

# **Community Development Organizations**

# A new COVID-19 surge



Few Black-owned businesses get PPP loans

**Covid-19 is disproportionately taking black lives**

over 100



Trump's Empty Shell of a Promise to Renters

'We All Feel At Risk': 100,000 People Dead From COVID-19 In The U.S.



Nonprofit Housing Providers Face Down COVID-19

## Community Development Organizations



**“Racism, specifically, is the state-sanctioned or extralegal production and exploitation of group-differentiated vulnerability to premature death.”**

– Ruth Wilson Gilmore,  
*The Golden Gulag*

# How NeighborWorks Organizations are responding to the racially disparate impact of COVID-19 in Black communities

Ben Demers  
2020 Gramlich Fellow



# Questions

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How are community development organizations that are based in predominantly Black communities pursuing racial equity goals in response to the COVID-19 pandemic?

How has the confluence of the pandemic and national conversations around racism and police brutality allowed organizations to advocate for a more racially equitable recovery moving forward?



# Overview

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- 1** Project  
Methodology

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**2** Case  
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**3** Discussion

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Methodology

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Studies

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**4** Q&A

# Methodology

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**22**

**Interviews**

**NWA Staff (Relationship Managers,  
Sr. Directors, REDI staff)**

**Organizational Staff &  
Board Members**

**NNA Representative**

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**News Reports**

**Official Documents**

**Census and COVID-19 Data**



# Methodology

Racial equity response  
measures are both:

# Methodology

Racial equity response  
measures are both:

Explicit

# Methodology

Racial equity response  
measures are both:

Explicit

Implicit

# **Case Studies**



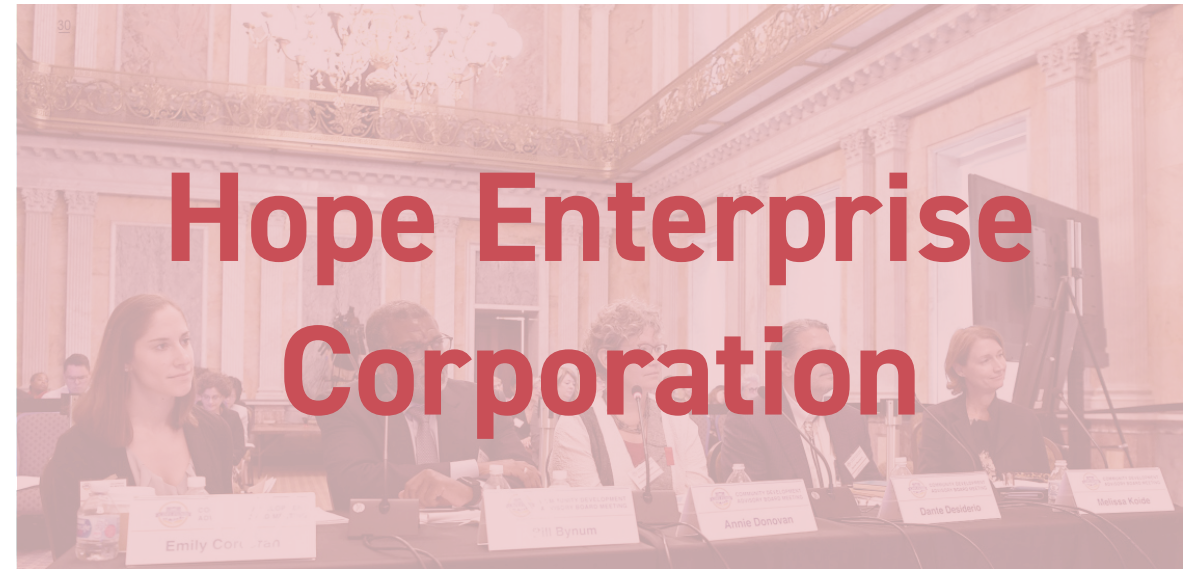
# NHS of Los Angeles County



# Beyond Housing



# Urban Edge



# Hope Enterprise Corporation

# Neighborhood Housing Services of Los Angeles County

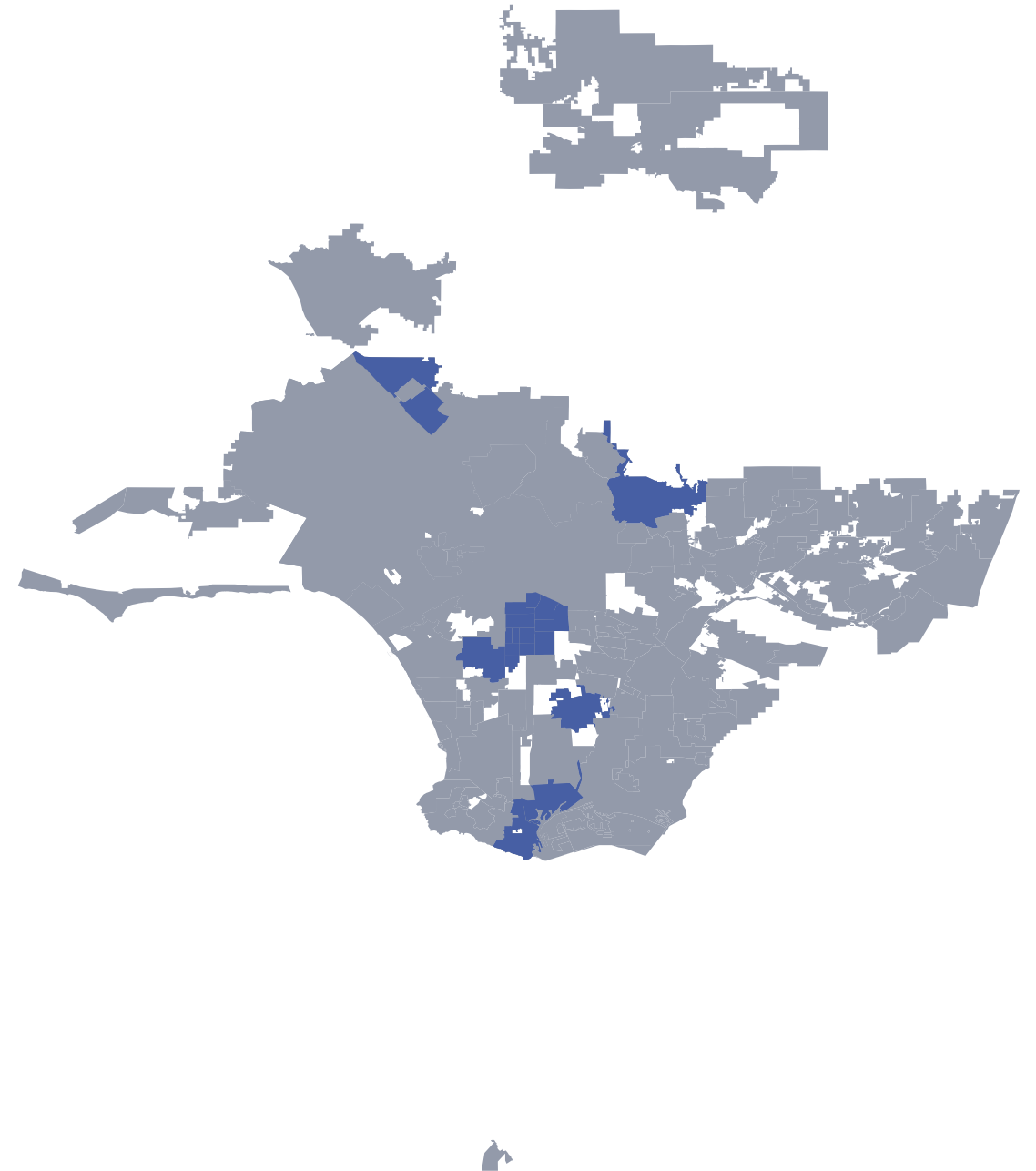
Founded in 1984

Works throughout Los Angeles County, but with a focus on target cities and neighborhoods

Offers:

- Financial education and counseling
- Affordable mortgage lending
- Construction management services
- Mission-driven real estate
- Neighborhood revitalization and advocacy

41–44% of those they serve are Black



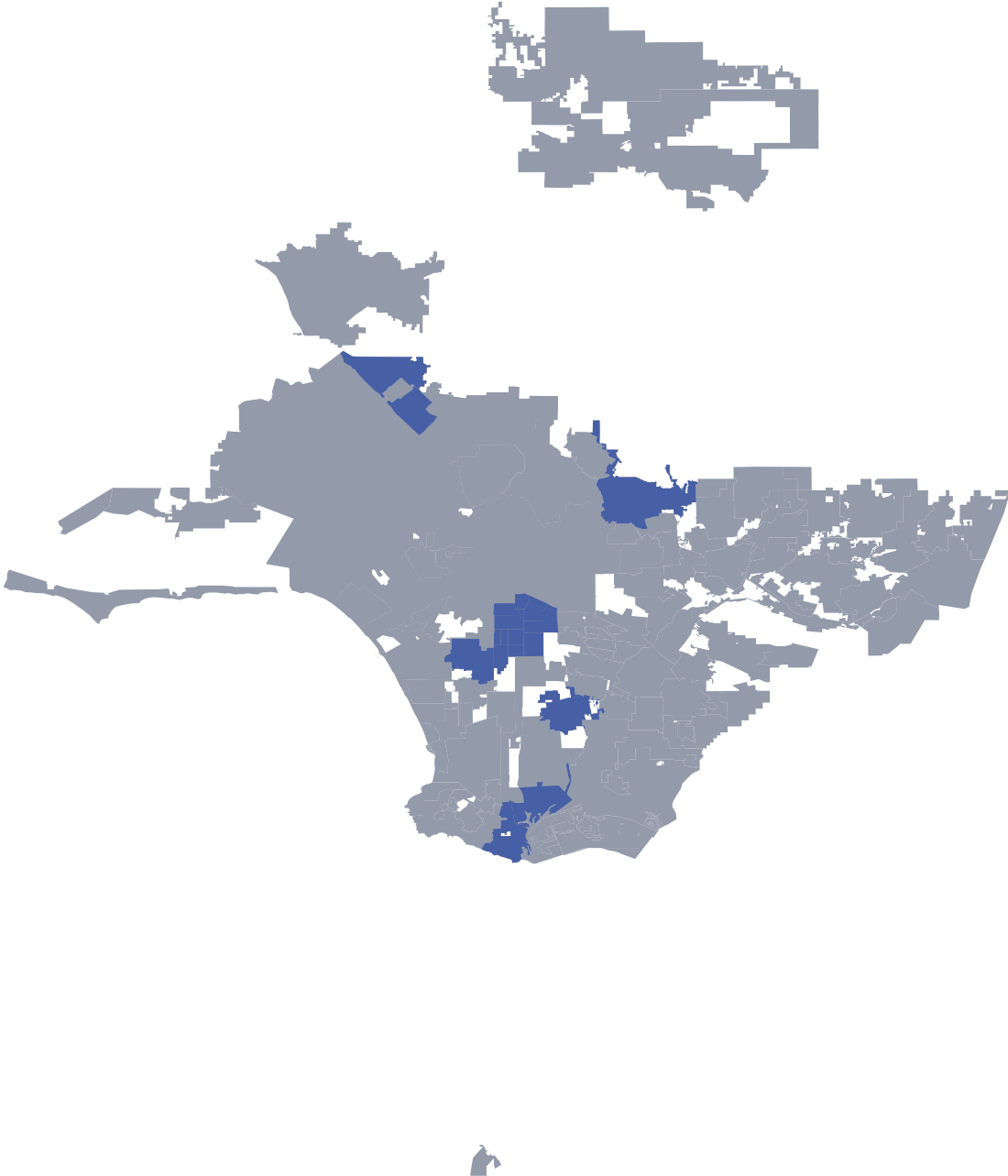
The L.A. County Department of Public Health reports that **Black residents** are

**2x**

as likely to die from COVID-19 compared to white residents, and that **communities of high poverty** are

**4x**

as likely to die than communities with the highest income levels.

