Joint Center for Housing Studies
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From Redlining to Resilience: How Residential Segregation Molded the Work of Community-Based Organizations in Historically Black Communities

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Executive Summary

Residential segregation, propagated by redlining, blockbusting, racial covenants, and other forms of institutional discrimination, has left an indelible impact on settlement patterns throughout America. According to LaDale Winling, professor of history at Virginia Polytechnic and State University and a founder of the Mapping Inequality project, stated that "the redlining maps are like the Rosetta Stone of American cities"[1] due to the way Home Owners' Loan Corporation maps mirror patterns of inequality and racial homogeneity in cities across the country. Mitigating the legacy of housing discrimination and fostering equity remains a persistent and urgent challenge, and at the forefront of this fight are community-based organizations (CBOs) that serve regions uniquely affected by the legacy of institutional housing discrimination.

This paper addresses two questions. First, it investigates the extent to which a history of redlining and other forms of institutional discrimination influences the mission, values, and strategies of community development organizations that operate in a formerly redlined neighborhood or a neighborhood that has experienced the impacts of residential segregation. Secondarily, it seeks to clarify the attitude that funders have towards this work and the impact of the racial reckoning of 2020 on funding streams. The objective is to make clear the nuances of the work conducted by these community development organizations and initiate a conversation about what strategies may help funders to better understand and support their work in perpetuity.

To address the above, I reviewed existing literature and interviewed leaders of seven notable community-based organizations that operate in areas with a history of housing discrimination to better understand the motivation behind their chosen approaches and identify gaps in capacity that can be addressed by more intentional funding strategies. From these conversations, I drew common themes that can create a typology to understand organizations aiming to build equity in marginalized communities of color.

I found these common themes to be:

1. Many organizations emerged as a result of community advocates and residents responding to a neighborhood shock.

[1] Quoted in Ryan Best and Elena Mejia, "The Lasting Legacy of Redlining," FiveThirtyEight, February 9, 2022, https://projects.fivethirtyeight.com/redlining/.

2. Service delivery, particularly delivery of social services, is a critical pathway to mitigate disparities left unresolved by housing development.
3. For many organizations, inhibiting gentrification, maintaining affordability, and allowing long-time residents to remain in place is key.
4. For many organizations, recognizing the history of the neighborhood and preserving its original character is achieved through homeownership and rehabilitation projects.

Discussions about the funding experience of the leaders revealed a much more complicated picture that highlighted a few key points:

1. Funders should prioritize understanding how the history of a place influences the work a CBO does and how their financial contributions make that work possible.
2. Funders should give non-monetary as well as monetary support to CBOs and also consider how they can help to build capacity.
3. Leaders who are Black are frequently required to work harder to prove viability and effectiveness compared to their non-Black counterparts.
4. The metrics funders use to evaluate the work of CBOs do not include work beyond real estate development; these metrics thus fail to value the work of service-oriented organizations.

Motivations for This Research

I have long been interested in efforts to create inclusive communities, particularly in areas with a long history of segregation, and have spent time studying what strategies best support integration and inclusion in places where it had not previously occurred, beginning with my hometown. I was born and raised in a quiet suburb on the east side of Greater Cleveland called Cleveland Heights. Within Greater Cleveland, the city of Cleveland Heights has historically been and continues to be lauded as a beacon for progressivism, diversity, and inclusion, but this was not always the case. In the early 1960s, Cleveland Heights was a nearly racially homogenous suburb that was approximately 99 percent white and only 1 percent Black.[2] However, in 1964, a group of white women met and laid the groundwork for what would become the Heights Citizens for Human Rights, an organization that would work in tandem with other

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[2] W. Dennis Keating, *The Suburban Racial Dilemma: Housing and Neighborhoods* (Philadelphia: Temple University Press, 1994).

grassroots advocacy organizations to form multiracial coalitions to reduce housing segregation and integrate the suburb.[3] As a result of these efforts, and federal fair housing legislation in conjunction with local ordinances that outlawed racial discrimination, redlining and blockbusting, Black households began to make a home in Cleveland Heights. According to the 2000 US census, the gap between the two racial groups had narrowed significantly, with Black Americans accounting for 37 percent[4] of residents and white Americans accounting for 58 percent.[5]

It is on these shoulders that the legacy of Cleveland Heights as a leader in racial integration rests. However, growing up in Cleveland Heights, I quickly noticed disparities across racial groups in the settlement pattern of the city. My grandparents moved to Cleveland Heights, in the early 1970s, when Black households began an exodus to the suburb. The house that my mother was raised in is within eyeshot of the home that she later purchased for our family. Both homes exist within a predominantly Black enclave of the city, and many of the residents around my childhood home are families that have lived there since my mother moved there as a child. Across a busy intersection, the demographics are flipped, and the residents are nearly totally white. Racially homogenous pockets are no anomaly in Cleveland Heights, and there are many beyond the region I was raised in. Further, the homes in Blacker portions of the city tend to be less expensive, smaller, and less modern in comparison to the homes in whiter parts of the city.

The irony of the persistent segregation in a city that is hailed for its efforts to integrate and promote inclusion piqued my interest. I familiarized myself with various forms of state-sponsored housing segregation as a focus of my undergraduate thesis. I came to understand how these historical policies greatly inform all aspects of the residential built environment in America's cities today. Through this research, I realized that Cleveland Heights is a microcosm of the nation as it has attempted to move past the pervasive legacy of housing segregation and made minimal progress.

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[3] Susan Kaeser, "Grassroots Activists in Cleveland Heights Came Together in 1960s to Resist Segregation, Promote Interracial Living," *Cleveland Scene*, November 19, 2022, https://www.clevescene.com/news/grassroots-activists-in-cleveland-heights-came-together-in-1960s-to-resist-segregation-promote-interracial-living-34992420.

[4] Social Explorer, "Black or African American Alone, 2000," accessed February 21, 2023, https://www.socialexplorer.com.

[5] Social Explorer, "White Alone, 2000," accessed February 21, 2023, https://www.socialexplorer.com.

Community-Based Organizations and Institutional Discrimination

Integral to the efforts to achieve housing equity are community development organizations that operate in formerly redlined communities or neighborhoods impacted by racial segregation. These communities face unique challenges that exist beyond housing in and of itself and that are a testament to the intersectionality of oppression caused by segregation. Historical underinvestment as a result of redlining and other forms of institutional discrimination has created sustained economic and social inequality that must also be mitigated in order to fully assuage the pernicious impacts of redlining.

Some practitioners, including leadership of the Western Region of NeighborWorks, have speculated that the history of marginalization in these communities has led the community development organizations that serve them to focus on programs and activities that differ from those of organizations that do not operate in a context of redlining. In essence, these organizations may need to focus more on racial and economic equity-building strategies, as opposed to simply erecting more housing stock or improving the built environment. Given this potential difference, they also speculated that the metrics traditionally used by funders to assess the efficacy of a community development organization may not fully account either for the richness of the histories of organizations operating in places that have experienced residential segregation, or for the importance of their portfolio of activities. Thirdly, the murders of George Floyd, Breonna Taylor, Daunte Wright, Rayshard Brooks, and others at the hands of police officers in 2020 and the racial and economic inequities exposed by the COVID-19 pandemic further encouraged conversations within the country about racial justice. These conversations encouraged many corporations to make historic investments towards the mitigation of racial harm, with one area of focus being economic and community development, but a question remains as to whether this infusion of cash in the community development space has resulted in meaningful investments in organizations that do relevant work.

Core Research Questions

The purpose of this research was to address two primary questions with corresponding subsidiary questions:

1) What are the primary objectives (stated and implied) of Black-led or -focused CBOs and what practices are used to achieve those objectives?
    (a) How do these organizations view their work in relation to the overall success of their communities of interest?

(b) What socioeconomic and political factors have shaped the development of the organization's mission?

2) What is the experience of the leaders of community development organizations that are seeking funding for their work?

    (a) Do funders fully appreciate the scope of the work being done? How is equity-based work perceived relative to development projects?

    (b) What are perceived or actual differences in funding procurement for minority organizational leaders in comparison to their counterparts?

    (c) How has the racial reckoning of 2020 impacted the funding experience?

Methodology

To answer the research questions, I divided my research plan into two phases. In the first phase, I conducted a literature review with the aim of creating a foundational understanding of the history of redlining as well as other forms of segregation and their contemporary social welfare implications for residents living in neighborhoods that experienced discriminatory housing practices. This literature review was largely composed of meta-analyses that informed a holistic perspective on the impacts of institutional discrimination for neighborhoods across the country.

During the second phase of the research process, I conducted qualitative interviews with leaders of seven NeighborWorks member organizations:

- **Better Housing Coalition**
  Location: Richmond, Virginia
  Service Area Size: City
- **Codman Square Neighborhood Development Corporation**
  Location: Dorchester, Boston, Massachusetts
  Service Area Size: Neighborhood
- **Famicos Foundation**
  Location: Cleveland, Ohio
  Service Area Size: City
- **Fifth Avenue Committee**
  Location: Brooklyn, New York City, New York
  Service Area Size: Neighborhood
- **Fifth Ward Community Redevelopment Corporation**

Location: Houston, Texas

Service Area Size: Neighborhood

- **HomeSight**

  Location: Seattle, Washington

  Service Area Size: City

- **Montgomery Housing Partners**

  Location: Montgomery County, Maryland

  Service Area Size: County

For the purposes of this categorization, a “neighborhood” is defined as any co-located, intentionally conceptualized community that shares challenges, opportunities and resources but does not have the municipal authorities of a city or a county.

