depends on funding. Many CDCs are overextended, and sometimes there are not enough people to do the work within the organization. The resources CDCs hold limit their capacity as they are often short-staffed due to a tight budget. Additionally, since CDCs serve a diverse group of people, they may want to address a vast range of needs with a finite amount of time, people, and funding. CDCs may want to serve a wide range of constituents; such matters restrict the extent to which they can do so.

Community Development Corporations Resiliency

In the past, CDCs have experienced a plethora of hardships. Organizations today can learn from the different variables that lead to the success and longevity of a CDC. Times of crisis will often hinder the ability of CDCs to carry out their roles. However, hardship provides opportunities for CDCs to grow into resilient organizations. While the COVID-19 pandemic created a multifaceted crisis that forced organizations to expand their traditional roles, heightened times of difficulty are not unusual to community-based organizations. Since the formative years of



CDCs in the 1960s, organizations over time adjusted and expanded their capacity to maintain success in an ever-changing urban landscape (Seidman, Lee, & Selinger, 2016).

Before the COVID-19 health pandemic, the most recent crisis to impact CDCs on a large scale is the Great Recession of 2008. 2008 was an era characterized by a market decline that affected the revenue and survival of CDCs across the nation. From the 2008 Recession, CDCs in Baltimore and Detroit executed less capacity due to the high competition for financial resources (Thomas and Etienne, 2017). The CDCs that weathered the impacts of the recession reasonably well were able to band together with other organizations to share resources. Additionally, CDCs that we can do well could adequately identify community needs, prove, and advocate for proper resources to be given from external entities and continue operations.

The resiliency variables in the past were present in the 2020 COVID-19 health pandemic. Even today, in a changing and uncertain landscape, CDCs have responded to the sudden and growing needs of residents quickly. The new era of crisis tests the viability of CDCs as fiscal and operational challenges have closed many nonprofits across the country. The enhanced need for CDCs during challenging times contributes to their viability and relevance. However, quickly identifying community needs necessitated the continued work of CDCs. In 2020, a push to understand and address the complexities and intersections of housing, racism, and public health adds to the health concerns caused by COVID-19. From the social reckoning, many leaders of Boston's CDCs realize that it has become increasingly apparent that the racial inequities that determine both health and housing outcomes need to be addressed through resources and support as soon as possible (Klein, 2020).



Data and Methods

Research Questions

This research was a mixed-method study to understand the impacts of COVID-19 on Los Angeles Based Community Development Corporations (CDCs) and to highlight specific strategies for organizational resilience during unprecedented times.

This project addressed the following:

1. *How did housing CDCs adjust their work to cope with and address the impacts of the COVID19 pandemic?*
2. *How did COVID-19 affect the focus and direction of work within CDCs?*
3. *What strategic practices did CDCs in Los Angeles deploy when facing a new landscape to maintain the viability and sustainability of the organization?*

Methodology

Survey: Within Los Angeles, an extensive list of CDCs that develop housing does not exist. Some developers consider themselves a CDC, while others do not. As a result, 15 affordable housing nonprofits that only developed within Los Angeles County boundaries were sent surveys for this study. 7 out of 15 nonprofit affordable housing developers responded to the survey. From the seven respondents, four organizations qualified as CDCs. Although many nonprofit real estate developers develop affordable housing within Los Angeles, only 15 organizations developed exclusively within Los Angeles County. The survey helped define CDC for this research's scope, provided understanding for which organization to further reach out to as a CDC, and guided the interview questions. Additionally, the survey provided clarity for how COVID-19 impacts local nonprofit housing developers on a broad scale and created a breadth of knowledge and understanding for this work.

The survey took place from December 7, 2020, to December 31, 2020. The survey was created using Google form and sent through email. The client provided emails through personal business contacts. From the 15 surveys sent out, the study received seven responses.

The survey design included close-ended, multiple-choice, and open-ended questions to identify COVID-19 adaptation strategies of organizations. In total, the survey contained 21 questions. The survey contained three parts. The first part was a general assessment of who was taking the survey and their positioning in the organization. The second section asked about specific changes to the CDC because of the pandemic. The third section asks organizations to describe if they see themselves as a CDC.

The study used descriptive analysis to interrogate survey findings. The analysis for open-ended questions included separating the data by themes. Furthermore, the data for the multiple-choice questions were also categorized and coded.

Interviews: Semi-structured individual interviews were conducted with different CDC stakeholders discussing individual, organizational experiences of the shift of directions resulting from COVID-19. Four CDC representatives were chosen from the survey. An additional CDC who did not complete the survey (but added at the client's request) was added, but the interview and analysis process remained. The persons interviewed were the president or the executive director of the organization, as their positioning allowed them to know the impacts occurring in every department within the CDC.



The interview took place from January 22, 2021, to February 4, 2021. Each interview took 30 minutes to one hour and 30 minutes, depending on the interviewee's schedule. The study used online video conferencing with Zoom or Microsoft Teams Meeting to conduct the interview. The research conducted seven out of the eight interviews requested.