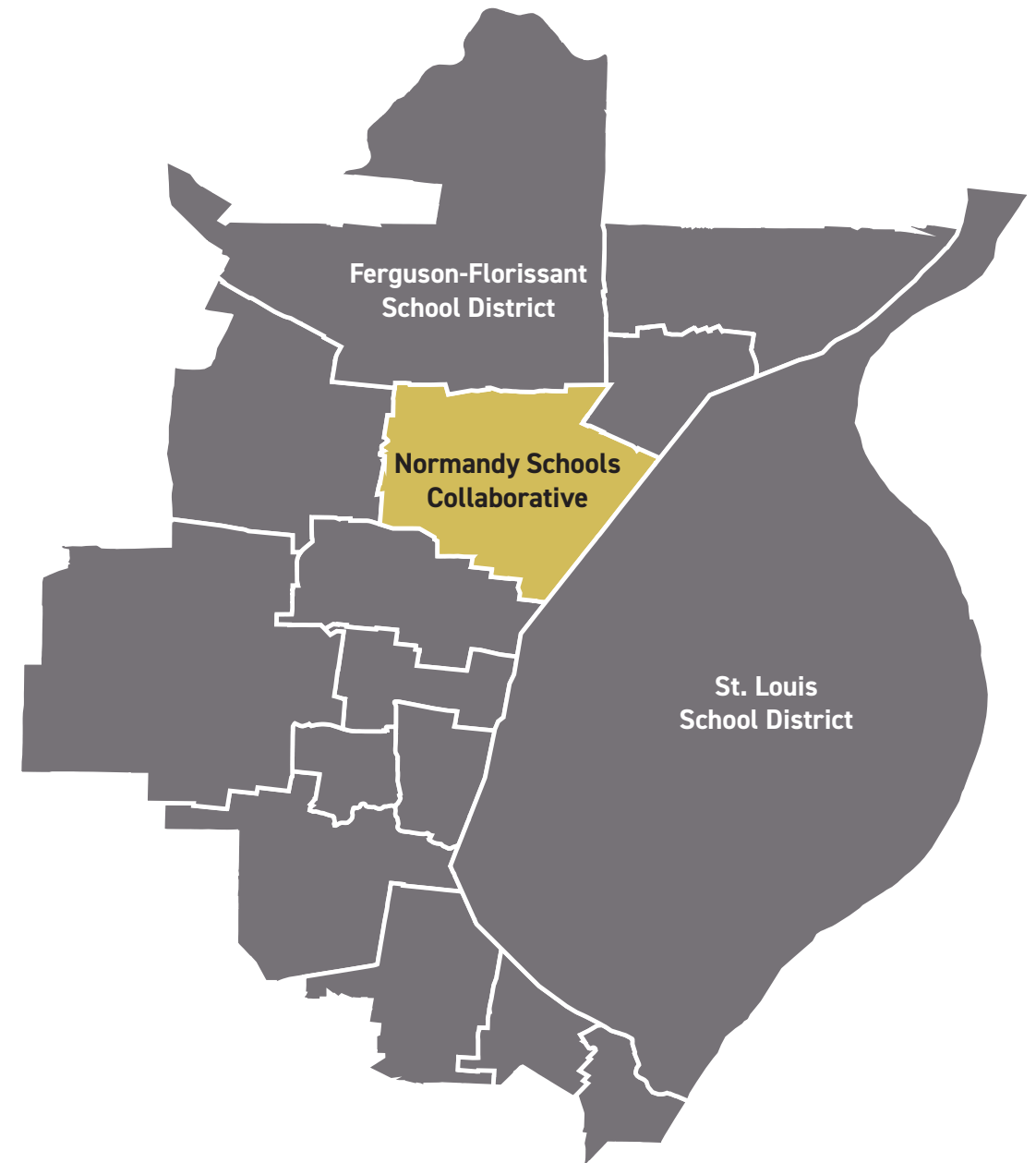


# Beyond Housing

Founded in 1975

Based in the Normandy School Collaborative, Missouri

The organization is engaged in just about all of NeighborWorks' lines of business other than 'Rural,' and are especially well known for their community building and engagement using the philosophy: **Ask. Align. Act.**





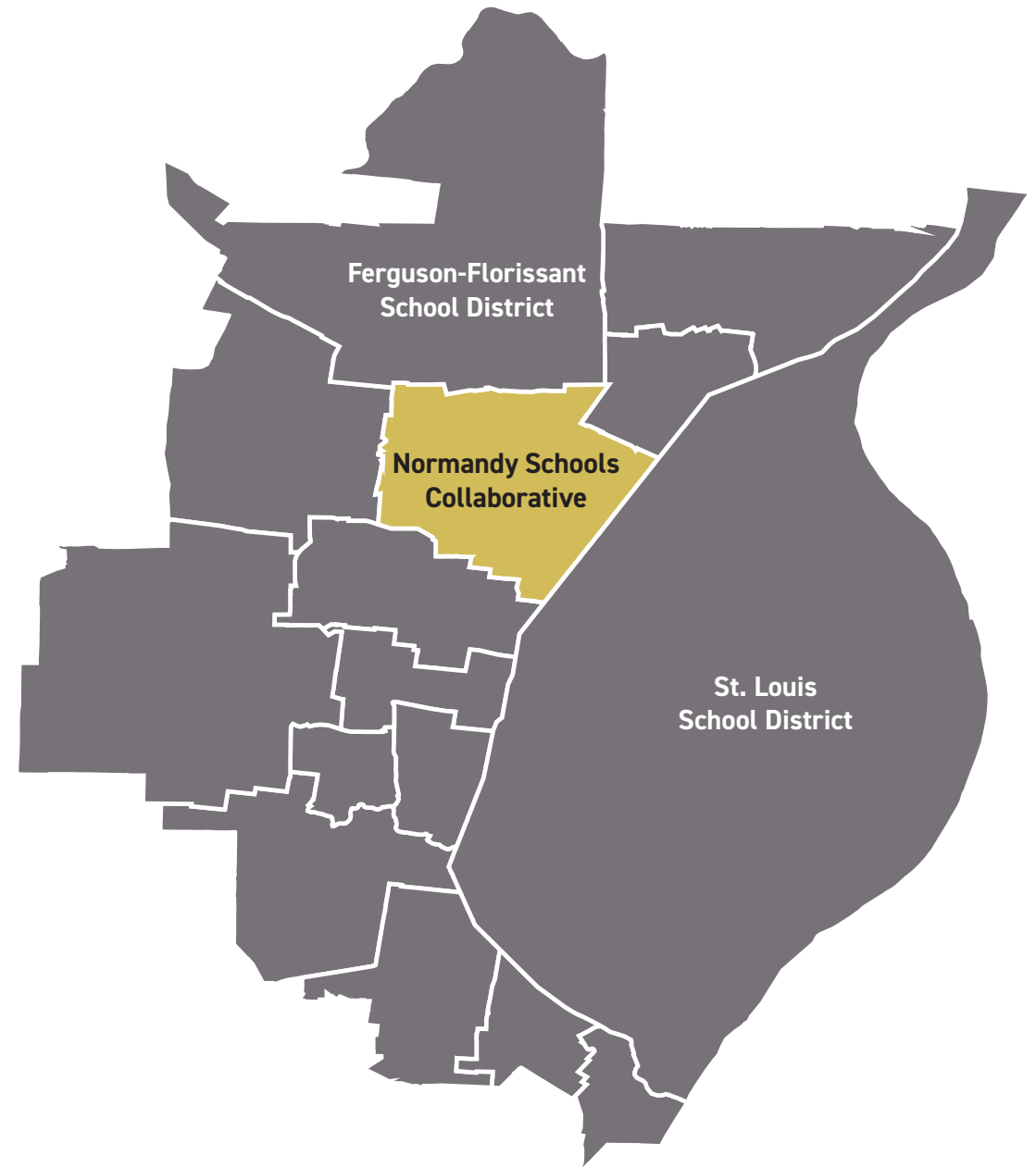
# Beyond Housing

The school district is

**83%**

**Black**, with an average  
median income of about

**\$33,000.**



Normandy School  
Collaborative has an

**8.8%**

positive rate for COVID-19  
testing, compared with

**5.7%**

in the state overall.

