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COMMUNITY DEVELOPMENT CORPORATIONS:
OPPORTUNITIES AND BARRIERS IN ARTS-LED ECONOMIC DEVELOPMENT

by
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INTRODUCTION:

Toward a New Theory of Development

On February 24th, 2002, the New York City Council held a joint committee meeting. The two committees—the committee on Cultural Affairs, Libraries and International Intergroup Relations and the committee on Economic Development—were meeting to discuss “The Impact of the Arts on New York City’s Economy.” One of the evening’s speakers, Charles Rice-Gonzalez of Rice Gonzalez Public Relations and a tenant of The Point Community Development Corporation’s small business incubator in Hunts Point, addressed the Council: “You need to give to the arts and artists...so, that the arts and artists, with all their work and all the energy, and their vital nature... can continue to bring color, and in this case I mean green to our worlds.”¹ Of all the colors on a visual artist’s palette, Rice-Gonzalez singles out green—money, business, investment—as art’s greatest contribution to the South Bronx. It is important, too, to recognize his audience; members of the Economic Development Committee are less concerned with the individual benefits of the arts, “the mental, physical, emotional and spiritual benefits,” as

¹ Charles Rice-Gonzalez, “The Impact of the Arts on New York City’s Economy,” Testimony from New York City Council Meeting , February 24, 2003.

Rice-Gonzalez refers to them, than with “real” economic benefits.² In search of the bottom line, the city council has discovered something about the arts in New York City that has attracted their attention and the resources of the economic development world.

At the same meeting of New York politicians, the Center for an Urban Future’s Deputy Director echoed the challenge of translating the experience of Rice-Gonzalez into an articulated strategy for the city: “...there is still not a clear understanding of the arts as an economic sector and what this sector means for the economy. This is a difficult question.”³ Until recently in America, the question was simple; urban growth theory dictated that arts and cultural investment be concentrated in the central-city. It was held that urban growth was controlled by “pro-growth coalitions,” networks of federal, state, and local government officials, as well as business leaders and bureaucrats, and dependent on national economic trends.⁴ Third sector actors, including hospitals, universities, and cultural institutions, are said to have grown as a result of central-city investment in the post-industrial age.⁵ Categorized in this way, the arts were economically grouped as amenities—extra perks outside the profit-based mainstream economy—used to attract tourists to the center city. Borrowed from economics, the term amenity is defined as a public good that is not bought for a specific price, but shared by residents of a community.⁶ Cultural tourism, which involves developing an area’s amenities in order to lure tourists who in turn contribute money to the local economy,

² *ibid.*

³ Robin Keegan, “Testimony to City Council: Impact of the Arts on New York City’s Economy,” Center for an Urban Future, (February 24, 2003). <www.nycfuture.org>

⁴ John H. Mollenkopf, *The Contested City* (Princeton: Princeton University Press, 1983).

⁵ The post-industrial age is here used to describe employment shifts away from industry toward service and “white-collar” industries based on the definition articulated in H.V. Savitch, *Post-Industrial Cities* (Princeton: Princeton University Press, 1988).

⁶ J. Gyourko and J. Tracy, “The Structure of Local Public Finance and the Quality of Life,” *Journal of Political Economy*, 99(1991), 775.

became popular among city officials in the 1970's and has remained the most highly employed cultural strategy.⁷ Reserved for the city's elite, high-end cultural development was designed to improve the quality of life for those residents who could afford to act as tourists; the rest of the city could do without cultural amenities.

Terry Nichols Clark et al. disrupt the established urban growth literature by arguing that because of the effects of globalization, amenities based growth has become the driving force behind urban renewal and expansion.⁸ Clark advocates for a new theory of urban growth, one that responds to a demand for a shift from separable goods, categorized by their reliance on clientalism, to public goods, as well as a shift from pure economic growth to a more controlled, manageable growth strategy. A city must re-allocate its assets to make public good resources available to all residents. One way to achieve this is to distribute investments, including those made in cultural institutions, throughout a city, leaving the urban center and moving in the periphery of ethnic neighborhoods, often low-income and suffering from the effects of suburban flight.

At the same time that critics of traditional urban growth machine theories argue for amenities-based growth, the developing influence of community organizing and “‘anti-regime’ forces” suggests that further problems exist with our current understanding of urban growth.⁹ As threats to powerful growth coalitions, Robinson argues that community activists and developers can be effective actors in urban redevelopment. Organizations of community activists, “*can* develop professional and political sophistication, *can* forge complex, forward-looking alliances with business and with

⁷ Javier Stanziola, Arts, Government, and Community Revitalization (England: Ashgate Publishing Ltd., 1999) 27.

⁸ Terry Nichols Clark et al., “Amenities Drive Urban Growth,” Journal of Urban Affairs. 24(2002).

⁹ Tony Robinson, “Inner-city Innovator: The Non-Profit Community Development Corporation,” Urban Studies, 33(1996), 1647.

government, and *can* organize a local infrastructure with a substantial social production capacity” to rival traditional growth coalitions.¹⁰ Community development corporations, the institutional result of early community organizing, threaten to overthrow established rules governing urban growth.