Analyzing the data from the interview involved summarizing and highlighting the most salient points that were said. The information discussed was then coded to highlight major themes relating to the research. The responses are further organized and synthesized based on the three research questions.

Below is the list of questions sent to the interviewees before the interview:

How are housing CDCs adjusting their work to cope with and address the impacts of the COVID-19 pandemic?

1. What particular needs regarding COVID-19 is the organization addressing that are specific to the demographic and community it is serving?
2. Can you list some of the services that the CDC has launched to address those needs?
3. What is the community's response to these services?

How did COVID-19 affect the focus and direction of work within CDCs?

1. Can you discuss whether the goals or visions of the organization have shifted?
2. Have the methods to implement the goals shifted?
3. How has this impacted the model or approach to the work?

What strategic practices did CDCs in Los Angeles deploy when facing a new landscape to maintain the viability and sustainability of the organization?

1. Can you name other events in the past (pre-COVID) where the sustainability of the CDC was challenged?
2. How would you describe the landscape (challenges and opportunities) that the organization is currently facing?
3. What concerns do you have regarding the long term sustainability of the CDC?
4. What type of support does the organization find most beneficial during this time?
5. What are your hopes and predictions for the future of your CDC?

Limitations

Three limiting factors presented themselves during the data collection process. First, the sample size of this research was relatively small due to the restricted study area. Other major cities within the United States, such as Boston and New York, have historic and robust CDC networks. In comparison, the CDC network within Los Angeles is small and new.

Next, the study acknowledged that the impacts of CDCs might vary depending on geographic location. Los Angeles is a large metropolitan city; the COVID-19 impact on CDCs differs from urban to rural environments. Similarly, the political landscape, CDC influence, the organization's relationship with local officials, and the



resources they obtain vary depending on the city. Ultimately, this is to say that while this research gives us an understanding of the impacts of COVID-19 within Los Angeles, different cities may harbor different results.

Finally, this research was conducted in real-time during the COVID-19 pandemic. Which presented a multitude of challenges within itself as CDCs are still going through the effects of the pandemic. This research is a snapshot of the sentiments of CDC organizations within the current moment interviewed. Since many CDCs were undergoing internal organizational changes, it created difficulty in interview scheduling. The time CDC executives offered for interviews varied depending on personal schedules.



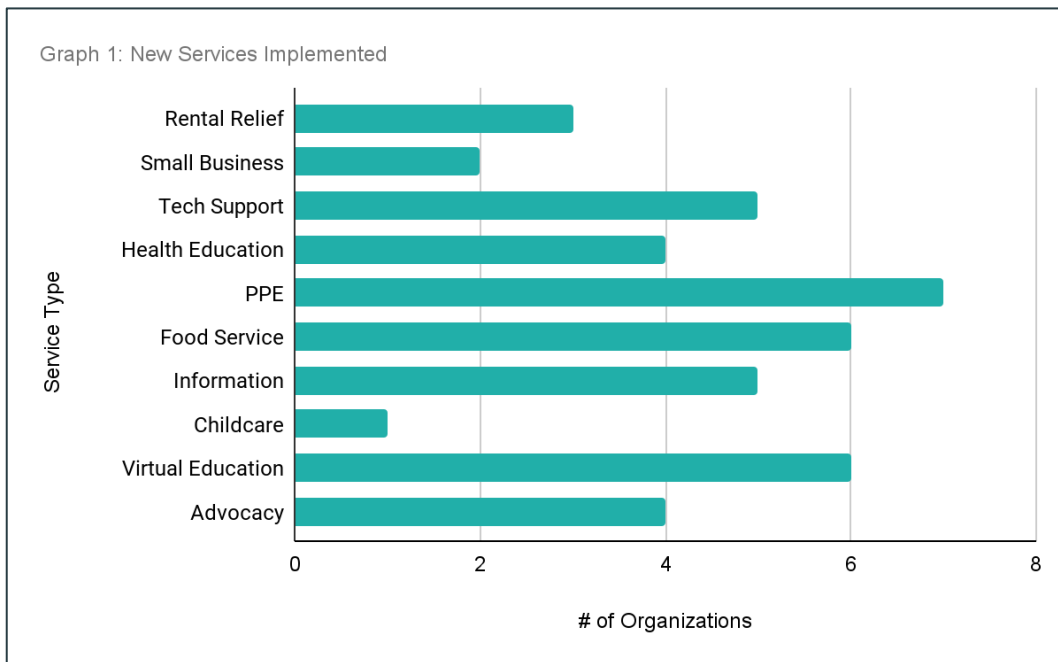
Findings and Analysis

This section is organized by the three research questions presented earlier.

How did housing CDCs adjust their work to cope with and address the impacts of the COVID-19 pandemic?

CDCs were able to address specific community needs by expanding capacity. The CDCs interviewed served an ethnically diverse range of the Los Angeles population. The organizations served either low-income families, seniors, or those transitioning from homelessness. As a result, since the organizations served a more culturally diverse demographic, many folks in this demographic are essential workers and were more likely to be exposed to COVID-19. Many working individuals that CDCs served have also lost their jobs due to the pandemic. As a result, many folks were struggling to bring in groceries. CDCs reported that work has dramatically expanded around food security and meal support. The number of food-insecure individuals was abnormally high, as many community members that CDCs served had not faced hunger before the pandemic. CDCs began to collaborate with food pantries, create meal delivery services, and provide food/gift cards to folks to combat food insecurity.