To identify the cohort of organizations, I consulted with leadership at NeighborWorks to identify organizations located across each of their operating regions that serve a formerly redlined community and/or face housing equality challenges as a result of the legacy of redlining and other forms of institutional discrimination. Beyond this, many of the organizations were Black-led, and nearly all of them were POC-led and serve majority-minority communities. These qualifiers as they relate to the race of the target population and leadership were integral in guaranteeing that the research consistently captured impact amongst the same population over time. This was additionally important because there was a possibility that implicit racial biases about the efficacy of BIPOC leaders and the viability of majority-minority neighborhoods influenced the ability of these organizations to obtain adequate funding. Though this was not a primary focus of the research, controlling for this potentially confounding variable was important to guarantee stronger conclusions.

Once these organizations were identified, from July to August 2022, I engaged with the leadership (often the directors) of each community development organization for two one-hour-long interviews to discuss their organization’s history, priorities, funding objectives and challenges. At the conclusion of the interview process, I analyzed the interview transcripts for common themes which inform the findings discussed later in this paper.

Establishing Context: Defining Redlining and Other Forms of Institutional Discrimination and Quantifying Their Impacts

In his seminal work *The Color of Law,* Richard Rothstein asserts that "today's residential segregation in the North, South, Midwest, and West is not the unintended consequence of individual choices and of otherwise well-meaning law or regulation but of unhidden public policy that explicitly segregated every metropolitan area in the United States."[6] This understanding of intractable residential segregation in the US as the result of intentional federal and local policies, or *de jure* segregation, represented a paradigm shift from the formerly accepted explanation of residential segregation as a happenstance phenomenon that came to be through *de facto* means.

According to the Legal Information Institute at the Cornell Law School, "redlining can be defined as a discriminatory practice that consists of the systematic denial of services such as mortgages, insurance loans, and other financial services to residents of certain areas, based on their race or ethnicity. Redlining disregards individuals' qualifications and creditworthiness to refuse such services, solely based on the residency of those individuals in minority neighborhoods, which were also quite often deemed 'hazardous' or 'dangerous.'"[7]

In the United States, redlining began as part of the government-sponsored retooling of homeownership programs during the New Deal that was put forward by President Franklin D. Roosevelt's administration with congressional authorization. President Roosevelt was elected during a serious economic downturn – The Great Depression, a time in which a quarter of Americans were out of work and nearly one million faced the prospect of losing their homes to foreclosure.[8] The Roosevelt administration devised federal aid programs to buffer against widespread foreclosures and bring people, specifically white people, away from the economic brink. Over time, the government instituted assessment metrics to appraise and value properties to determine creditworthiness to participate in mortgage programs. These assessment metrics were the origin of redlining as we understand it today.

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[6] Richard Rothstein, The Color of Law: A Forgotten History of How Our Government Segregated America (New York: W.W. Norton & Company, 2017), pp. vii-viii.

[7] Legal Information Institute, s.v. "redlining," accessed February 22, 2023, https://www.law.cornell.edu/wex/redlining.

[8] Becky Little, "How a New Deal Housing Program Enforced Segregation," *History* (website), June 1, 2021, https://www.history.com/news/housing-segregation-new-deal-program.

The passage of the National Housing Act of 1934 created the Federal Housing Administration (FHA), whose job was to stimulate the economy by providing federally backed mortgage loans to prospective homebuyers. However, FHA loans were available exclusively to white homebuyers, but the process used to achieve this exclusion was ostensibly covert. The FHA, through its subsidiary, the Home Owners' Loan Corporation (HOLC), surveyed 239 residential areas across the United States to assess mortgage risks. HOLC created color-coded maps which ranked loan-worthiness from least to most risky – or from A through D. D-graded neighborhoods were deemed most hazardous to investment because the HOLC viewed them as areas where property values were most likely to go down; these places were coded in red, hence the term "redlining."[9]

Though these policies appear race-neutral on their face and determining risk is an essential principle of real estate finance, the neighborhoods that were assigned D-ratings were almost always neighborhoods that were predominantly Black or predominantly immigrant, essentially barring Black residents from taking advantage of FHA loans. Beyond this, HOLC evaluators used their assessments to cement residential segregation and bar integration in American cities. A 1936 Underwriting Manual, which was a guide that outlined all the FHA's lending guidance, stated that "incompatible racial groups should not be permitted to live in the same communities."[10] Rothstein observes that "if a [Black] family could afford to buy into a white neighborhood without government help, the FHA would refuse to insure future mortgages even to whites in that neighborhood, because it was now threatened with integration."[11] It is also critically important to note that although the HOLC's guidance was only explicitly to be followed by entities that disbursed government-sponsored mortgages, its guidance became an industry standard for private financing institutions as well, though these practices were not explicitly mandated by the government. Kenneth Jackson's seminal work *Crabgrass Frontier* states that there was substantial knowledge sharing between the HOLC, FHA, and private lenders, all of whom coalesced

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[9] Candace Jackson, "What Is Redlining?" *New York Times*, August 17, 2021, https://www.nytimes.com/2021/08/17/realestate/what-is-redlining.html.

[10] Quoted in Terry Gross, "A 'Forgotten History' of How the U.S. Government Segregated America," NPR, May 3, 2017, https://www.npr.org/2017/05/03/526655831/a-forgotten-history-of-how-the-u-s-government-segregated-america.

[11] Richard Rothstein, "Public Housing: Government-Sponsored Segregation," *The American Prospect*, October 11, 2012, https://prospect.org/article/public-housing-government-sponsored-segregation/.

around similar notions of mortgage risks that were biased against Black people and thus enabled the segregationist practices of the FHA to extend beyond public entities.[12]

Additionally, the HOLC advised that developers should utilize highways and barriers to physically separate Black and white communities. This direction was part of a well-documented history of urban renewal in which highway construction and other tactics were used to reinforce residential segregation, and highways harmed Black communities that had little institutional power to fight them.[13] For example, in 1940 a Detroit developer was denied a loan by the FHA because he intended to build near a Black community. In response the developer erected a six-foot cement wall between the Black community and the prospective development. Satisfied that the developer had mitigated all risks of integration after the wall was built, the FHA approved the loan.[14]

Though Rothstein correctly asserts that redlining was state-designed segregation that was achieved through explicit policies, it would be misguided to ignore the *de facto* behaviors that derived from redlining and cemented residential segregation. One byproduct of redlining was "blockbusting," a practice where realtors used fearmongering tactics about the encroachment of Black residents to convince white homeowners to sell their properties at low prices; the realtors would then upsell these properties to African Americans who faced extremely limited housing options.[15] Another byproduct of redlining was the use of "racial covenants," stipulations in housing deeds that the property could never be sold to a Black person. Racial covenants were banned by the US Supreme Court in 1948,[16] but their existence reflected the antagonistic attitudes towards integration manifest in other discriminatory practices that persisted. These practices, in concert with redlining, cemented residential segregation. The Fair Housing Act of 1968 intended to put an end to discriminatory housing policies such as redlining, but the impact of redlining was already too entrenched and the legacy of redlining and other forms of housing discrimination continues to shape outcomes for Black Americans across the country, specifically as it relates to economic mobility. After the legal end of redlining, Black people ostensibly had more

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[12] Kenneth Jackson, *Crabgrass Frontier* (New York: Oxford University Press, 1985), 363.

[13] Margery Austin Turner and Solomon Greene, "Causes and Consequences of Separate and Unequal Neighborhoods," Urban Institute, accessed April 14, 2023, https://www.urban.org/racial-equity-analytics-lab/structural-racism-explainer-collection/causes-and-consequences-separate-and-unequal-neighborhoods.

[14] Rothstein, The Color of Law.

[15] Digital Chicago, "Racial Restriction and Housing Discrimination in the Chicagoland Area," Lake Forest College, accessed April 14, 2023, https://digitalchicagohistory.org/exhibits/show/restricted-chicago/other/blockbusting.

[16] "Shelley v. Kraemer," Oyez, accessed April 27, 2023, https://www.oyez.org/cases/1940-1955/334us1.

housing access. However, during redlining white Americans had flocked to desirable suburban neighborhoods with the help of government-insured and government-backed loans, which facilitated increasing property values in those areas. So, when Black Americans finally had the opportunity to live in these locations, they were unaffordable,[17] and thus many families were still trapped in redlined neighborhoods that were frequently in disrepair and continued to be viewed as risky for commercial and residential investments.

In the present day, lenders have digitized key processes and created algorithms to assess applicants for home loans; these practices have given rise to new concerns that these algorithms replicate the implicit biases in the mortgage industry, and without intentional and responsible digital transformation, the lending industry risks widening homeownership disparities.[18] It is obvious that relics of historic residential segregation persist; that Black households continue to be disadvantaged by institutions; and that remediating that harm should be an urgent priority for the lending community, developers, and community-based organizations (CBOs).

Effects of Redlining and Other Forms of Housing Discrimination

Today, American cities are characterized by the legacy of residential segregation and data shows the way these activities shape mobility as well as economic and social outcomes. In fact, a FiveThirtyEight study found that most demographic trends in America's most populous cities mirror HOLC maps, meaning that Black residents overwhelmingly still reside in the same communities that they did during the era of redlining, which implies that residents of these neighborhoods have experienced very little geographic mobility, despite pushes for inclusive housing.[19] Additionally, even in communities where integration supposedly happened successfully, white Americans continue to live in mostly white neighborhoods according to a Brookings Institution study, which explains how attitudes about integration, in concert with differences in wealth attainment and property values, continue to constrain

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[17] Digital Chicago, "Racial Restriction and Housing Discrimination."

[18] Vanessa Perry and Kirsten Martin, "Algorithms for All: Has Digitization in the Mortgage Market Expanded Access to Homeownership?" Joint Center for Housing Studies, 2023, https://www.jchs.harvard.edu/sites/default/files/research/files/harvard_jchs_digitalization_panel3_perry.pdf.

[19] Best and Mejia, "The Lasting Legacy of Redlining."