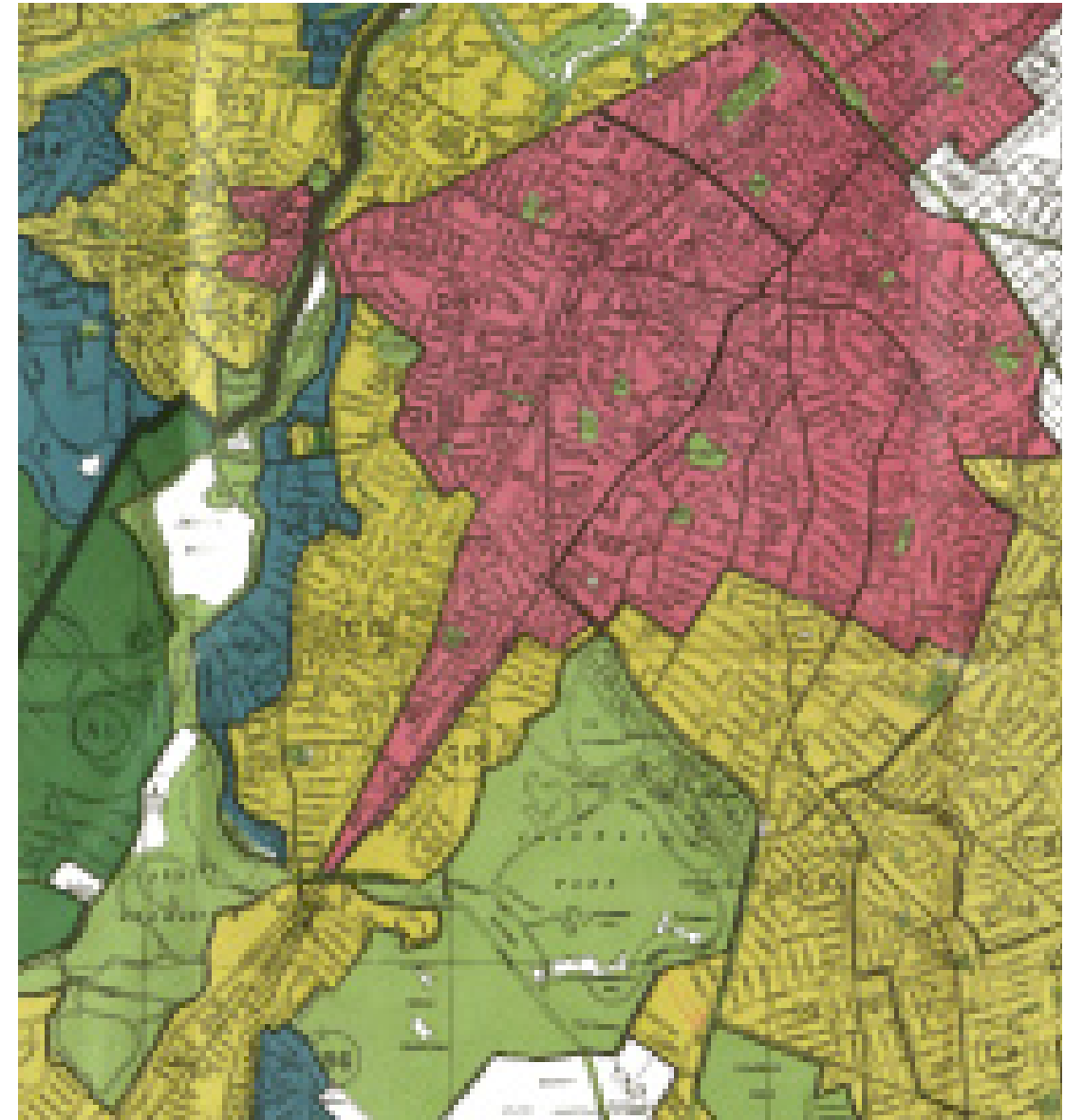
# Urban Edge

Founded in 1974

Based in the Roxbury and Jamaica Plain neighborhoods of Boston

Offers:

- Homeownership counseling
- Home Rehabilitation
- Multi-family housing development and management



Black people make up

**25%**

of Boston's population,  
but comprise

**35%**

of its COVID-19 deaths,  
down from an initial 42%.

# Hope Enterprise Corporation

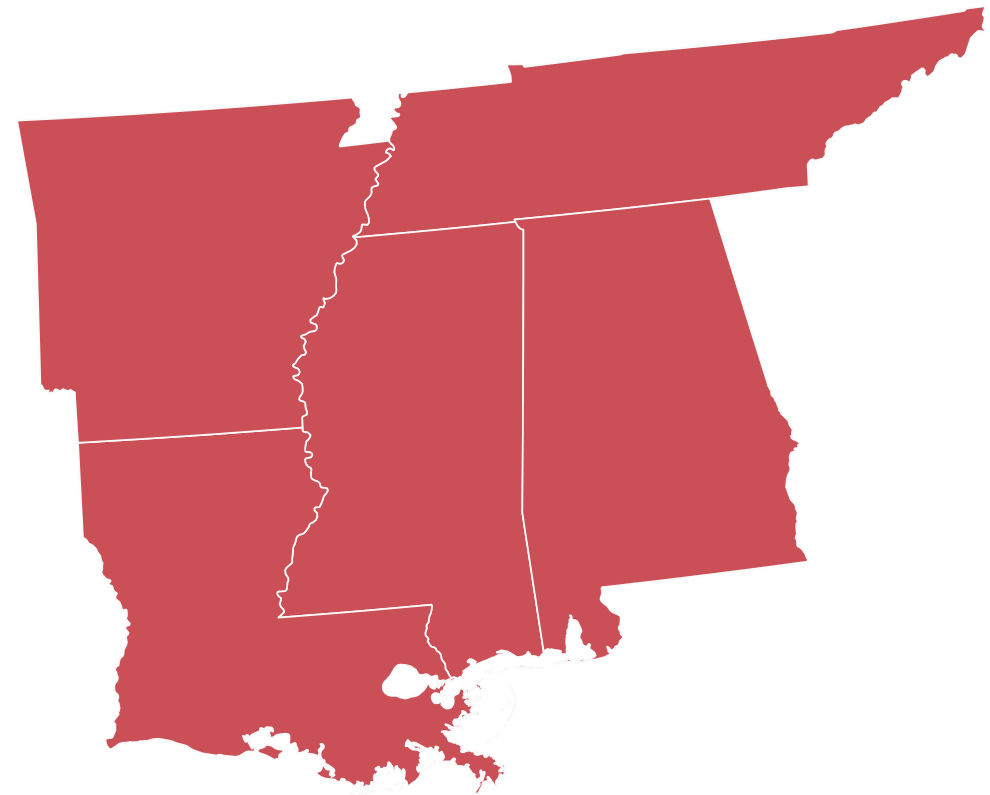
Founded in 1994

Comprised of Hope Enterprise Corporation,  
Hope Credit Union, and Hope Policy Institute