Additionally, as many people lost their jobs due to the pandemic, there was a growing urgent cash need. CDCs distributed cash grants and cash cards funded by either foundations or public sources to provide cash assistance. CDCs expand their services outside of tenants within their housing portfolio. They continued to protect and provide services to community members who do not have access to public and governmental resources. The expansion of services is reflected in Graph 1.



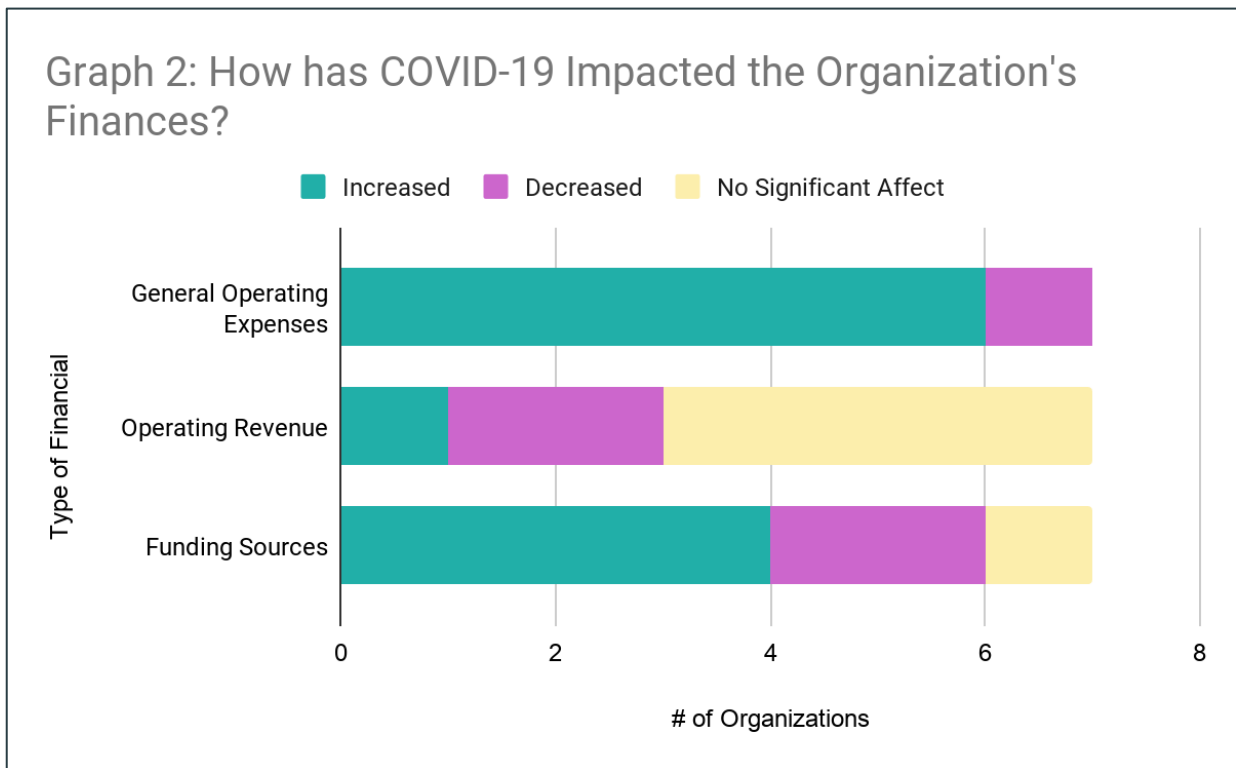
Community-based organizations made it their mission to enhance the quality of life in their respective communities by providing different types of social services. Graph 1 presents the results of the kinds of services implemented as a result of COVID-19. While many of the services are nothing new and existed since the early beginnings of the organization, many programs were adopted due to COVID-19. Initiatives such as providing personal protective equipment (PPE), bridging the technological gap, and food service are the most common types



of support. PPE referred to providing supplies such as hand sanitizer and masks to residents and essential workers. Bridging the technological gap refers to providing residents with laptop and Wi-Fi access. Food service refers to collaborating with or creating food pantries. Additionally, many of the services that were already in place have shifted to an online model.

Many of the new services provided were contingent on the extra funding from grants and donations in addition to policies set in place by local, state, and national governments. For example, rental relief attributes itself to Los Angeles County's Temporary Eviction Moratorium, which banned evictions for residential and commercial tenants related to COVID-19 nonpayment of rent.

Financial health is always a top concern for organizations. Being able to maintain the financial wellness of the organization is a valuable indicator of long-term organizational survival. The survey asked three specific questions about the organization's finances, as shown by the results in Graph 2. General operating expenses are the regular operational cost of business, including office rent, supplies, marketing, payroll, insurance, etc. Six out of the seven respondents indicated that COVID-19 had increased the organization's general operating expenses. Operating revenue is income generated by the organization's activities. Two respondents indicated that their organization saw a decrease in operating revenue. One respondent saw an increase in revenue, while the majority saw no significant effects.