Black residents to certain areas of a city, as is the case in Cleveland Heights.[20] Moreover, the implicit biases that informed redlining continue to permeate the mortgage lending space, and Black Americans are still twice as likely to be denied a home loan as a white applicant with similar credentials, further affirming the failure of fair housing policies to fully eradicate the legacy of redlining.[21]

As of 2022, Black American families accounted for 12.1 percent of the US population but only possessed 5.5 percent of primary-residence housing wealth in the United States.[22] This is because the typical homeowner in a neighborhood that was redlined has gained 52 percent less—or $212,023 less—in personal wealth generated by property value increases than one in a greenlined neighborhood over the last 40 years.[23] Considering that the median white household has ten times the wealth of the median Black household,[24] it becomes abundantly clear that redlining is strongly associated with sustained economic losses for Black families.

Beyond financial harm, redlining has also contributed to the creation of negative social welfare outcomes in formerly redlined communities due to sustained historic underinvestment. A working paper from the Annenberg Institute for School Reform at Brown University found that "districts and schools currently located in formerly redlined neighborhoods have significantly less per-pupil revenues, larger shares of Black and non-white student bodies, less diverse student populations, and lower average test scores compared with those located in neighborhoods that were not redlined."[25] Furthermore, researchers at SAVI, a data-driven policy center at Indiana University-Purdue University Indianapolis,

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[20] William H. Frey, "Even as Metropolitan Areas Diversify, White Americans Still Live in Mostly White Neighborhoods," Brookings Institution, March 9, 2022, https://www.brookings.edu/research/even-as-metropolitan-areas-diversify-white-americans-still-live-in-mostly-white-neighborhoods/.

[21] Debra Kamin, "Discrimination Seeps into Every Aspect of Home Buying for Black Americans," *New York Times*, November 29, 2022, https://www.nytimes.com/2022/11/29/realestate/black-homeowner-mortgage-racism.html.

[22] Linna Zhu, Laurie Goodman, and Jun Zhu, "The Community Reinvestment Act Meant to Combat Redlining's Effects. 45 Years Later, Black Homebuyers Are Still Significantly Underserved," Urban Wire (blog), Urban Institute, March 24, 2022, https://www.urban.org/urban-wire/community-reinvestment-act-meant-combat-redlinings-effects-45-years-later-black.

[23] Brenda Richardson, "Redlining's Legacy of Inequality: Low Homeownership Rates, Less Equity for Black Households," *Forbes*, June 30, 2021, https://www.forbes.com/sites/brendarichardson/2020/06/11/redlinings-legacy-of-inequality-low-homeownership-rates-less-equity-for-black-households/?sh=3515ad852a7c.

[24] Vanessa Williamson, "Closing the Racial Wealth Gap Requires Heavy, Progressive Taxation of Wealth," Brookings Institution, March 9, 2022, https://www.brookings.edu/research/closing-the-racial-wealth-gap-requires-heavy-progressive-taxation-of-wealth/.

[25] Dylan Lukes and Christopher Cleveland, "The Lingering Legacy of Redlining on School Funding, Diversity, and Performance," Annenberg Institute at Brown University, November 2021, https://www.edworkingpapers.com/sites/default/files/ai21-363.pdf.

found that past HOLC grades and segregation explain "25 percent [of] the variation in poverty rates, 23 percent of economic inequality, and 38 percent of SNAP usage (food assistance for low-income families). Additionally, income is strongly predicted by segregation and redlining. These factors predict 53 percent of the difference in median household income from neighborhood to neighborhood. Neighborhoods graded 'A' have the highest average household income, over $130,000, neighborhoods graded 'B or C' over $50,000, and neighborhoods graded 'D' just under $40,000." The SAVI researchers also found that the legacy of redlining can explain poorer health outcomes, exposure to environmentally hazardous materials, and police activity in D-graded neighborhoods.[26]

It is clear that the legacy of redlining and other forms of housing discrimination has created an ecosystem of uniquely immobilizing impacts for affected groups, but understanding impacts at the neighborhood level today is a much more complicated endeavor. One reason for this is that demographic shifts across cities have produced varying geographic mobility patterns for Black residents in different places; outcomes are therefore not perfectly confined to HOLC settlement patterns, but economic decline for Black residents across cities is still sustained. Research from the University of Richmond's Mapping Inequality Project found that in the over 200 HOLC-mapped cities, Black residents do not form a plurality in formerly redlined neighborhoods, contrary to popular perceptions. Likewise, in the ten cities with the most populous formerly redlined neighborhoods, where nearly 50 percent of individuals that live in formerly redlined neighborhoods now live, Black residents make up only 27 percent of the population of these neighborhoods. However, there are strong regional variations in this mobility. This regional variation can be demonstrated in Cleveland and Greater Boston, two places that my research investigates. In Cleveland, 69 percent of the 115,000 residents residing in formerly redlined neighborhoods are Black, which affirms the FiveThirtyEight findings, but in Cambridge, Massachusetts, only 12 percent of 39,000 residents residing in formerly redlined neighborhoods are Black.[27] Because the story of disinvestment and contemporary social outcomes varies greatly across places, some communities face the challenges of the economic marginalization of residents (e.g., on the basis of race) and of neighborhood disinvestment simultaneously, while others must address separately the economic

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[26] Jeramy Townsley, Unai Miguel Andres, and Matt Nowlin, "The Lasting Impacts of Segregation and Redlining," SAVI, August 18, 2022, https://www.savi.org/2021/06/24/lasting-impacts-of-segregation/.

[27] Andre M. Perry and David Harshbarger, "America's Formerly Redlined Neighborhoods Have Changed, and so Must Solutions to Rectify Them," Brookings Institution, October 14, 2019, https://www.brookings.edu/research/americas-formerly-redlines-areas-changed-so-must-solutions/.

marginalization of some residents and the challenge of preserving accessibility as neighborhoods become mixed-income and mixed-race.

In places where the legacy of pervasive housing discrimination has continued to bar Black Americans from equitable access to housing, community development organizations face particularly complex challenges. For communities that have remained majority-minority and economically disadvantaged, providing pathways to empowerment and making social service investments is key. However, some communities, such as Codman Square in Boston or Park Slope in Brooklyn, experienced residential segregation but later gentrified and became home to more white residents, changes that created affordability concerns. CBOs in these communities need to support residents who have been victims of institutional discrimination and, as a result, remain economically and socially disadvantaged. In addition, the CBOs have to ensure that the residents have agency and can remain in their homes as community conditions change. Generally, the legacy of housing discrimination has left an indelible impact on outcomes for Black communities across the country, and challenges persist for CBOs attempting to build equity.

My conversations with the leaders of NeighborWorks network organizations serving these communities elucidated the complex challenges that accompany this type of work and how their histories inform their approach to building equity in their communities. Though there are some differences in their scope and in the regional context that each organization operates within, these conversations still highlighted common themes among different organizations that funders should understand if they wish to effectively support CBOs operating in neighborhoods with legacies of racial segregation.

These common themes are as follows:

1. Many organizations emerged as a result of community advocates and residents responding to a neighborhood shock.
2. Service delivery, particularly delivery of social services, is a critical pathway to mitigate disparities left unresolved by housing development.
3. For many organizations, inhibiting gentrification, maintaining affordability, and allowing long-time residents to remain in place is key.
4. For many organizations, recognizing the history of the neighborhood and preserving its original character is achieved through homeownership and rehabilitation projects.

In the following sections, I explore each of these key themes more deeply through case studies that highlight one or two specific organizations. Though I have matched each case study with a common theme that it exemplifies with particular clarity, it is important to note that each of the themes pertains to most or all of the organizations studied.

What Key Themes Inform the Practices of Equity-Conscious Community-Based Organizations?

Case One: Famicos Foundation, Cleveland, Ohio

Emerging as a result of community advocates and residents responding to a neighborhood shock.

The Famicos Foundation is a community-based organization that operates in majority-Black neighborhoods throughout Cleveland's east side but got its start serving the residents of one particular neighborhood, Hough, in the face of racial strife. Hough is a roughly two-square-mile neighborhood on the east side of Cleveland. In the early twentieth century, Hough developed into a primarily African American neighborhood as a result of the suburbanization of the city. As the city center of Cleveland industrialized, wealthy white residents left for newer suburban districts to the west beginning in 1950. With this migration, city officials worked in concert with the federal government and state officials to build highways that would maintain the connectivity of white residents to the city center. The state razed many neighborhoods using the authority of eminent domain to make way for such highways, which decimated many majority-Black enclaves and facilitated widespread displacement. The development of the Cleveland Clinic created a secondary pressure on city officials who sought to make the expansion of the clinic possible through urban renewal efforts that carved out significant tracts of land for the clinic's use on Cleveland's east side.[28] This development, in conjunction with restrictive covenants and racial segregation, spurred an influx of Black residents into Hough, and by 1960 Hough had transitioned from a white to a Black neighborhood.