Works across five states in the deep south:  
Mississippi, Arkansas, Alabama, Louisiana, and  
Tennessee

Offers:

- Personal/Business Banking
- Transformational Deposits
- Community Development Initiatives (including school and hospital financing and affordable housing financing)
- Advocacy

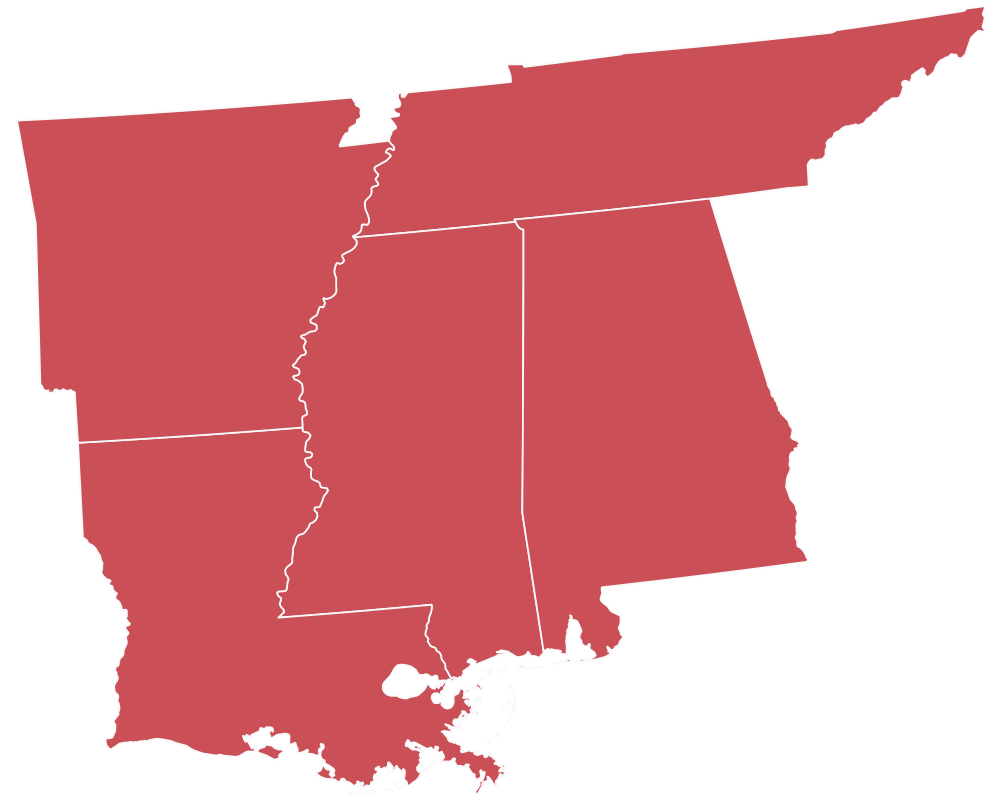


# Hope Enterprise Corporation

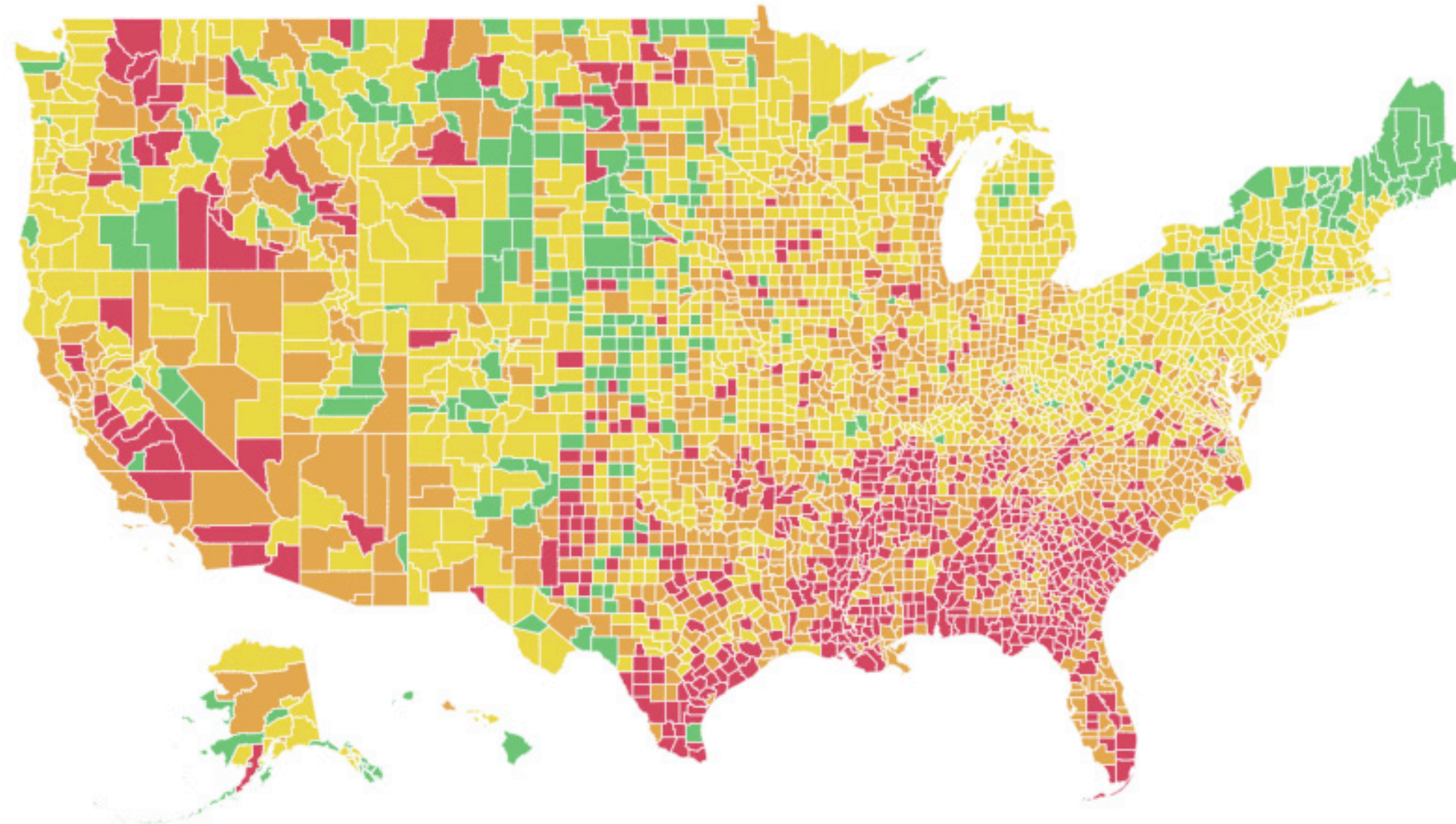
All five states are in the top twelve in terms of proportion of residents who identify as Black.