Funding for the organization came from various sources, including public and private grants, foundational giving, and individual donations. Four respondents noted that funding sources have increased, while two respondents indicated that sources decreased, and one respondent mentioned that they saw no significant impact. The closed-ended capacity questions were followed up with an "Additional Response" short answer—those who indicated that sources decreased interpreted funding sources like rental income rather than external sources of funding. Respondents also indicated that they saw no significant effects and explained their answer by writing that the



additional funding opportunities that were found helped offset losses from other funding streams. Below are quotes regarding the nuanced funding results:

“Overall, the loss of rents was offset by PPP loans or other COVID grants, but now the rental losses are more impactful.”

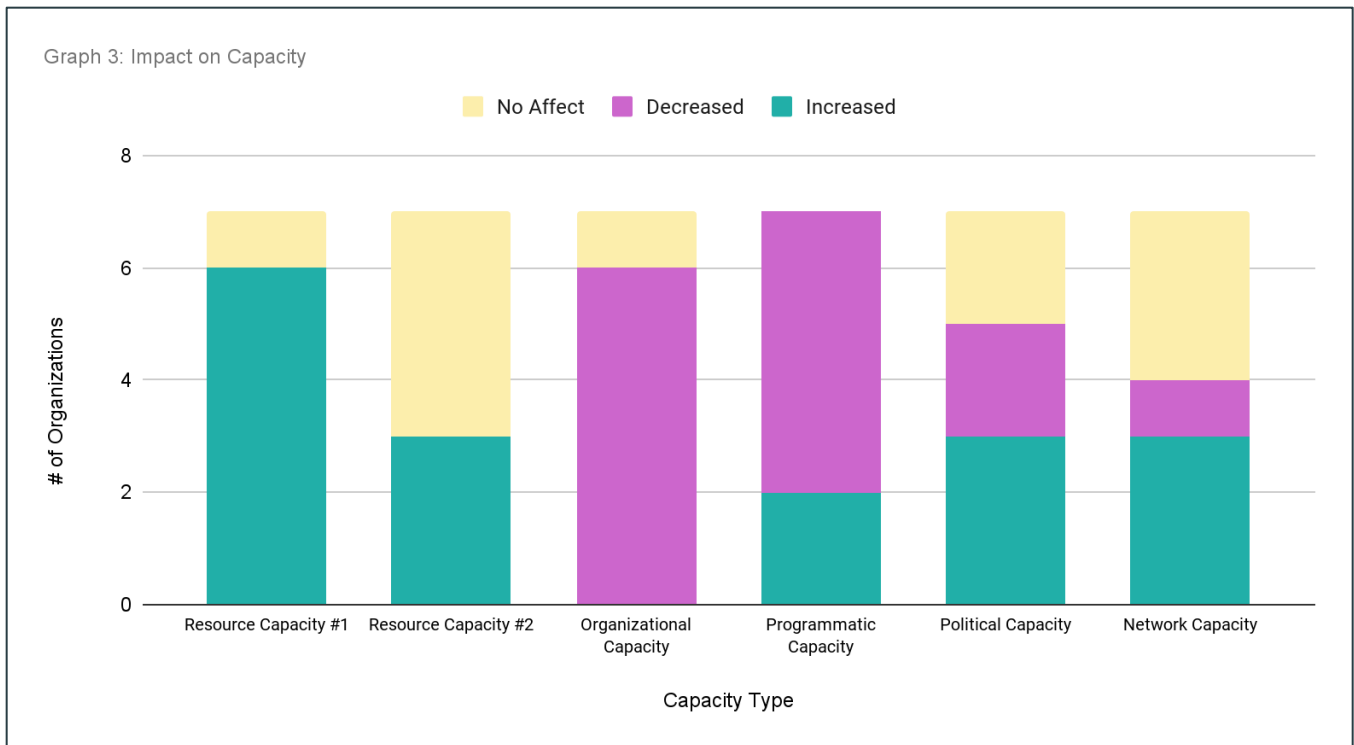
“Additional funding opportunities were found but it offset losses from other funding streams.”

In terms of the CDC's role in affordable housing production, CDCs expressed that the pandemic and current economic crisis did not immediately impact the real estate market. Many of the projects currently in the CDC's housing pipeline are moving along with no more trouble than before. However, due to the uncertainties of the landscape, there are concerns for future projects that CDCs may acquire. Ultimately this depends on the longevity of the pandemic. Nevertheless, bureaucratic processes in terms of entitlements are taking longer.

CDCs are currently suffering from rent losses as residents within the housing portfolios cannot and struggle to pay rent. This is especially true within CDC's Supportive Single Room Occupancy buildings. CDCs are communicating and working with residents who cannot pay rent on a case-by-case basis. Currently, many CDCs are working with the city to put together a rent forgiveness program. CDC's know that many people cannot pay back the rent loans and are not in the business to evict those in need. Ultimately, they are helping residents pay rent but financially absorbing rent losses.