Hough's small size and the migration there of new Black residents in a short period of time placed pressure on the community's resources. According to the Cleveland Historical Society, schools were overcrowded, garbage lined the streets, recreational facilities were in disrepair, and police officers routinely over-patrolled and antagonized the community. To make matters worse, virtually no new

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[28] Merlin Chowkwanyun, "Cleveland Versus the Clinic: The 1960s Riots and Community Health Reform," *American Journal of Public Health* 108, no. 11 (2018): 1494-1502, doi:10.2105/AJPH.2018.304654.

housing stock had been built in Hough, and many single-family homes were converted into substandard multi-family units to accommodate the growing population. Moreover, according to the Cleveland Civil Rights Trail, a digital repository of civil rights activity in the area, many of these units were often in some state of disrepair and as a result sanitation suffered.[29] Specifically, from 1957 to 1962, the city's slum clearance campaign in Cedar-Central and the University-Euclid urban renewal project demolished homes in the eastern part of Hough that were not replaced, significantly constraining housing availability.[30] Black families were regularly charged excessive rents to reside in these unsatisfactory units as racial segregation severely restricted their housing options.[31] Despite being aware of the urban decline in the Hough neighborhood, city officials did very little to intervene.[32]

The marginalization of the Black community in the Hough neighborhood fostered animus and distrust amongst residents towards government institutions such as the city government and police as well as towards white residents in nearby neighborhoods. In July of 1966, a weeklong period of volatile civil unrest, known as the Hough Riots, broke out after a white bar owner refused to give a glass of water to a Black resident.[33] Four individuals, all of whom were Black, were killed during the riots, and many businesses and homes in the neighborhood were destroyed as a result of arson and vandalism. In the aftermath, the city government did not address the underlying factors that caused the uprising, nor did they undertake substantive reconstruction projects to rebuild the neighborhood.[34]

Sister Henrietta Gorris, CSA, a nun and the director of Our Lady of Fatima Mission Center who lived at a house on Quimby Avenue in the Hough neighborhood, observed an abandoned and resource-limited community after the uprising ended.[35] She organized a group of community volunteers to provide residents with food and clothing and to perform minor home repairs to address the fallout of the riot. Gorris also converted an old nearby apartment home into a convent and mission center that

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[29] Cleveland Civil Rights Trail, "Retrace Every Historic Moment of the Hough Uprising," accessed February 14, 2023, https://clevelandcivilrightstrail.org/explore-the-trail/the-hough-uprising/.

[30] Paul W. Hanson, "Cleveland's Hough Riots of 1966: Ghettoisation and Egalitarian (Re)inscription," *Space and Polity* 18, no. 2 (2014): 153-67, doi: 10.1080/13562576.2013.879773.

[31] Cleveland Civil Rights Trail, "Retrace Every Historic Moment of the Hough Uprising."

[32] Cleveland Historical, "The Hough Uprisings of 1966," Center for Public History + Digital Humanities at Cleveland State University, accessed April 14, 2023. https://clevelandhistorical.org/items/show/7.

[33] Encyclopedia of Cleveland History, "Hough Riots," Case Western Reserve University, November 11, 2020, https://case.edu/ech/articles/h/hough-riots.

[34] Cleveland Historical, "The Hough Uprisings of 1966."

[35] Robert C. Wolff, Sister Henrietta of Hough: She Reclaimed a Cleveland Slum (Chicago: Loyola Press, 1990).

was used as a central location to administer social services.[36] Gorris' efforts were highly successful, but she also realized that getting to the root of the problems that spurred the uprising was critical to fully improving conditions in the neighborhood. With this in mind, Gorris established the Famicos Foundation to provide the community with opportunity and long-term autonomy. One chief area of focus for the organization was and continues to be homeownership, since she believed that limited housing options kept the community in a racially exploitative and captive rental market. Famicos also focuses on providing ancillary wraparound services such as case management, food distribution, health and wellness screenings, and job training in order to address some of the harmful byproducts of housing segregation.[37]

Gorris' vision of agency and equitable access to ownership for Hough residents continues to shape Famicos' approach to community development. According to Executive Director John Anoliefo, Famicos prioritizes subverting racialized appraisal and lending practices that still persist.[38] Anoliefo shared that Famicos Foundation builds relationships with banking institutions that are lenders and/or appraisers to narrow this valuation gap, which he considers to be a new form of redlining that precludes Black residents from attaining quality, wealth-building homeownership.[39] Anoliefo expressed that he has witnessed appraisers who were unwilling to leave their cars when appraising homes due to the racial demographics of the neighborhood or its reputation (based more on racist assumptions than facts) for criminal activity.[40] Anoliefo commits to speaking with appraisers to discuss recent sales that have happened in the neighborhood and also drafts forecasting reports that detail upcoming development projects and predict positive future development in the hopes of raising home valuations.

The Famicos Foundation began when a resident took the initiative to combat the ills born from racial segregation in her community. The foundation's current vision statement reflects that history: "Our vision is the same vision that Sr Henrietta Gorris had when she founded our organization nearly 50

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[36] Ibid.

[37] Famicos Foundation, "History," accessed April 14, 2023, https://www.famicos.org/history.

[38] In 2022, the Brookings Institution found that homes in Black neighborhoods are valued approximately 21 percent to 23 percent lower than they would be in non-Black neighborhoods. See: Jonathan Rothwell and Andre M. Perry, "How Racial Bias in Appraisals Affects the Devaluation of Homes in Majority-Black Neighborhoods," Brookings Institution, March 23, 2023, https://www.brookings.edu/research/how-racial-bias-in-appraisals-affects-the-devaluation-of-homes-in-majority-black-neighborhoods/.

[39] Interview with John Anoliefo, June 7, 2022.

[40] Ibid.

years ago: We empower residents to create an engaged, vibrant, diverse, healthy neighborhood; where residents choose to stay, invest, and help shape a 'neighborhood of choice.'"[41] The statement is a testament to how this origin of community advocacy has shaped the strategic goals of the organization and why they engage in services that focus on assisting residents in building a neighborhood of their design, in response to being marginalized in a neighborhood that was forced upon them.

Case Two: Codman Square Neighborhood Development Corporation, Dorchester, Boston, MA

Service delivery, particularly delivery of social services, is a critical pathway to mitigate disparities left unresolved by housing development.

The creation of a robust social services model to address some of the more downstream economic, social, and political consequences of housing discrimination is a signature component of the activities of community-based organizations that are impacted by the legacy of redlining and other forms of housing discrimination. While many organizations involved in community development focus primarily on developing and managing real estate, for organizations that operate in neighborhoods that have inequitable social welfare outcomes like the ones I studied, extending their scope of work to include service delivery is critical to empowering the community.

For the Codman Square Neighborhood Development Corporation (CSNDC), an organization that is based in and serves part of the Dorchester neighborhood in the city of Boston, Massachusetts, service delivery is a way to "curry favor and trust with residents and increase autonomy in the neighborhood," according to executive director Gail Lattimore.[42] Codman's goal is to equip residents with the tools necessary to exercise ownership over the trajectory of their community and empower them.

Dorchester was not formally redlined, but racial segregation in housing significantly shaped the neighborhood. During the 1970s, the Codman Square area, along with many other parts of Dorchester, began to transition from a predominantly white neighborhood to a predominantly Black neighborhood as a result of a combination of blockbusting, arsons for profit, and white flight.[43] According to Lattimore, who has been a resident of Codman Square since the early 1990s, when she moved to the area she

[41] Famicos Foundation, "Mission," accessed April 14, 2023, https://famicos.org/mission.

[42] Interview with Gail Lattimore, August 4, 2022.

[43] Alexander von Hoffman, House by House, Block by Block: The Rebirth of America's Urban Neighborhoods (New York: Oxford University Press, 2004), 81–83.

observed several blighted properties, high levels of crime, poor infrastructure, and lack of care from the municipal government.[44]

The CSNDC operates programming under four pillars to mitigate the above challenges within the neighborhood: Housing, Economic Opportunity, Community Engagement, and Environmental Sustainability. Since its inception, Codman has purchased blighted properties and renovated them to convert them into rental properties that serve low- to moderate-income households. Under the pillar of Economic Opportunity, they facilitate workforce development training programs for returning citizens, and they offer financial fitness and counseling courses that prepare residents for homeownership and small business development as well as estate planning programs[45] that are aimed at promoting financial independence amongst residents, investments in the neighborhood, and shrinking the substantial racial wealth gap in Boston.[46]

CSNDC's Community Engagement pillar involves health and wellness programming, particularly as it relates to mental health, employment assistance programming with an emphasis on identifying job placement for returning citizens, and digital training. This pillar is also where their empowerment strategy is primarily operationalized. CSNDC regularly sends residents to NeighborWorks Training Institutes[47] and conducts place-based training to familiarize residents with the community development space and empower them to view themselves as practitioners and not just people being served. It also operates an in-house, 24-hour training known as the Resident Leadership Institute. As part of this institute, residents who graduate from the program can directly engage with politicians and developers to address community issues. CSNDC also hosts civic groups that are informal consultants on its programming as they provide feedback on the services it provides. It also operates voter engagement and education programs as well as the "Keeping Codman Affordable" campaign, a resident-led advocacy campaign that aims to counter displacement risks as a result of gentrification, which has become a more pressing concern in the past decade. Lattimore referred to mobilization and advocacy work as Codman's

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[44] Interview with Gail Lattimore, August 4, 2022.

[45] Codman Square Neighborhood Development Corporation, "Financial Programs/Services," June 29, 2021, https://www.csndc.com/economic-opportunity/financial-programs-and-services/#family-self-sufficiency-program.

[46] "The $8 Figure That Shamed Boston Gets an Update," editorial, *Boston Globe*, May 16, 2022, https://www.bostonglobe.com/2022/05/16/opinion/8-figure-that-shamed-boston-gets-an-update/.

[47] NeighborWorks America, "Place-Based Training," accessed April 14, 2023, https://www.neighborworks.org/Training-Services/Training-Professional-Development/In-Person-Training/Place-Based-Training.

"North Star," and declared a long-term goal of empowering residents to develop a community that doesn't need an organization like CSNDC.[48]

Lastly, CSNDC engages in environmental justice and sustainability work because Codman Square has become a heat island due to lack of trees and ventilation as a result of limited investments in local parks and recreation facilities. CSNDC's key initiatives include an urban farm that provides sustenance to food-insecure residents, which has delivered 1,700 pounds of fresh produce to families thus far;[49] a green infrastructure certification program; and Talbot Norfolk Triangle (TNT) Eco-Innovation District. TNT, which is Boston's first eco-innovation district, is a thirteen-block span of 280 homes that is the locus of environmental stewardship developed in partnership with LISC-Boston's Resilient Communities/Resilient Families program, the Barr Foundation, and the Natural Resources Defense Council. In less than a decade of operation, TNT has exhibited many successes such as "facilitating energy retrofits and solar installations on resident and CSNDC properties, installing rain gardens on bus shelter roofs adjacent to the Fairmount Line, training youth and men of color in arborist skills, planting almost 200 trees, shrubs, and bushes in resident yards and on CSNDC properties, installing rain barrels at EID resident homes, and implementing a Slow Streets plan for the neighborhood."[50]

Codman exemplifies the multidisciplinary and multidimensional approach that organizations located in neighborhoods that are seeking to move beyond a legacy of racial housing policies must deploy in order to address the byproducts of that discrimination, beyond focusing on the built environment.