Mississippi has the highest percentage of residents who identify as Black of any state:

**38%**



# High rates of COVID-19 in Deep South counties



Risk Levels:  Green  Yellow  Orange  Red

Source: COVID-19 Risk Level Dashboard, Harvard Global Health Institute.

Black people make up

**38%**

of Mississippi's  
population, but comprise

**72%**

of its COVID-19 deaths



**Trends in how  
organizations are  
incorporating racial equity  
into their responses**

**Organizations are...**

**1**

**...continuing the work  
they were already doing**

# Homeowner Education

Urban Edge (along with NHS of LA and Beyond Housing) continued to offer homeowner education virtually and even expanded the numbers of sessions they offered.

They did this because they knew that financial hardship from the pandemic was going to impact homeowners' abilities to pay their mortgages, and anticipated their communities turning to them for help. These courses already served high portions of Black homeowners, and continued to do so during the pandemic.

**Organizations are...**

**2**

**...conducting outreach in  
Black communities to learn  
their needs**

# Targeted communication and food distribution

Understanding that they have limited resources, Beyond Housing aims to be intentionally local in its communication methods.

The organization makes use of local identified leaders including the **clergy, influencers, radio hosts, and their connections in housing, health, and education networks** to spread the word about resources.

# Direct grants to Black-owned businesses



**\$1,500-\$3,500**

monthly grants to six  
Black-owned businesses

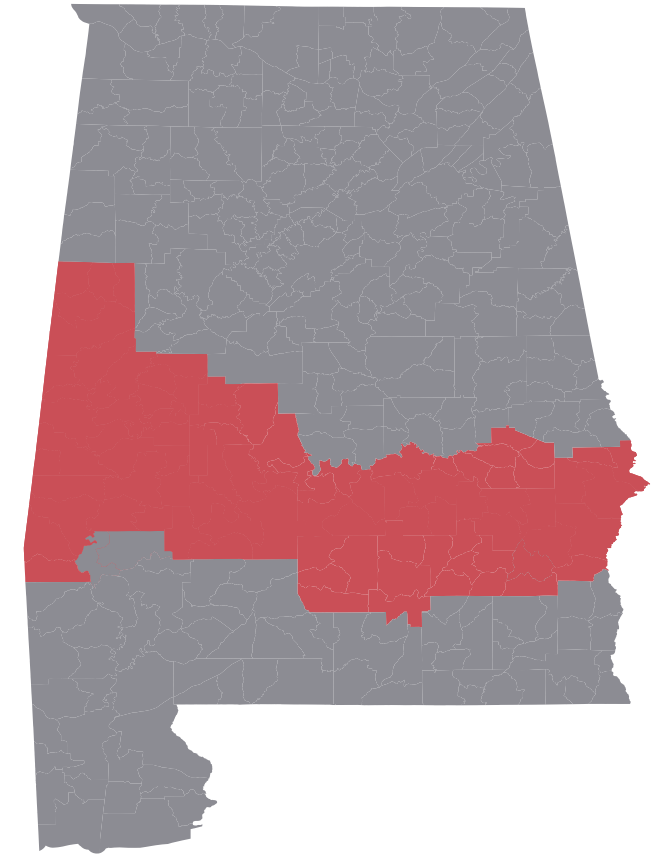


**Organizations are...**

**3**

**...actively filling the gaps  
left by “race-neutral”  
federal aid policies**

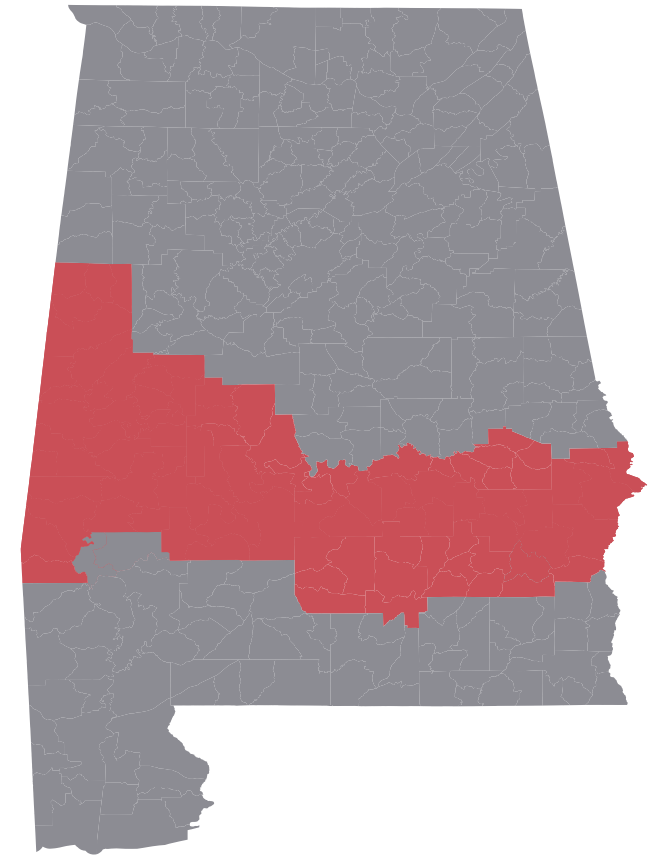
# Providing credit to Black Belt towns and counties





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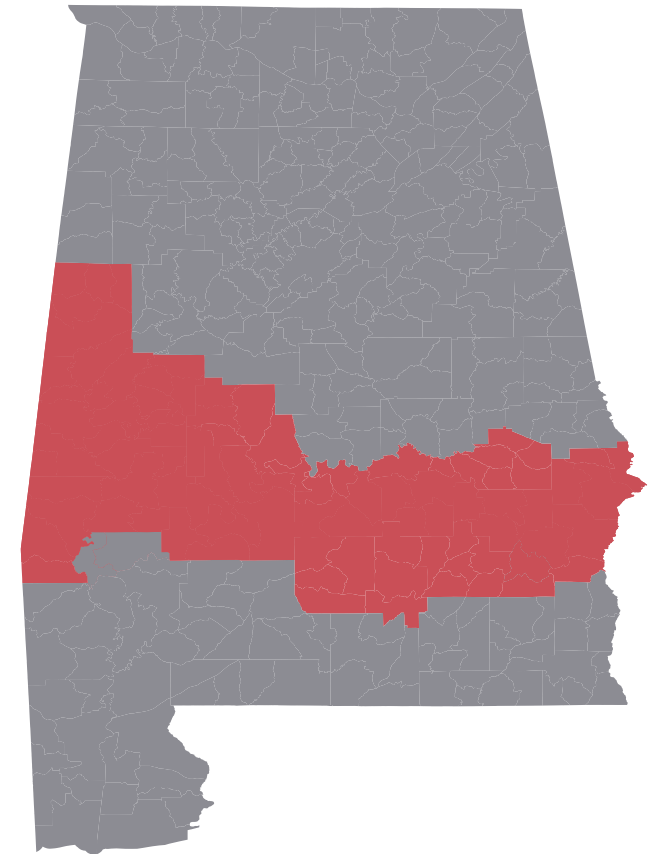
CARES Act funding in Alabama is administered on a **reimbursable basis**—but many towns and counties in the Black Belt do not have the funds to pay up front.