Overall, COVID-19 has impacted the capacity of the organization by expanding the roles CDCs carry. The survey asked participants how COVID-19 affected their organization's capacity. The results are presented in Graph 3. Resource capacity is separated into two categories for clarity since organizations receive different sources of funding, and the methods that organizations receive funding vary greatly. Resource Capacity 1 on the graph refers to the ability to generate and acquire grants, and donations. Resource Capacity 2 refers to the ability to receive loans. Of the seven participants, six reported that the resource capacity to generate and acquire grants, donations, etc., has increased. In contrast, the ability to receive loans produced mixed results. Most respondents indicated that organizational and programmatic capacity has decreased. Political and network capacity have received mixed results as well.





The closed-ended capacity questions followed up with an "Additional Response" short answer. Participants provided perspective and justifications on the complexity of reasoning behind the answers of the previous inquiry. It is noted that variables impact individual organizations in varying ways. An organization focused on providing services within a particular geographic region will answer the capacity question differently than an organization solely focused on housing production. A quote from the survey below exemplifies the nuanced situation CDCs are facing and can help explain the many mixed results:

"Whether I have answered "increase" or "decrease" above, the one solid truth is that no answer has been "no effect." The truest answer is that we have modified our activities and adapted to conditions, to continue our work at a high level, but in different, COVID-19 responsible ways."

How did COVID-19 affect the focus and direction of work within CDCs?

Overall, the goals and missions of the CDCs in Los Angeles have not changed; interviewees expressed that the mission will never change. However, the methods to implement the goals have shifted—the goals of CDCs center around providing varying amounts of community, housing, and economic development. As a result of COVID-19, CDCs have shifted the implementation of many of their need-based programs to an online model. Similarly, all arts, cultural, and educational programs are maintained but have switched to an online presence. Additionally, yearly events and festivals turned into an online webinar for the time being. COVID-19 has revealed how vast the digital divide is within the communities. Ensuring that community members had access to technological devices and wi-fi created another set of challenges. However, by adapting to an online format, CDCs found that some people were more comfortable communicating with the CDCs online and over the phone than in person. Some CDCs even found increased participation within programming on an online platform.

However, since CDCs are not foreign to disasters and unprecedented crises, they could adjust and reflect on lessons from the past to apply to current situations. For example, looking back on a national scale, CDCs expressed



that the 2008 Recession was a more financially precarious situation to CDCs than the COVID-19 pandemic. The 2008 Recession was a hard hit on all financial institutions and the real estate market. At that time, many of the financial underwritings tightened up. It presented a very tumultuous time in finance and housing. As a result, financial institutions took in many losses because the housing market dried up. Many CDCs could not do tax credit projects, and it was not easy to maintain general operations. CDCs prevailed in different ways through the 2008 financial crisis in varying ways. Some CDCs had substantial reserves built up and were able to work through the recessions by getting creative with diverse funding sources. Some CDCs had their staff take temporary pay cuts, with those who were getting paid getting the most cut. Other CDCs were forced to lay people off. To work through the hardships of the recession, CDCs could get creative with their financing and save as much cash as possible; they began to work in coalitions with other CDCs to push back on banks and Community Development Financial Institutions.

Other crises that CDCs faced are more regional such as natural disasters. One CDC reflected their situation with the Northridge earthquake in 1994 and noted the damage done to buildings within their real estate portfolio. Similarly, their methods to work through the impacts of the earthquake were similar to the recession. The organization deposited into reserves and took advantage of their savings over the years to weather and cushion the storm.

Even in past times of crisis, CDCs in Los Angeles did not shift their focus and mission. Instead, times of crisis pushed CDCs to work more creatively to continue to strive for their organizational goals. However, regarding long-term sustainability, most organizations reported that the situation is still very unclear in a changing landscape expressing many challenges from rent collections, staffing shortfalls, and increased operating expenses. Therefore, it was more challenging to carry out the organization's mission. These challenges - though unclear within the landscape, pose potential threats and cause heightened concerns for the organization's long-term sustainability.

Ultimately, COVID-19 has reinforced that the work done by CDCs and their aspirational mission is very much needed. It has affirmed the importance of persistence in mission and persistence in being a community-focused organization. To many neighborhoods, they are the glue that keeps people safe and supported in the community. Many community members and outside sources perceive CDCs as a valuable asset to neighborhoods and continue to reward the organization with donations and grants to continue their work. During this time, a growing number of faith-based organizations, foundations, and public members have increased their donations to support the work of CDCs.

What strategic practices did CDCs in Los Angeles deploy when facing a new landscape to maintain the viability and sustainability of the organizations?

Connection and Collaboration: CDC leaders interviewed noted the increase in collaboration with political, foundation, and other nonprofit entities due to the pandemic. They have continued to connect with partner agencies and political representatives to carry out needed services. Interviewees noted that some groups that the CDC previously worked with have shut down, so they had to shift collaboration efforts with other organizations.