Case Three: Fifth Avenue Committee, Brooklyn, New York City, New York

Implementing guardrails to inhibit gentrification, maintain affordability, and allow long-time residents to remain in place.

The neighborhood of Park Slope in Brooklyn is often cited as one of New York's trendiest yet unaffordable neighborhoods, but that was not always the case. Park Slope was for some time a working-class community, but gentrification from the 1990s onward has resulted in changes in the

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[48] Interview with Gail Lattimore, August 4, 2022.

[49] Codman Square Neighborhood Development Corporation, "Statistics," May 26, 2021, https://www.csndc.com/our-impact/statistics/.

[50] Codman Square Neighborhood Development Corporation, "Environmental Stewardship," June 7, 2021, https://www.csndc.com/sustainability/environmental-stewardship/.

neighborhood. The Covid-19 pandemic facilitated a small exodus to the suburbs from the city center as young workers in particular sought to evade high rental costs in urban areas for cheaper accommodations elsewhere during 2020 and older households chose to relocate to places where they would have more space.[51] However, those trends slowed considerably in the second year of the pandemic, and many individuals returned to urban centers as Covid-19 restrictions relaxed and people returned to work.[52] This return to stasis is emblematic of a decades-old trend of high-income households eschewing the suburbs for city living in certain regions.[53] Considering that many neighborhoods adjacent to city living became the only viable residential option for minorities that were barred from suburbia due to housing segregation, these communities have become racially diverse enclaves, and many have become majority-minority. Thus, the attraction of the high-income households towards these areas has threatened the ability of long-term residents to remain in place as a result of gentrification.

In our conversation, Bora Lee, chief of staff at the Fifth Avenue Committee (FAC), a community-based organization in northern Brooklyn, recalled growing up in Park Slope during the 1980s. Lee recalled that the Park Slope of her youth was home to a robust immigrant community, with residents primarily of Asian and Caribbean descent. Lee remembered the community being home to many small family-owned businesses that created a stable, homegrown, micro-economy that served a thriving working- to middle-class community. However, Lee noted that the Park Slope of today is extremely different from the community of her youth.[54] Today, Park Slope is one of New York City's trendiest neighborhoods. Indeed, a 2019 analysis by the Federal Housing Finance Agency found that on average a one-acre plot of land in Eastern Park Slope would cost $34.7 million, ranking it second on a list of most expensive land values in the country.[55]

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[51] Tim Henderson, "The Pandemic Prompted People to Move, but Many Didn't Go Far," The Pew Charitable Trusts, March 23, 2022, https://www.pewtrusts.org/en/research-and-analysis/blogs/stateline/2022/03/23/the-pandemic-prompted-people-to-move-but-many-didnt-go-far.

[52] Ben Winck, "4 Charts Show How Fast Everyone Is Flocking Back to Big Cities," *Business Insider*, August 16, 2021, https://www.businessinsider.com/urban-exodus-people-leaving-cities-charts-exurbs-real-estate-moving-2021-8.

[53] Yongsung Lee, Bumsoo Lee, and Md Tanvir Hossain Shubho, "Urban Revival by Millennials? Intraurban Net Migration Patterns of Young Adults, 1980–2010," *Journal of Regional Science* 59, no. 3 (June 2019): 538-66.

[54] Interview with Bora Lee, July 28, 2022.

[55] William Larson, Jessica Shui, Morris Davis, and Stephen Oliner, "The Price of Residential Land for Counties, ZIP Codes, and Census Tracts in the United States," Federal Housing Finance Agency, January 2, 2019, https://www.fhfa.gov/PolicyProgramsResearch/Research/Pages/wp1901.aspx.

Lee's recollections of a changed neighborhood are consistent with Brooklyn's history of redlining and subsequent gentrification. All of Northern Brooklyn, including Park Slope, Red Hook, and Gowanus, were D-graded neighborhoods according to HOLC maps, and thus became the home of many minority residents.[56] However, beginning in the 1980s, according to Lee, wealthy residents began to forego the hustle and bustle of Manhattan for quieter but still urban living in other boroughs. Additionally, the decreasing number of available and affordable units in Manhattan placed pressure on the market, and real estate agents began to encourage buyers to seek housing elsewhere. From Lee's perspective, Brooklyn became a popular destination because Prospect Park was a recreational hub akin to Central Park, brownstones were aesthetically appealing and spacious, and the Brooklyn-Queens Expressway provided connectivity to all other boroughs and New Jersey.[57] In addition, changing economic conditions exacerbated wealth disparities and housing choice in New York. From 1998 to 2008, the financial industry in New York continued to grow and was the highest-wage industry in the city. In comparison, service-oriented jobs, more frequently taken by lower-skilled workers[58] such as those in Lee's community, had lower salaries. Park Slope's subway connections with Manhattan and Wall Street and its cheaper housing options made it attractive to younger finance industry professionals. As a result, Park Slope evolved from a lower- to middle-class immigrant community to the home of wealthy finance workers and celebrities such as Steve Buscemi and Sir Patrick Stewart.[59] The redevelopment of the nearby Atlantic Yards area via eminent domain in the 2010s in order to construct the Barclays Center, the home of the Brooklyn Nets, further stoked concerns about gentrification. The development was vehemently opposed by many residents, who spent years protesting and legally challenging the multibillion-dollar development over concerns that it would continue to drive up housing prices, displace residents, and force out many small businesses.[60] Though proponents of the plan attempted to

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[56] Nancy Hoch, "Erasing the Redline: Exploring Histories of Housing Segregation in Order to Build a New Future," *The Indypendent*, September 7, 2019, https://indypendent.org/2019/09/erasing-the-redline-exploring-histories-of-housing-segregation-in-order-to-build-a-new-future/.

[57] Interview with Bora Lee, July 28, 2022.

[58] David L. Gladstone and Susan S. Fainstein, "The New York and Los Angeles Economies from Boom to Crisis," in *New York and Los Angeles: The Uncertain Future*, ed. David Halle and Andrew A. Beveridge (New York and London: Oxford University Press, 2013), 79-102.

[59] Erika Riley, "30 Surprising Celebrities Who Live in Laid-Back Brooklyn Nabes," StreetEasy (blog), December 8, 2021, https://streeteasy.com/blog/celebrities-in-brooklyn-20-stars-who-live-cobble-hill-park-slope/.

[60] Thomas J. Lueck, "Crowd Gathers to Protest Size of Atlantic Yards Plan," *New York Times*, July 17, 2006, https://www.nytimes.com/2006/07/17/nyregion/17yards.html.

assure residents that the development would stimulate the economy by creating jobs and new retail opportunities and also create more affordable housing stock, most of those plans remained unrealized as of 2020, when the area became a center of Black Lives Matter protests because it symbolized equity challenges in Brooklyn.[61]

Park Slope's becoming one of New York City's hotspots has been the catalyst for the Fifth Avenue Committee's tenant rights and anti-displacement strategies, which existed from the organization's inception but have been strengthened in recent decades. According to representatives from the Fifth Avenue Committee, landlords are aware of the increasing profitability of real estate, and some have deployed nefarious strategies to force long-term residents out of the neighborhoods, particularly elderly residents who are more likely to have rent-stabilized apartments but less likely to have the capacity to ward off ill-intentioned landlords through housing litigation. For example, landlords may ignore maintenance provisions and leave homes in disrepair to encourage relocation. Another strategy is to exploit the major capital improvements (MCI) provisions, which enable landlords to split the cost of building improvements that all residents ostensibly enjoy (such as new roofing, new boilers, new wiring) among tenants through one-time rental increases that are approved by New York State's Division of Homes and Community Renewal. MCI rent increases do not violate existing statutes regarding rent control and provide a viable way for landlords to raise rent substantially without breaking the law. With MCI monthly rent increases approaching upwards of $800 per month, the assessment of these fees places undue strain on low-income tenants who are unlikely to be able to pay the difference, and thus landlords can expedite eviction proceedings and begin the process of renting units for higher prices.[62]

The Fifth Avenue Committee aims to empower tenants to stave off profit maximizing landlords and remain in their homes. Through their Tenant Organizing and Advocacy program, FAC seeks to educate tenants on their rights and provide supportive services to avoid eviction such as case management and one-on-one tenant counseling, assistance applying for rental subsidies, and technical

[61] Andy Newman, "How a Once-Loathed Brooklyn Arena Became a Protest Epicenter," *New York Times*, June 16, 2020, https://www.nytimes.com/2020/06/16/nyregion/barclays-center-protests.html.

[62] Aisha Gomez, "Major Capital Improvements: An Unjust System that Enriches Landlords at the Expense of Rent-Burdened New Yorkers," Housing Justice for All, May 6, 2021, https://housingjusticeforall.org/resource/major-capital-improvements-an-unjust-system-that-enriches-landlords-at-the-expense-of-rent-burdened-new-yorkers/.

assistance to organize tenant advocacy groups within buildings; it also refers tenants to free or low-cost legal clinics to help them litigate ongoing housing disputes.

Case Four: Fifth Ward Community Redevelopment Corporation, Houston, Texas

Preserving history through homeownership and rehabilitation projects.