# Providing credit to Black Belt towns and counties

CARES Act funding in Alabama is administered on a **reimbursable basis**—but many towns and counties in the Black Belt do not have the funds to pay up front.

Hope is therefore creating a loan fund to front towns and counties in the Black Belt the money to pay for COVID-19 response, which can be repayed with the state's reimbursement funds.



# Loan support for Black-owned businesses

**46%**

of Hope's PPP assistance  
loans went to business  
owners of color

**Organizations are...**

**4**

**...leveraging partnerships  
with health orgs, orgs more  
explicitly focused on race,  
and corporate partners**

# Funding COVID-19 testing

# \$25,000

donation for COVID-19 testing



**8.8%**  
rate of positives, versus  
5.7% in the state overall



**Organizations are...**

**5**

**...learning from past  
crises—especially the  
2008 financial crisis**

# Learning from the financial crisis

**The Legacy Project started several years ago, with two goals:**

# Learning from the financial crisis

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Change the narrative around  
Black homeownership

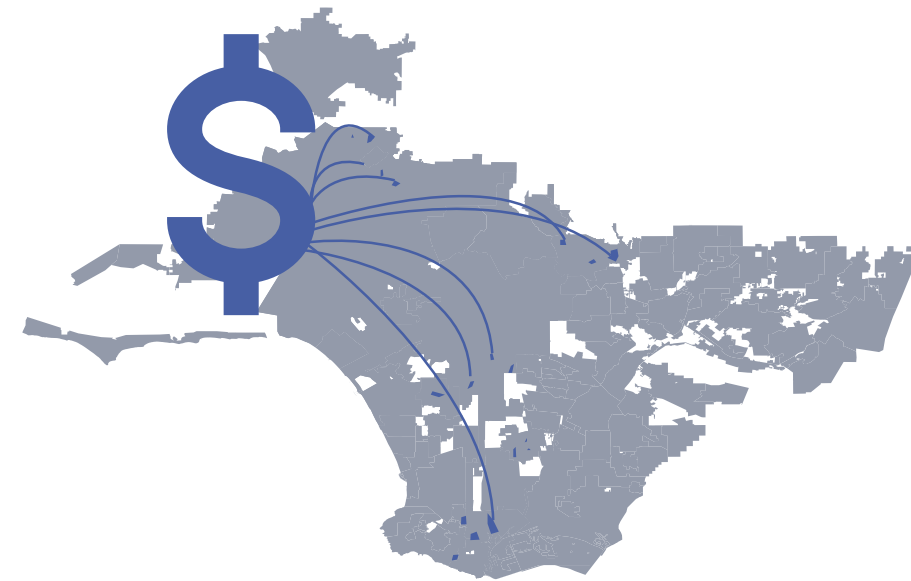


# Learning from the financial crisis

**The Legacy Project started several years ago, with two goals:**



Change the narrative around  
Black homeownership



Acquire land to develop  
affordable homes

# Advocacy

## Black People's Letter

May 7, 2020

Honorable Maxine Waters  
Congressmember, CA-43rd  
2221 Rayburn HOB  
Washington, DC 20515

Honorable Karen Bass  
Congressmember, CA-44th  
2059 Rayburn HOB  
Washington, DC 20515

Honorable Nanette Barragan  
Congressmember, CA-44th  
1032 Longworth HOB  
Washington, DC 20515

VIA EMAIL

**RE: The Need for COVID-19 Recovery Legislation to Stabilize Renters, Homeowners, Good Mom-and-Pop Landlords, and Faith Institutions**

Dear Honorable Congresswomen:

The COVID-19 global pandemic has highlighted the fundamental belief that keeping residents and frontline faith institutions in their homes is a public health necessity. We community organizations and leaders write to respectfully request that Congress craft and pass legislation to prevent the displacement of residents and faith institutions placed in peril by the public health and economic crisis. Additionally, Congress COVID-19 response legislation should advance the principles of economic equity and community stability, address systemic racial discrimination in the real estate/financial sector, and prevent flippers, institutional investors, foreign buyers and other speculators from profiting from this unprecedented disaster.

In the culturally rich, economically low-income neighborhoods that L.A. County's Black residents have called home for decades, we have valiantly fought against difficult odds to strengthen our interwoven community and to maintain space in our rapidly changing region. We have done this in spite of systemic racism that has limited the opportunity of the vast majority of Black residents to live and establish small businesses in property they own. Through a long, unfortunate history of discriminatory financial/real estate industry practices and government policies, Blacks have and continue to be disproportionately and unjustly denied capital, loans and access to develop the wealth necessary to be secure in place. As a result, our neighborhoods lack sufficient economic stability, community control of land, and legal protections to withstand the wave of gentrification sweeping the region. This is a direct challenge to our right to self-determination.

The ramifications of racialized housing policies can be most tragically seen on our city streets. Our county's houseless population, which is the largest unsheltered population in the country, is disproportionately Black. Despite accounting for 9% of the overall population, over 40% of L.A. County's houseless are Black. Another consequence is the county's dwindling Black population, as Blacks are the only race projected to see a numerical decrease every decade into the foreseeable future. The reduced Black population and increased social service needs for our community have created strain for many of our faith institutions, which have seen their congregations contract at a time that calls for more service ministry.

Letter to Congresswomen Waters, Bass & Barragan on COVID-19

These interrelated crises were prevalent before COVID-19. Unaddressed structural racism and inadequate protections helped create the grounds for the pre-COVID-19 invasion of real estate speculators, including major global institutional investors, to disrupt our Black communities by pushing out and pricing out long-time residents, small business owners and community institutions. Now we are facing a perfect storm. With many residents, small business owners and faith institutions unable to make their rent and mortgage payments due to COVID-19, we are even more vulnerable to losing our homes and our Black space in our diverse region.