Staff Knowledge and Care: Executive Directors applauded the skills, dedication, and creativity of their staff. They expressed that staff within respective CDCs are committed to the community and the people they serve. The genuine connection and care for the neighborhood that CDCs played a crucial role in withstanding crises. The people who hold positions within the organization, from volunteers to directors,



played a role in creatively addressing community needs. Additionally, hardships forced staff and team collaboration. While the pandemic makes it challenging to coordinate, there is great value in working together and keeping up the morale and spirits in the workplace. There was an emphasis on staff training and hope for a healthy transition within the organization's leadership.

The Strengths of a Multifaceted Organization: CDC leaders shared that COVID-19 forced the organization to be more entrepreneurial, innovative, and nimble. CDCs have embraced new lines of business by creating more programming for the community. New services ultimately lead to new sources of funding and grant opportunities. However, whether the new services will last and if the organization can continue the services long term was still in question.

Tapping into New and Old Support: CDCs saw increased donations from previous wealthy donors and a new younger demographic. Many of the donations coming from the new younger demographic came from social media, which uncovered the importance of spreading the organization's goals to the broader public. CDCs put in significant work to enhance the neighborhoods they serve, and it is beneficial to the organization if more people know about the impact they make. The pandemic affirmed that now we live in a social world held by social media. Social media has helped garner support for the pandemic, emphasizing the need for better communication, marketing, and outreach in organizations. Additionally, increased financial support also came from foundations. CDCs need to explore different methods to tell their story and make the case to foundations that CDCs are worth the investment.

Financial Standing: The positioning of the CDC before the pandemic played a crucial role in how well equipped the organization was able to weather the pandemic. Older, more established CDCs tend to have a more extensive housing portfolio to cushion any shortcomings for the time being by using up what was building in the reserves. Long-term financial wellness is essential to maintain the sustainability of the organization. Many interviewees expressed that they feel lucky they are in good financial shape for the next couple of years.

Relationships Matter: CDCs expressed how fortunate they were to have strong connections to political, foundation, and other nonprofit entities before the pandemic. As strong relationships with different entities throughout the region ultimately proved helpful during times of crisis. Those connections are harder to make during a pandemic. There is a level of luck that comes into play when dealing with an unprecedented crisis. Those organizations that were doing well before the pandemic will weather more fairly. Those who did not were challenged a bit more by using the situation as a stress test to put in systems that were not in place prior.



Conclusions and Recommendations

Recommendations

Based on the findings of this research, recommendations to better support CDCs in times of crisis and in general are separated by stakeholder groups.

The first set of recommendations are for **CDCs**.

Embracing new lines of business and programming: CDCs can consider diversifying their revenue base by expanding programs and services or be prepared to do so in times of emergency. CDCs create new programming as an emergency response. By expanding the range of services that CDCs carry out they can qualify for different types of funding and be more relevant in different ways. When embracing new lines of programming, CDCs can take advantage of multiple relief funds that the government offers.

Create a large network of CDCs on a local and national level: The purpose of creating a CDC network is beneficial to cultivate a range of connections and resources. CDCs can pull in knowledge and insight from the network and pool of resources to support one another during times of crisis.

Better advertise the CDC work and impact: CDCs can be intentional and explicit about the work they are doing in making a positive impact on the community especially in times of crisis. Advertising can increase public awareness of CDCs allowing foundations and funders understand how to further support.

The second set of recommendations are for **Policymakers**. Policymakers include public officials and entities CDCs depend on strong relations with outside private and public entities for their success. A significant portion of CDCs' funding and support comes from local government and through state and federal grants. Recommendations for policymakers to better support CDCs include:

Invest in neighborhood-based organizations: Policymakers can support equitable grantmaking in addition to learning how to support the nuances of diverse communities and needs. In emergency situations, policymakers can invest in neighborhood-level organizations that have broad and deep ties to families at greatest risk or with the most urgent needs for services and resources, such as Community Development Corporations and direct service providers. Through this relationship, policymakers will have some on-ground insight on the current nuances and needs of the diverse communities and will be better situated to help in times of crisis. Additionally, Investing in neighborhood-based organizations can help protect the most vulnerable populations and prevent the hard-hitting impacts of a crisis to those most susceptible to it.

Create CDC infrastructure: A national infrastructure solely for community development is needed. Policymakers could investigate creating a large CDC infrastructure to create the capacity building resource. While there are organizations such as NeighborWorks and Southern California Association of Nonprofit Housing, these organizations are more focused on housing production and have fewer resources allocated or available for community development.

Finally, the third set of recommendations are for the **general public**. Ultimately, CDCs work to serve their constituencies within the neighborhood boundaries. The general public plays a role in affirming the work that CDCs are doing. The general public can affirm the work that CDCs are doing by:

Volunteering: CDCs thrive on community support. Volunteering time to the CDC is just one way to support the organization. It is an act of love and dedication given to the neighborhood CDC.



Fiscal Donations: Supporting CDCs financially if one is able to, can go a long way. Providing monetary support for CDCs affirms that the organization is delivering something of value to the community and that like-minded people want to contribute to ensure that services continue. CDCs rely on private donations to maintain the work they are doing and fulfill its mission.