To understand the priorities of a CBO operating in a neighborhood that experienced residential segregation, one has to understand how the neighborhood's history shapes the community's expectations of the CBO. For some organizations, like the Fifth Ward Community Redevelopment Corporation (CRC) in Houston, Texas, this history extends well beyond the history of redlining, but still affirms how racism can create housing exclusion in a place. For this community, that legacy of exclusion bred a unique culture in the neighborhood that community members seek to preserve and improve.

One of Houston's original six wards, the Fifth Ward neighborhood was settled in the aftermath of the Civil War by freedmen in 1866 and became a staple of the Black community in Houston. Over the next half century, the establishment of churches such as United Methodist Church, the oldest institution in the ward, by a reverend who had been enslaved; schools such as Phyllis Wheatley High School, which was founded in 1927 and became the largest African American high school in the country; and a slew of black-owned businesses throughout the central business district made the Fifth Ward a cultural epicenter for Black Houstonians.[63]

As a testament to this, Kathy Flanagan Payton, President and CEO of Fifth Ward CRC, noted that despite the relaxing of racial covenants that had formerly relegated the Black community to the Fifth Ward, when residents moved elsewhere in the city, they still returned to the Fifth Ward frequently to patronize businesses or go to church. Flanagan Payton, who was born and raised in the Fifth Ward, couldn't see herself doing community development work anywhere else, because her "heart is in the Fifth Ward."[64] For those connected to it, the Fifth Ward is not only a neighborhood but also a symbol of culture, community, and nostalgia. For this reason, the Fifth Ward CRC actively works to preserve the history of the community through rehabilitation projects and homeownership development programs that seek to allow the neighborhood's long term residents to remain in place.

[63] City of Houston, "Super Neighborhood 55 - Greater Fifth Ward," accessed April 14, 2023, https://www.houstontx.gov/superneighborhoods/55.html.

[64] Interview with Kathy Flanagan Payton, August 8, 2022.

Through their Homeownership Promotion and Preservation program, Fifth Ward CRC offers homebuyers education for prospective buyers, who are typically long-time renters in the community or residents with demonstrable ties to the Fifth Ward. For current owners, Fifth Ward CRC also provides housing counseling that uses HUD-certified counselors to teach owners about home insurance policies, homestead tax exemptions, maintenance plans, and refinancing options to ensure long-term affordability. Lastly, Fifth Ward CRC offers foreclosure and debt counseling to help residents who may be struggling with their financial obligations to identify pathways to maintain ownership of their homes.

According to Flanagan Payton, the construction of Interstate 69, beginning in the 1960s, separated the neighborhood into quadrants, with the quadrant closest to downtown Houston experiencing periods of gentrification over the next half century, leading long-term residents to fear the threat of displacement and neighborhood change.[65] To that end, Fifth Ward CRC carries out significant rehabilitation projects where it purchases and restores infrastructural relics in the community to prevent the erasure of the history of the Fifth Ward. Moreover, in 2020, the Fifth Ward was identified as Houston's first African American cultural arts district as designated by the Texas Commission for the Arts. This designation honors the integral contributions of the Black community to the cultural, economic, and social development of the neighborhood.[66] Fifth Ward CRC was very involved in pursuing this designation as it strengthened their anti-displacement work by serving as an additional buffer against the fabric of the neighborhood being altered by the introduction of new tenants. According to Flanagan Payton, the designation provides an implicit presupposition, albeit not a legal one, that those who relocate to the Fifth Ward for residential or commercial purposes should understand and respect the desires of community members to preserve the history of the place.[67]

Further, under Flanagan Payton's leadership, the organization has also sought to capitalize on newfound interest in the neighborhood to the benefit of the community. She has leveraged the piqued interest to foster increased small business development and to gather resources to erect more affordable housing to further fight against displacement. In this process, Flanagan Payton actively deploys civic engagement and prioritizes community input in all the organization's decision making. The

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[65] Ibid.

[66] City of Houston, "Houston's Fifth Ward Cultural District and the Historic Third Ward Awarded State Cultural District Designation," September 4, 2020, https://www.houstontx.gov/mayor/press/2020/fifth-and-third-wards-cultural-districts.html.

[67] Interview with Kathy Flanagan Payton, August 8, 2022.

Fifth Ward is a 150-year-old community made great by its rich history and by the residents who have contributed to that history. To that end, Payton finds it important to honor the community by heeding their concerns and desires to preserve the legacy and future of the Fifth Ward in a dignified way.

Do Current Funding Practices Lead to Optimal Outcomes for Equity-Conscious Community-Based Organizations?

Organizations in the NeighborWorks network can be broadly thought of as CBOs, all of which are nonprofits. These organizations are comprised of real estate developers, service providers, and property managers, and to support their capital projects (i.e., new housing) and operations, they rely on a mix of funding sources including all levels of government, community development financial institutions (CDFIs), philanthropic institutions, and occasionally private investors.

The congressional appropriations process allows for other funding opportunities that are too numerous to be noted here. It is important to note the role played by organizations such as NeighborWorks America in the funding space for community development organizations. NeighborWorks is a congressionally chartered nonprofit whose task is to support community development activities throughout the United States and Puerto Rico by disbursing grants and providing technical expertise to community development organizations in its network. In this capacity, organizations like NeighborWorks are powerful intermediaries between vital federal funding opportunities and organizations doing work on the ground.

The funding structure for community development organizations is complex, cross-sectional and unreliable, often depending on the generosity of a variety of organizations with evolving objectives that may not always include supporting some of the social service programs that community-based organizations offer. Further, when funding is readily available from non-government actors, there is a proliferation of programmatic as opposed to general opportunity grants. Programmatic grants typically fund specific programs or activities, whereas general opportunity grants allow for capacity building because the monies can be used to support any activity, including staff salaries, building maintenance, and general overhead costs that support operational activities. The overabundance of programmatic grants creates a difficult inflection point for many community development organizations. Gail Lattimore, executive director of CSNDC, says that although she feels that it is important to invest in tools that will build sustainable neighborhood advocates, the path of least resistance is to continue developing programming where the funding streams are clearer and more consistent. This challenge is exacerbated by the fact that the assessment metrics used by many funders to evaluate their return on investment are deeply entwined with programmatic achievements, such as resident service delivery or the construction of affordable housing. From this challenge emerges one aspect of the second research question that this paper explores. Some senior officials at NeighborWorks speculated that organizations like CSNDC may engage in activities that do not clearly fit within the confines of existing evaluative criteria or stipulations for grant approval, particularly as they relate to work that is intended to foster justice, in this case the legacy of racial discrimination, and therefore may receive less funding than if their activities were tailored to existing criteria. This mismatch between assessment criteria and an organization's strategic priorities presents a unique funding challenge where organizations may not be able to demonstrate their impact adequately and thus miss out on funding opportunities. In my interviews with NeighborWorks network organizations, I therefore sought to understand how the goals of the organization are perceived relative to those of organizations that do not engage in such profound equity work.

The murder of George Floyd, an unarmed Black man, at the hands of a Minneapolis police officer in May 2020, in conjunction with equity challenges brought to light by the ongoing Covid-19 pandemic, proved to be the catalyst for a broader national dialogue surrounding racial harm, equity, and justice, and the ways in which governments, corporations, and other institutions contribute to racial subjugation, particularly for Black Americans. As a result, a plethora of corporations and philanthropic organizations made historic pledges and investments to support the prosperity of the Black community. According to a 2022 *Washington Post* analysis, in 2020 America's fifty largest public companies and their respective foundations pledged an estimated $49.5 billion to address racial inequality.[68] A substantial portion of these investments focused on activities related to economic and community development. For example, JP Morgan Chase & Co. made a $30 billion racial equity commitment, with stated goals of "helping close the racial wealth gap and driving economic inclusion by providing more opportunities for homeownership, increasing access to affordable housing, growing small business and bolstering financial health for Black, Hispanic and Latino communities across the nation."[69] Specifically, JP Morgan

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[68] Jena McGregor and Tracy Jan, "Big Business Pledged Nearly $50 Billion for Racial Justice after George Floyd's Death. Where Did the Money Go?" *Washington Post*, August 23, 2021, https://www.washingtonpost.com/business/interactive/2021/george-floyd-corporate-america-racial-justice/.

[69] JP Morgan Chase & Co., "Our $30 Billion Racial Equity Commitment," accessed April 14, 2023, https://www.jpmorganchase.com/impact/racialequity.

Chase & Co. pledged to originate 40,000 home loans and support the creation of 100,000 affordable housing units, with a focus on partnerships with CDFIs[70] (a stipulation that inherently excludes many CBOs doing impactful work). JP Morgan Chase & Co.'s commitment was amongst the most substantial and the most narrowly scoped in regard to eligibility, but other banking institutions such as Goldman Sachs made multibillion-dollar commitments to supporting Black women broadly. Goldman Sachs pledged to provide support through loans and philanthropic grants to Black women who were working to eradicate disparities in education, healthcare, housing, and access to capital in an initiative called the One Million Black Women Initiative, which committed $10 billion in direct investment capital and $100 million in philanthropic support. Under this umbrella are the Black Women Impact Grants, a $10 million grant program intended to directly support Black women who are leading nonprofits that narrow opportunity gaps at "pivotal moments in a Black woman's life." [71] The bank also created the Goldman Sachs Fund for Racial Equity, which was funded at $10 million and is intended to support nonprofit organizations working towards racial equity. Goldman Sachs's commitments were targeted broadly with the only stated prerequisite being that their grants would support Black women leading nonprofits that supported Black women, which is ostensibly inclusive of the many Black female CBO leaders whom I spoke with.

