



# DEVELOPING COMMUNITY

*Progress depends on community. From families to neighborhoods to regions to nations, communities are born of connections between people. Communities that connect and balance the needs of people, business, and the environment create social, economic, and ecological value... which translates to community development, growth, and sustainability.*

For centuries, Americans have been developing communities. For Native Americans, nations and confederations defined community. For early American settlers, geography and the European concept of land ownership defined community.

With the advent of industrialization, community development in the United States surged ahead, growing centers of production and commerce in cities across the nation. After World War II, outward growth from cities spawned suburbs and propagated highways. In many locales, sprawling growth continues to surround a declining urban core. Today, countless communities are losing businesses and jobs to the economics of globalization. The resulting separation and polarization threaten the very connections essential to sustainable growth and development.

Restoring and creating connections between neighbors, businesses, and communities are core principles of community development. Everyone has a role to play.

**Michigan**  
**community foundations**<sup>SM</sup>

For **good.** For **ever.**<sup>SM</sup>

“Sustainable development meets the needs of the present without compromising the ability of future generations to meet their own needs.”

World Commission on Environment and Development  
 1983

“In every deliberation, we must consider the impact of our decisions on the next seven generations.”

Great Law of the Iroquois  
 Circa 1142

## FAST FACTS ON COMMUNITY DEVELOPMENT

**Evidence** Community development is characterized by physical boundaries defined through custom, income, education, or cultural affiliation; residents have access to social, political, and economic resources; institutions (faith, community, associations, nonprofits, and businesses) contribute to governance and quality of life; citizens openly participate in the social, cultural, and political offerings of the neighborhood; social and political organization results from the larger city, state, and national political structure.<sup>1</sup>

**Barriers** Community development barriers include racial and ethnic bias; underdeveloped community assets and resources; low levels of social organization and political participation. Social and economic functions of a community remain absent within the broader city or regional contexts.<sup>2</sup>

**Owner-occupied housing** When residents own the homes they live in, people are more committed to their neighborhood, families are less transient, and neighborhoods are more stable. Between 1990 and 2000, a period that included the longest sustained economic expansion in the nation's history, U.S. housing stock experienced a net increase of 13.3 percent from 99.2 million units to 112.3 million units. The national homeownership rate as of the 2000 Census was 66.2 percent, up from 64.2 percent in 1990.<sup>3</sup>

**Crime rates** The level of reported crimes in a community is a strong indicator of economic distress and lack of community cohesion. Communities with high crime rates experience population flight and further community destabilization. In 2000, the violent crime rate in the United States was 52 per 10,000 residents; the average total crime rate in the U.S. was 427 per 10,000 residents.<sup>4</sup>

**Credit discrimination** A recent study linking interest rates charged by lenders with statistics about the race, income and neighborhood of the borrowers reveals a high degree of racial bias in lending practices. Even after controlling for borrower income, loan amount and other similar borrower traits, disparities are significant. Nationally, African-Americans were 2.7 times and Latinos 1.4 times more likely than whites to receive a high-cost loan when refinancing.<sup>5</sup>

**Voter registration** Ten years after the National Voter Registration Act was adopted, voter registration and turnout numbers among lower-income Americans have declined, perpetuating the two-tiered electorate that Congress intended to help eliminate. Since 1995, voter registration applications from public assistance agencies nationwide have declined by 59.6 percent, while applications from all other sources have increased by 22 percent. While approximately 85 percent of people in households with incomes of over \$75,000 are registered to vote, that figure drops to 59 percent for those in the lowest income brackets.<sup>6</sup>

**Development** From 1982 to 1997, the United States (minus Alaska) lost 24.8 million acres to development. During the same time, U.S. per capita land consumption (the amount of developed land per resident) grew by 16 percent. Developed land in the U.S. is growing more than twice as fast as per capita land consumption.<sup>7</sup> In the U.S., 70 percent of prime or unique farmland is now in the path of rapid development.<sup>8</sup>

**Smart growth** Research shows that by concentrating development in areas with existing services, smart growth increases property values while decreasing municipal costs. It creates more affordable housing and safer neighborhoods while attracting businesses and supporting local economies. By enhancing the land and existing assets, smart growth improves transportation flow, supports the environment and contributes to the health of all people.<sup>9</sup>

*In neighborhoods, cities and states, committed individuals and organizations work together to build community. Gifts from concerned philanthropists help restore neighborhoods, foster investment, engage citizens, promote home ownership and overcome barriers to growth.*

<sup>1</sup>Anglin, Roland V. and Susanna C. Montezemolo. "Supporting the Community Development Movement: The Achievements and Challenges of Intermediary Organizations." U.S. Department of Housing and Urban Development, 2004. <sup>2</sup>ibid. <sup>3</sup>U.S. Department of Housing and Urban Development. U.S. Housing Market Conditions Summary: "2000 Census Results: Housing Trends 1990-2000." [www.huduser.org/periodicals/ushmc/summer2001/summary-2.html](http://www.huduser.org/periodicals/ushmc/summer2001/summary-2.html) <sup>4</sup>"Listening and Learning," John S. and James L. Knight Foundation, 2004. <sup>5</sup>Association of Community Organizations for Reform Now (ACORN). "The High Cost of Credit: Disparities in High-Priced Refinance Loans to Minority Homeowners in 125 American Cities," September 27, 2005. <sup>6</sup>Project Vote. Members of Congress Urge Justice Department to Enforce Decade-Old Voter Registration Law, 2005. [www.projectvote.org](http://www.projectvote.org). <sup>7</sup>U.S. Department of Agriculture. 2000. Summary Report: 1997 National Resources Inventory (revised December 2000), Natural Resources Conservation Service, Washington, DC, and Statistical Laboratory, Iowa State University, Ames, Iowa, 89 pages. <sup>8</sup>American Farmland Trust. <sup>9</sup>Curran, Deborah, "A Case for Smart Growth," West Coast Environmental Law, 2003 [www.wcel.org/issues/urban/sbg/case.pdf](http://www.wcel.org/issues/urban/sbg/case.pdf).