Spreading the word: Sharing the knowledge of CDCs, the work CDCs are doing, and the impact CDCs are making will help garner more support for CDCs and continue to sustain the work that the organization is doing for the long run.

Conclusion

Those interviewed spoke upon topics as reflected by the research questions of this study. The questions asked during the interview centered around the current work done in a new landscape as a result of COVID-19. The study participants described the overall situation that CDCs had to face as tragic due to the uncertainty and the suddenly hurried pace. Los Angeles as a landscape became a complex and challenging city for participants to describe due to its issues because of its density, sheet size, and spread of the virus. However, CDC leaders shared their optimism in the future and their organizations. Ultimately CDCs were planning for the worst but hoping for the best.

Overall, the survey and interview findings from Los Angeles-based CDCs suggest that neighborhood-based organizations, under certain conditions, can weather times of crises and reorient their work to fit the specific needs of their constituents and maintain viability. Los Angeles CDCs tapped into different strategies to ensure the long-term sustainability of their organization. This research was conducted in real-time from October 2020 to March 2021. The results reflect the sentiments of the Los Angeles CDCs interviewed and surveyed at that time. While this is only one of many studies about CDCs, this work highlights the importance of the work CDCs are doing, especially under challenging times, and hopes to add to future conversations about neighborhood-based organizations in times of crisis.



Appendix

Key Terms

Community Development Corporation (CDC): Within academic literature, CDCs are often broadly defined. For the purpose of this research, a CDC is a non-profit organization that was created to support and revitalize a particular community. CDCs are neighborhood-based and bound by a particular geographic location. They often deal with the development of affordable housing and are involved in a wide range of community services that meet local needs such as education, job training, healthcare, commercial development, and other social programs.

Capacity: The extent to which CDCs successfully carry out different types of services. This study uses the study from Glickman & Servon in 1998 to define capacity in which the authors categorized into five categories.

1. Resource Capacity: The ability to generate and acquire resources from grants, loans, donations. The CDC must be able to attract, manage, and maintain funding in order to carry out its objectives
2. Organizational Capacity: The competence of the internal operations of the CDC. The organizational leadership must be able to manage staff and provide proper training and support for their employees.
3. Programmatic Capacity: The ability of the CDC to provide social services, build and manage affordable housing, and focus on the economic development of the community they serve.
4. Network Capacity: The ability to interact and collaborate with other organizations and institutions within and outside of the community they serve to gain support.
5. Political Capacity: The ability to represent and effectively advocate on the behalf of residents and community members within the larger political arena.

Effectiveness: The extent to which a CDC is able to carry out capacity

Landscape: The current era of crisis that CDCs face. This current landscape is characterized by a global health pandemic creating multifaceted issues regarding racial, housing, and public health.

Resiliency: The organization's ability to withstand and recover from a particular problem

Sustainability: The organization's ability to generate capacity for as long as possible



Survey Questions

CDC Resiliency: COVID-19 Impact on Los Angeles Based Community Development Corporations

The survey will identify COVID-19 adaptation strategies of Community Development Corporations (CDCs) through multiple-choice and open-ended questions. Answers to the survey will help address 3 research questions:

1. How are housing CDCs adjusting their work to cope with and address the impacts of the COVID19 pandemic?
2. How has COVID-19 affected the focus and direction of work within CDCs?
3. What strategic practices do CDCs in Los Angeles deploy when facing a new landscape to maintain the viability and sustainability of the organization?

This work is part of the requirement for the Master of Urban & Regional Planning (MURP) at the UCLA Luskin School of Public Affairs, Department of Urban Planning. This capstone project is a collaboration with the Little Tokyo Service Center (the client) about Community Development Corporation resiliency in Los Angeles and the changing landscapes impacted by COVID-19. The work aims to highlight strategic practices that maintain the vitality and sustainability of the organization in hopes to address the needs and pressures of CDCs and ultimately suggest different policies and programmatic resources/ opportunities that can help further support the work that is currently being done.

If you have any questions or concerns please feel free to email: Muthia Faizah at mkfaizah@g.ucla.edu

* Required

Name of organization *

Your answer _____

Name of individual filling out the form *

Your answer _____

Position in organization *

Your answer _____

How long have you been with the organization? *

Your answer _____



How has COVID-19 affected the capacity of the organization? *

	Increased	Decrease	No Affect
Resource: the ability to generate and acquire grants, donations, etc.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Resource: the ability to receive loans	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Organizational: the ability to maintain internal operations, i.e manage staff, proper trainings, additional support	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Programmatic: the ability to provide services and build housing	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Network: The ability to collaborate and interact with other organizations	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Political: The ability to represent and advocate on the behalf of residents]	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Additional response:

Your answer _____

What specific services did your organization begin to implemented as a result of COVID19? *

- Rental relief
- Small business development
- Bridging technological gaps (offering laptops, providing wi-fi, etc.)
- Health education
- Providing pandemic supplies
- Food services; delivery/ distribution
- Informational referral
- Childcare
- Virtual Education
- Advocacy (Political, Racial, Housing, etc.)
- n/a
- Other: _____