The sudden cash infusion into the community and economic development space created a secondary question of whether this influx improved the funding experience or increased capacity for the CBOs I engaged with. While the funding strategies and experiences of the leaders I spoke with are too complex and include structural nuances that are too great to fully appreciate in this paper, I will turn to the leaders of two organizations who had differing interactions with large entities while seeking new grants since 2020 to illustrate some of the challenges of this type of grantmaking. These case studies will reveal some of the other takeaways about concepts for funders to consider when developing their funding strategies.

Case Five: HomeSight, Seattle, Washington

Strategic alignment creates a pathway to increased racial equity funding.

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[70] JP Morgan Chase & Co., "Housing & Homeownership," accessed April 14, 2023, https://www.jpmorganchase.com/impact/racialequity/housing-homeownership.

[71] Goldman Sachs, "One Million Black Women," accessed April 14, 2023, https://www.goldmansachs.com/our-commitments/sustainability/one-million-black-women/.

HomeSight, an organization helmed by Darryl Smith, differs from the other organizations I spoke with in that it is a CDFI, a designation given by the Treasury Department to specialized organizations that provide some sort of financial services to low-income communities or people who lack access to traditional financing opportunities.[72] As a CDFI, HomeSight focuses on increasing homeownership opportunities in Seattle, where the homeownership rate for Black families is the same as it was in 1968.[73] It is important to note that nationally, the Black-white homeownership gap is at an historically high level at 45.3 percentage points. Even when controlling for income disparities driven by historic economic disinvestment in Black communities, the homeownership gap between moderate- to high-income (earning 80-120 percent area median income or AMI) Black and white households is still 22 percent.[74] To address this latter gap, HomeSight includes in its target population middle-income families who earn between 80 and 120 percent of the Area Median Income (AMI), an income level too high to make them eligible for most subsidy programs for marginalized populations. Additionally, since HomeSight focuses on building homeownership opportunities, it cannot take advantage of federal Low-Income Housing Tax Credits (LIHTC), because these credits can be used only for rental housing.

Since the people targeted by HomeSight are not considered low-income, they face distinct financial challenges on the road to homeownership. For example, while many HomeSight families do not have much difficulty qualifying for mortgages (meaning they are able to make monthly payments), they often do not have the upfront cash needed to cover a down payment and closing costs and are therefore still unable to purchase a property.[75] This is likely a result of a lack of intergenerational wealth and the fact that many Black buyers are first-time homeowners, since policies like redlining barred their parents and grandparents from homeownership.[76] To bridge this gap in opportunity, HomeSight developed the Sam Smith "Hi Neighbor" Homeownership Fund, which is a loan program that offers up

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[72] Community Development Financial Institutions Fund, "CDFI Certification," accessed April 14, 2023, https://www.cdfifund.gov/programs-training/certification/cdfi.

[73] Interview with Darryl Smith, August 5, 2022.

[74] Joint Center for Housing Studies, "The State of the Nation's Housing 2022," Harvard University, 2022.

[75] Interview with Darryl Smith, August 5, 2022.

[76] Lawrence Yun, Jessica Lautz, Nadia Evangelou, Brandi Snowden, and Meredith Dunn, "A Snapshot of Race and Home Buying in 2022," National Association of Realtors, 2022, accessed May 18, 2023, https://cdn.nar.realtor/sites/default/files/documents/2022-snapshot-of-race-and-home-buying-in-the-us-report-02-23-2022_0.pdf.

to $12,000 of down payment assistance to families who qualify for a mortgage and earn between 80 and 120 percent of AMI.[77]

The "Hi Neighbor" Fund began as a joint investment between HomeSight and Windermere Real Estate, a Seattle-based real estate firm that is the largest regional real estate company in the western United States, but in 2020, the program attracted the attention of banking institutions for investment in alignment with their racial justice pledges. According to Smith, HomeSight's position as a financing and mortgage-granting institution provided more direct synergy between their practices and the objectives of larger financial institutions. For example, HomeSight can underwrite mission-driven loans, which traditional banks cannot do, and banks receive a Community Reinvestment Act credit for supporting HomeSight in some way. As a result, US Bank, Wells Fargo, and Citibank have all invested in the "Hi Neighbor" Fund.[78] For HomeSight, 2020's racial justice investment strengthened private partnerships and increased cash flows.

Case Six: Better Housing Coalition, Richmond, Virginia

Opacity in program objectives and criteria preclude grant eligibility for some CBOs pursuing funding for racial equity initiatives.

My discussion about racial equity funding in 2020 with Greta Harris, who serves as the executive director of the Better Housing Coalition in Richmond, Virginia, revealed a wholly different experience than that of Darryl Smith. The Better Housing Coalition builds and operates mixed-income housing and provides numerous resident services programs such as enrichment programs for children and adolescents, counseling through social service providers, financial and career development programs, and health and wellness services. It was founded with the belief that everyone deserves safe and quality shelter and engages in activities that promote the creation of safe and stable neighborhoods.[79]

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[77] HomeSight, "The Sam Smith 'Hi Neighbor' Homeownership Fund," HomeSight, December 7, 2021, https://www.homesightwa.org/sam-smith-hi-neighbor-fund/. For more information on the potential of downpayment assistance to narrow homeownership gaps, see: Daniel McCue, Raheem Hanifa, and Christopher Herbert, "How Much Can Downpayment Assistance Close Homeownership Gaps in Black and Hispanic Households?" Joint Center for Housing Studies, March 2023, https://www.jchs.harvard.edu/sites/default/files/research/files/harvard_jchs_downpayment_assistance_mccue_2023.pdf.

[78] Interview with Darryl Smith, August 5, 2022

[79] "Better Lives," Better Housing Coalition, June 6, 2017, https://www.betterhousingcoalition.org/our-impact/better-lives.

Although the Better Housing Coalition self-generates roughly 95 percent of its $25 million operating budget through rental revenues, public programs, and grants,[80] Harris still enthusiastically pursued new funding options as they became available in 2020, with less than impressive results. Harris was particularly interested in Goldman Sachs' Black Women Impact Grants. She believed she was especially qualified for this opportunity because she is a Black woman whose work matched the criteria for program eligibility as described online: she was leading a nonprofit that not only was working towards equity for Black people but also was administering services directed towards the advancement of Black women and girls.

However, according to Harris, it was a months-long endeavor to locate the appropriate person at Goldman Sachs to speak with about this grant opportunity, and when she did get in contact with someone, she was informed that Better Housing Coalition's focus on social service programs was not a priority for Goldman Sachs's grants, but that these programs would be eligible for low-interest loans. This offer did not appeal to Harris because she prioritized maintaining Better Housing Coalition's relatively debt-free funding model and so did not want to be beholden to a financial institution.[81]

For Harris, this experience clarified a challenge with obtaining the funds pledged by large financial institutions. From her experience, these newly minted programs were often poorly staffed without dedicated employees who were able to answer questions, indicating that perhaps the programs were launched without sufficient implementation planning. Furthermore, the programs often came with unpublicized eligibility requirements that would be explained away as strategic mismatches, instead of outright denials. Harris claimed that the funding burst of 2020 led to some increased investments by smaller organizations but that large corporations such as Wells Fargo, Citibank, JP Morgan Chase & Co., and Goldman Sachs did not provide substantial support. Though she assumed some organizations received grants from some of these large institutions, she stated that she did not know anyone in her professional network who had successfully been approved for a grant.[82] Harris speculated that perhaps Goldman Sachs did not prioritize housing issues, but rather more prominent issues facing Black women, such as the maternal health crisis.[83] In June of 2022, Goldman Sachs released the list of the fifty women and organizations that had been selected to receive a Black Women Impact Grant, and many do appear

[80] Interview with Greta Harris, July 14, 2022.
[81] Interview with Greta Harris, July 29, 2022.
[82] Ibid.
[83] Ibid.

to explicitly focus on community development or housing issues.[84] It is unclear what criteria the firm used to evaluate applicants or why Harris was discouraged from pursuing the grant.

General Perceptions of the Funding Experience

Harris's experience also elucidates another key obstacle that emerged as a result of the 2020 pledges, one which is emblematic of broader funding challenges. Much of the $50 billion commitment made towards racial equality by America's largest institutions, 90 percent to be exact, came in the form of loans or investments, such as mortgages[85] or the investments in the "Hi Neighbor" fund in Seattle, from which the granting institution could benefit; JP Morgan Chase & Co. and Bank of America accounted for nearly all of these investments.[86] Codman Square's Gail Lattimore also shared that in her experience many of the new funding opportunities that emerged in 2020 were loans and not grants, which was not advantageous.[87] Even though the banking institutions anticipated below-market-rate returns on these loans, taking out a loan did not align with the strategies of CBOs that prioritized service delivery, a line of work that is not immediately profit-generating. Grants, which could support a wider range of activities without the expectation of repayment, were normally preferred. From this perspective, it can be safely assumed that the infusion of cash to support economic or community development work focused on racial justice did not result in the material gains that some organizations anticipated. The exact scope and magnitude of this unfulfilled promise deserves more attention and rigorous analysis.

It also is worth noting that leaders of all seven organizations highlighted a mismatch between stated commitments and actual action as it relates to funding behaviors. One of the common themes in my conversations with the leaders was that stated commitments to equity are seldom, if ever, matched by financial contributions. This critique is applicable to the large financial institutions but is relevant for any funder of any size. Funders may want to check the box of supporting equity work because that is the normative behavior and, since 2020 especially, conversations about racial justice have been prominent and not making any commitments would likely be viewed as offensive and result in bad publicity for

[84] "Goldman Sachs, "Goldman Sachs *One Million Black Women* Announces 50 Recipients of Black Women Impact Grants to Scale Black Women-Led Nonprofits," June 15, 2022, https://www.goldmansachs.com/media-relations/press-releases/2022/ombw-announces-black-women-impact-grants.html.

[85] McGregor and Jan, "Big Business Pledged Nearly $50 Billion for Racial Justice."

[86] Ibid.

