

Community Development Corporation

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A community development corporation (CDC) is a common type of not-for-profit organization that exists to generate commercial business, housing, or job development in a community, in the interests of that community. CDCs commonly play an integrative role – they bring together local government support, funding from a number of public and philanthropic sources, private business investment, and the vision and local knowledge of community residents to make projects happen. The projects might be new businesses, homes, or services (such as job training or transportation) that are needed in the community. What makes a project happen might be the CDC's work in identifying a funding source and writing a successful grant application; or the CDC becoming an equity partner in a development deal; or the CDC becoming a counselor to small businesses or home buyers in a targeted community. As organizations created for the good of the community CDC's also sometimes organize or support community initiatives on issues that are generally not viewed as directly related to development such as programs for neighborhood racial integration, the care of the elderly, and the training of youth in practical skills.

General CDC Support and Funding:

Most CDC's are supported by a combination of contributions from residents and stakeholders in the community, fees for service or other earned income, funding from local or higher levels of government (sometimes in the form of contracts to perform specific services), and philanthropic grants. Younger CDC's tend to be more heavily dependent on philanthropic grants and general support from local government. More mature organizations tend to derive more of their revenue from earned income.

General CDC Mission and Functions:

CDC's share a general mission of achieving economic redevelopment for the benefit of their communities, but the specific functions and tasks they take on vary according to local needs and opportunities. In virtually all cases, partnerships and influence are critical, and the value that CDC's bring to their communities lies less in what they do or spend directly than in what they leverage. CDC's work with their partners in government, business, and civic institutions, and they generally perform the tasks that will enable a partner to invest more in the community, or they fill a gap in what the other partners can do so that the community's development plan is implemented.