What types of additional support did community members want to see? *

Your answer _____

How has the COVID-19 crisis affected your organization's general operating expenses (office space rent, cleaning, equipment rental, etc.) over the next year? *

- n/a
- It has decreased our operating expenses
- It has not significantly affected our operating costs
- It has increased our operating expenses
- Other: _____

How has COVID19 impacted the organization's operating revenue? *

- n/a
- It has decreased our operating revenue
- It has not significantly affected our operating revenue
- It has increased our operating revenue
- Other: _____

How has COVID19 impacted the sources of funding the organization receives? *

- n/a
- It has decreased our operating revenue
- It has not significantly affected our operating revenue
- It has increased our operating revenue
- Other: _____

If sources increased, how were the funds allocated? *

Your answer _____

How has the organization been able to need to care for staff during this crisis? *

- Work from home option/ Flexible scheduling
- Promoting mental health
- Frequent office cleaning
- Encourage connectivity between employees
- Other: _____



What strategic methods has the organization implemented to maintain vitality during the COVID-19 pandemic? *

- Collaborating with other organizations
- Utilize new sources of funding
- Expanding/reorganizing the roles of different employees
- Creation of new programs
- Other: _____

How has COVID-19 pandemic affected the long term sustainability of the organization? *

Your answer _____

How do you plan to address these concerns? *

Your answer _____

What type of policy/ aid would you like to see on a local, state, or federal level in response to COVID-19 for the organization? *

Your answer _____

Community Development Corporation Definition

For purposes of this project, the definition of a Community Development Corporation is a non-profit organization that was created to support and revitalize a particular community. CDCs are neighborhood-based and bound by a particular geographic location. They often deal with the development of affordable housing and are involved in a wide range of community services that meet local needs such as education, job training, healthcare, commercial development, and other social programs.

Which aspects of the CDC definition does your organization align with? *

- Neighborhood based
- Bound by geographic location
- Develop Affordable Housing
- Involved in a wide range of services that meet local needs
- Other: _____

If geographically bound, which neighborhood/ area do you serve? *

Your answer _____

Would you like to keep your answers in this survey anonymous? *

- Yes
- No
- Other: _____



Interviewee List

(Community Development Corporation)

CDC Interviewed	Neighborhood Served	Length and Time of Interview
Community Corporation of Santa Monica	Westside of Los Angeles County, with particular focus on City of Santa Monica Communities	1/22/2021 From 8:30am to 9:30am
Coalition for Responsible Community Development	South Los Angeles' Vernon-Central neighborhood	2/3/2021 From 2:00pm to 3:00pm
Esperanza Community Housing Corporation	South Central Los Angeles and North University Park	2/4/2021 From 11:00am to 12:15pm
Little Tokyo Service Center Community Development Corporation	Little Tokyo and other ethnic neighborhoods within Los Angeles through partnerships	1/25/2021 From 3:30pm to 5:00pm
Venice Community Housing Corporation	Los Angeles Westside communities	1/29/2021 From 9:00am to 9:30am

(Other Interviewees)

Individual Interview	Organization	Purpose of Interview	Length and Time of Interview
Lisa Hasegawa	NeighborWorks America	Lisa is Regional Vice President of the Western Region of NeighborWorks America. The purpose of the interview was to understand and describe the landscape with someone who was able to speak on the issues CDCs are facing on a greater scale.	1/22/2021 From 4:30pm to 6:00pm
Emily Klein	Harvard Joint Center for Housing Studies	Over the summer, Emily conducted a study on how Boston CDCs expanded their roles as a result of COVID-19. The purpose of the interview is to understand an earlier CDC study in Boston on a similar topic. The interview helped conclude whether the findings are comparable after being researched again later in a different city.	2/3/2021 From 2:00pm to 3:00pm



Table X.X Survey Results: Participants who responded to the survey held a high position within their organization. Five respondents currently hold the position of Chief Executive Officer or President, other positions of the participants include Director of Community Development and Director of External Affairs. Three respondents of the survey worked at their respective organizations for five years or less, two worked at their organization for 13 to 19 years, and two have worked for 20 years or more. Additionally, of the seven participants that answered the survey, four considered themselves to be a neighborhood-based CDC.

Survey Participants (n=7)	
Position in Organization	Chief Executive Officer/ President: 5 Director of Community Development: 1 Director of External Affairs: 1
Length of Time at Organization	5 years or less: 3 6 to 12 years: 0 13 to 19 years: 2 20 years or more: 2
Community Development Organization	CDC Organization: 4 Not a CDC Organization: 3

Research Schedule

Survey Schedule	
Date Collection	December 7th- December 31st
Collection Method	The survey was created using Google Forms and sent by email.
Responses	7 survey responses out of 15 sent out

Interview Schedule	
Date Collection	January 22nd - February 4th in 30 minutes to 1 hour and 30-minute increments
Collection Method	Interviews were conducted through video call over ZOOM or Microsoft Team Meetings
Responses	7 interviews conducted out of 8 requested



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