[87] Interview with Gail Lattimore, August 4, 2022.

larger corporations. As a result, a funder or corporation might decide to make a financial investment to affirm their commitment to racial equity, but according to many of the leaders, these investments rarely were substantial or long-term. As a result, they usually did not provide the capital needed to truly support sustainable neighborhood change. This, according to many leaders, suggests that funders either were (a) unaware of the full scope of investments needed to support community development work in distressed areas or (b) engaging in performative window dressing to prevent backlash. In either case, both avenues led to underinvestment that did not sufficiently increase the capacity of the CBOs. As Kathy Flanagan Payton of Fifth Ward CRC put it, "The issues that face our community existed way before the George Floyd incident and continue today; transformational community development requires strategic and impactful investments and not just one time "feel-good" donations."[88]

Payton's insights imply the importance of deep commitments in the funding space. As explained earlier, the impacts of racial segregation are nefarious, complex, and have been sustained for decades. Addressing these issues requires long-term investments into the work that these community-based organizations conduct so that they will have durable capacity to meet the multifaceted needs of economically, socially, and politically disadvantaged residents. Though funders might support equity building work, they often view themselves as tangential to the work and often do not appreciate how their donations contribute to a broader theory of change. As a result, they generally do not make the financial contributions necessary to have more significant impacts. This suggests that leaders of CBOs working in historically marginalized communities generally should not rely solely (or primarily) on the private sector to shoulder the responsibility for transformative neighborhood change. It is therefore critically important for the public sector and intermediaries like NeighborWorks to make substantial investments to advance the missions of equity-driven organizations in concert with private entities, which, in the end, prioritize profit-maximizing opportunities. The public sector has more latitude to make investments that improve social programs because key officials are more likely to understand the long-term social benefits of creating strong, resilient, and healthy neighborhoods.

What Practitioners Want Funders to Know

Flanagan Payton, and others, went on to share how necessary it is for funders to make contributions beyond monetary donations. This further underscores the concept of funders feeling tangential to the

[88] Interview with Kathy Flanagan Payton, August 8, 2022

work. Neighborhoods distressed by a history of segregation face complex challenges that require much attention and focus, which can include policy interventions. It can be helpful for funders to leverage their networks and coalitions to support public policies that will lead to more extensive investments in distressed neighborhoods. Additionally, community development organizations and nonprofits in general face capacity constraints where their programmatic goals often exceed their staff's capabilities. According to Kathy Flanagan Payton, the volunteerism of funders can fill gaps in bandwidth and can complement monetary support, especially if the monetary contribution cannot be significant.[89] When funders make contributions beyond financing, they can demonstrate a deeper commitment to an organization's mission and theory of change by ensuring the organization can execute its vision.

A secondary point of interest is the relationship that the leaders have with their communities of service and how their own personal identities shape their conceptualization of their work and their perception by others in the field. When discussing her view on Better Housing Coalition's role in the community, Greta Harris shared, "It's not about the real estate or the finance or the design. …This is about trying to play a small part in righting wrongs and helping families have opportunity access."[90] This idea rang true for many of the other leaders I spoke with. Many of them work in neighborhoods where they were raised or have lived for many years. For example, Darryl Smith of HomeSight, Gail Lattimore of Codman Square Neighborhood Development Corporation, Bora Lee of Fifth Avenue Committee, Greta Harris of Better Housing Coalition, Kathy Flanagan Payton of Fifth Ward CRC, and John Anoliefo of Famicos Foundation have all spent at least three decades in their neighborhoods. For that reason, these leaders feel much closer to the issues facing their communities, and beyond that, they find that having a racial identity similar to that of many community members further connects them to the challenges and opportunities facing residents of the neighborhood. Their understanding of the importance of building equity in a place is directly tied to their lived experiences in the neighborhoods where they work. They have witnessed firsthand the difficulties that their neighborhoods face as a result of residential discrimination and racist policies. Consequently, the work feels much bigger than them and their individual selves and much bigger than real estate development: it is more about serving a reparatory aim that seeks to right the wrongs of the past.

[89] Ibid.

[90] Interview with Greta Harris, July 14, 2022.

However, this deep connection to the community also allows these leaders to observe how a history of racial discrimination can be a disadvantage in the funding process. John Anoliefo of the Famicos Foundation shared how important proving worthiness was to his organization's success and noted that he has spent much of his tenure as executive director establishing credibility and showing that Famicos can produce positive outcomes and that the neighborhood is a viable place for investment. Anoliefo shared that the latter effort can be particularly challenging because a neighborhood in decline generally is not attractive to conventional investors. But, he noted, without investment, the neighborhood will always be in a state of decline, which creates a challenging catch-22.[91]

Moreover, the metrics that are used to assess the work can be an enemy of an organization's progress. Kathy Flanagan Payton of Fifth Ward CRC noted that organizations like NeighborWorks are constantly inquiring about real estate development in their evaluation of their network organizations. She decried this methodology as ineffective because organizations like hers do so much more than real estate development with high levels of success, adding that these activities should also be considered when assessing effectiveness.[92] From this perspective, it could be advantageous for funders to work in concert with grantees to develop more inclusive criteria for evaluating grantees.

Generally speaking, practitioners would appreciate funders who are more open-minded in their assessments of community impacts and the effectiveness of the work done by CBOs operating in neighborhoods that are distressed because of a long history of racial segregation. Secondarily, if funders invested themselves more fully in the work of their grantees by not limiting their engagement to financial contributions, then they would better understand the need to build operational capacity, lend themselves to that effort, and be more attuned to the organization's overall vision of change. This would demonstrate that funders understand that funding these organizations requires intentionality, understanding, and sustained and substantial commitments.

Conclusion and Opportunities for Future Research

This paper explores many urgent challenges and opportunities facing organizations operating in neighborhoods that were the locus of state-sponsored segregation and how funders can be more intentional about supporting these organizations. The most fundamental theme that emerged from this

[91] Interview with John Anoliefo, July 7, 2022.
[92] Interview with Kathy Flanagan Payton, August 8, 2022.

research is how critical it is for funders to understand and appreciate the history of community-based organizations in these neighborhoods and the places where the organizations are located. Each organization operates in a very specific and pertinent historical context that significantly influences how its leaders conceptualize neighborhood change and how they seek to achieve it. This history also highlights why the work of these leaders is so deeply personal and much bigger than simply redevelopment work, as they know the longer history and why changing the trajectory of their neighborhoods is an opportunity to change outcomes for communities of color broadly. As Greta Harris of Better Housing Coalition put it, "It's not about the real estate or the finance or the design…this is about trying to play a small part in righting wrongs and helping families who have been excluded to have opportunity access."[93] Once funders understand these historical contexts, their appreciation for an organization's theory of change and their support of the organization's activities can be improved. Funders can see how their contributions can have transformative impact and make more significant and sustained investments. They can also understand the importance of equity-conscious service delivery and revise their assessment metrics to be more inclusive.

Still, some fundamental but important questions remain that merit further research. Among these questions are the following:

- How can funders help grantees achieve their goals, particularly in relation to capacity building efforts such as volunteerism and advocacy?
- What federal or state-level policy interventions could be used to increase capacity beyond what funders give? For example:
    - Can rent stabilization and tenant protection policies preserve affordability and counteract gentrification?
    - Could the expansion of LIHTC adequately fill funding gaps for CBOs focused on affordable development?
    - How can local governments and CBOs balance the need for development and the threat of gentrification? What guardrails can be put in place to prevent displacement after neighborhoods have revitalized?

[93] Interview with Greta Harris, July 14, 2022.

- Can intermediaries like NeighborWorks better connect community-based organizations in their network with private corporations that might provide significant financial support for those neighborhood groups?
- What was the efficacy of 2020's racial justice pledges? Who were the recipients of these financial investments and what was the impact?
- Can we develop inclusive metrics that would better assess the work of organizations working in formerly redlined neighborhoods?

Another vital topic that has not been explored in this paper but merits closer attention is the work of organizations located in communities that historically were inaccessible to Black families, such as Montgomery Housing Partners (MHP), which serves households in Montgomery County, Maryland outside of Washington, DC. In an interview, MHP Executive Director Robert Goldman shared that historically Montgomery County was an exemplar of white flight to suburbia that even has a history of restrictive deeds being used to bar Black families.[94] However, the housing affordability crisis in nearby Washington, DC, Goldman said, has displaced Black residents, and has helped make Montgomery County more racially and economically diverse, particularly in places like Silver Spring and Takoma Park that are closer to Washington, DC. To accommodate changing community needs, MHP has increasingly prioritized affordable housing development and increased its focus on providing services.[95]

The impetus for this research was the speculation that organizations operating in the context of past housing discrimination are uniquely situated, can be distinctly defined, and have differing funding experiences than organizations that do not have that history. This speculation has been longstanding, but very little has been done to fully assess these organizations or to investigate their strategies and their reception in the funding space. Thus, despite the work that remains to be done, this research marks a critically important first step to broadening the collective understanding of policymakers, practitioners, and funders of organizations that have led the way in prioritizing equity in communities that have been marginalized and increasing opportunity access for the most disadvantaged among us. The hope is that this work provides a pathway for cross-sector leaders to collaborate to identify ways to make more substantial investments in these communities and in these organizations. Supporting this

[94] Interview with Robert Goldman, July 15, 2022.
[95] Ibid.

work is a fundamental element of mitigating our nation’s historical wrongs and moving towards healing, progress, justice, and equity.

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Bora Lee, Fifth Avenue Committee

Darryl Smith, *HomeSight*

Greta Harris, Better Housing Coalition

Gail Lattimore, Codman Square Neighborhood Development Corporation

John Anoliefo, Famicos Foundation

Kathy Flanagan Payton, Fifth Ward Community Redevelopment Corporation

Rob Goldman, Montgomery Housing Partners