L.A. County's Black community, like many others throughout the country, is in need of federal legislation that relieves the immediate pressure on renters, homeowners, good mom-and-pop landlords, and faith institutions, and corrects long-standing structural racism in the real estate sector so that Blacks are less susceptible to future economic uncertainties and can live comfortably in affordable and accessible communities. We believe the following connected policies would help accomplish this goal:

1. For renters: rent payment suspension for the duration of the crisis, meaning no rent obligation, no late fees, no debts, and no retaliation.
2. For homeowners and faith institutions: mortgage payment suspension for the duration of the crisis, meaning no mortgage payments, no debts, and no retaliation.
3. For some landlords: direct resources to cover lost revenue, conditioned on a set of critical tenant protections that are mindful of a need for different provisions for good landlords who were renting their homes and apartments well below market-rate prior to COVID-19.
4. Enforce the suspensions, including civil action against, and steep penalties for, any violators.
5. Prohibit/strongly discourage flippers, institutional investors, and foreign buyers from engaging in harmful real estate speculation to profit from the crisis and worsen the existing housing affordability and homelessness crisis.
6. Combat massive acquisition of distressed homes and apartments buildings by corporate real estate speculators, like what occurred after the 2008 crisis:
  - a. Create a buyout fund, first right to purchase and federally-backed loan guarantee for mission-driven affordable housing operators to support the purchase of properties by entities that will maintain the homes in the public trust as permanently affordable housing for our communities (nonprofit housing providers, community land trusts, shared ownership cooperatives, etc.)
  - b. Require federal agencies that back mortgages (Fannie Mae, Freddie Mac, Federal Housing Administration, VA and USDA) to implement procedures and policies that prioritize Real Estate Owned sales to mission-driven nonprofit entities and modest income buyers that will maintain the properties in the public trust as permanently affordable housing for our communities.

Letter to Congresswomen Waters, Bass & Barragan on COVID-19

- c. Require any other financial institutions that receive federal assistance to abide by these same procedures and policies; and provide Community Reinvestment Act (CRA) credit to banks that do not receive federal assistance but that nevertheless abide by these same procedures and policies.

Speculators are already plotting to profit from the crisis in a process that will increase displacement and disruption of our Black communities. The federal government has the ability to prevent that from occurring by instead crafting legislation that stabilizes our neighborhoods and critical frontline faith institutions, and uses the significant public dollars/funding that will be dedicated to address the crisis to create a housing market that is more just and affordable.

We thank you for your consideration and look forward to working with your offices to help craft, support and pass this necessary legislation.

Respectfully,

Damen Goodman  
Founder/Executive Director, Crenshaw Subway Coalition

Lori Gay  
President/CEO, Neighborhood Housing Services of Los Angeles County

Zetta Jones  
Co-Founder, Los Angeles Tenants Union Baldwin Leimert Crenshaw Local

Los Angeles Community Action Network

Uplift Inglewood Coalition

African American Cultural Center (Us)

AfricanTown Coalition

Alliance of Californians for Community Empowerment-Los Angeles

Rev. Eddie L. Anderson  
Pastor, McCarty Memorial Christian Church

Black Community Clergy and Labor Alliance

Black Social Workers - Greater Los Angeles Chapter

Letter to Congresswomen Waters, Bass & Barragan on COVID-19

Erin Aubry Kaplan  
Columnist

Tori Bailey  
Elected Homelessness Liaison, Los Angeles Council District 10

Dr. Michael Balle, Ph.D  
President, Los Angeles Council of Black Professional Engineers

Black American Political Association of California-Los Angeles Chapter

Rev. John Cager  
Pastor, Ward AME Church

Community Coalition

Congress of Racial Equality-California

The Honorable Robert Farnell  
Los Angeles Councilmember, 8th District (Ret.)

Regina Freer  
Professor, Occidental College, Department of Politics and Black Studies Program

Bobbie Jean Anderson  
Executive Board Member, California Democratic Party

Michael Guyann  
Guyann Family Foundation

Hyde Park Organizational Partnership for Empowerment

Mandia Kayise  
Board Member, UCLA Black Alumni Association

Tina McKimbor  
Director, LA Voice

Lori McCoy Stahler  
Western States District Deputy, Knights of Peter Claver Ladies Auxiliary

Letter to Congresswomen Waters, Bass & Barragan on COVID-19

Clint Simmons  
Commissioner, Los Angeles County Aviation Commission

National Council of Negro Women-Southern California Area

Skid Row Neighborhood Council - Formation Committee

Rev. William D. Smart, Jr.  
President/CEO, Southern Christian Leadership Conference-Southern California & Pastor, Christ Liberation Ministries

Rev. K.W. Tulloss  
President, Baptist Ministers Conference-Los Angeles & Pastor, Weller Street Missionary Baptist Church

**Suspension of rent and mortgage payments for homeowners and faith institutes**

**Restrictions on corporate real estate speculators acquiring distressed homes and apartments**

**A buyout fund and first right to purchase distressed properties for affordable housing developers**

**Organizations are...**

**6**

**...finding new opportunities  
for more explicit advocacy and  
organizational restructuring**

# Advocacy

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Hope was the first to request a **\$1 billion allocation** from Congress for CDFI's to perform COVID-19 relief efforts.



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Hope was the first to request a **\$1 billion allocation** from Congress for CDFI's to perform COVID-19 relief efforts.

Although they did not get this initial allocation, due to their and other's efforts to show the impacts of CDFI's in communities of color, they are now seeing a **\$10 billion set-side of PPP funding** for CDFI's to administer these resources, and bipartisan support for a **future multi-billion dollar allocation**.

# Advocacy

“George Floyd lived at the intersection of criminal and economic justice: a Black man, recently freed from jail, lost his life at the hands of the police over a dispute about a \$20 bill. And, his death occurred against a backdrop of the health and economic consequences of COVID-19, where Black people are dying at higher rates; economic stimulus payments are insufficient to cover basic expenses of housing payments, rent, utility, medical bills, student loan debt payments, and food; and more than 36 million people are unemployed.”

– Diane Standaert, SVP of Policy and Advocacy,  
*Hope Enterprise Corporation*

# Learnings



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Acknowledge the roles that community development organizations are playing in responding to the disparate racial impacts of the pandemic, and the failings of government policy to address these disparities

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These organizations are already making clear major changes that are needed: More funding to CDFIs, and funds and first right of purchase for affordable housing developers in case there is widespread mortgage foreclosure

# Learnings

Acknowledge the roles that community development organizations are playing in responding to the disparate racial impacts of the pandemic, and the failings of government policy to address these disparities

These organizations are already making clear major changes that are needed: More funding to CDFIs, and funds and first right of purchase for affordable housing developers in case there is widespread mortgage foreclosure

Not all organizations will feel the need to use the language of racial equity, even if they are doing this work, while others are using this moment to be much more explicit about this focus

**Thank you!**

**Questions?**