Only in recent years has an increasing amount of attention been paid to America’s artistic and cultural legacy on the neighborhood level. While federal funding for the arts fluctuates with parties and personalities in power, new advocates of the arts focus on the self-generating economic potential of indigenous cultural resources. Richard Florida, in his popular book, The Rise of the Creative Class, takes Clark’s criticism of urban growth theory a step further by concentrating his argument on neighborhood based amenities strategies. He argues that the transformation of the workforce—from industrial to service, and at present knowledge-based workers—has made creativity the driving force behind the new global economy and created a new group of simultaneous producers and consumers that he refers to as the “creative class.” Defined by their tastes and interests as much as their talents and professions, the creative class places high priority on the authenticity of place, specifically artistic and cultural assets. These workers desire to be active participants in the arts by consuming them at a local level, thus generating income for the communities. On the other side, the creative class is made up to a large extent of cultural producers, who in turn adapt creative processes borrowed from the arts in their own production. It is this synergy, Florida argues, that cities must recognize and exploit in order to thrive. Because advanced communication technology has allowed the creative class to be highly mobile and geographically independent, cities must respond to their demands in order to draw companies who follow labor markets. By intelligently

¹⁰ *ibid.*, 1648.

applying these strategies, cities can attract business investment in addition to discretionary income. Florida argues that the best way for cities to draw these workers and the businesses that follow is to encourage “authentic,” community-based, street-level culture.¹¹ When community development efforts are linked with creative city and amenities-based development, the complex synergy that is created has the potential to change the way urban growth and urban renewal are understood and attract the attention of city developers and policy makers.

Along with local arts organizations, community development corporations, place-based nonprofit organizations designed to advance neighborhood revitalization through both economic and social development programs, are in a unique position to take advantage of integrated neighborhood amenities-based cultural development strategies. Despite positive advances over the past thirty years in areas such as housing, employment, and social justice, CDCs have not been able to capitalize on creative economy strategies of the scale that Florida advocates because their agendas are dominated by the production of housing units, basic workforce development strategies, and small business investment at the local, and not city level. Research on CDCs has focused primarily on relationships between the nonprofit, government, and private sectors, while singling out housing initiatives as evaluative programs, and ignored cultural agendas all together. The low-income neighborhoods in which CDCs establish themselves have proven to be too marginalized from the economic and cultural mainstream to be included in citywide cultural strategies, much less sectoral employment studies or programs. In reality, Florida’s creative class has little in common with the day-

¹¹ Richard Florida, The Rise of the Creative Class (New York: Basic Books, 2002) 183.

to-day process of low-income neighborhood revitalization and the most common strategies employed by community development actors.

With relatively little research connecting them directly to neighborhood-level cultural investments, those CDCs that recognize the potential of integrating the arts into economic development are left to draw their own connections and struggle to fulfill the underlying expectations and hopes of cultural development. While CDCs are expected to depend upon a ‘bottom line’ that artists are notorious for shunning, not all aspects of community development—economic development, in particular—are incompatible with the qualitative values of art organizations. Community development is a diverse industry composed of individuals working towards different goals. As Gittell and Wilder describe, “The organizations, their activities, and their neighborhood contexts vary significantly. The interactions of CDCs, residents, local institutions, funders, and other entities are complex and dynamic.”¹² The CDCs in this study, for example, distinguish themselves through priorities and mission statements, dictated by the needs of their respective neighborhoods. Because of their unique position as legitimate and local, established and flexible, the potential for CDCs to partner with the arts, to the mutual advantage of both sectors, is strong. Unfortunately, the potential for partnership also translates into the challenging fact that very few aspects of this union can be universalized and applied to all programs, residents, neighborhoods, or CDC structures. What can be studied, however, are the obstacles and barriers that discourage CDCs from looking to the arts as an economic development tool. Further, there is evidence that these

¹² Ross Gittell and Margaret Wilder, “Community Development Corporations: Critical Factors that Influence Success,” *Journal of Urban Affairs*, 2(1999), 345.

barriers can be overcome by members of the CDC community, enabling cultural development to be effectively used for neighborhood revitalization.

This thesis will compare three community development corporations in an effort to draw conclusions and recognize patterns that point to trends in cultural development as it is used in community development. The example of New York City neighborhood revitalization strategies, to the degree to which its experiences can be generalized, modeled and modified to meet the place-based needs of other American cities, serves as the basis for this analysis. Each CDC in the study is confronted with obstacles to economic development. The first case study, The Point Community Development Corporation, has chosen to apply the very type of creative problem solving advocated by private consultants such as Charles Landry, to integrate economic strategies and the arts.¹³ Unique in the community development field, The Point, is then contrasted against two other CDCs that have struggled with the tensions between developing local artistic resources and investing in their neighborhood economies.

The final analysis hopes to answer the following questions: Can CDCs be effective sites to integrate art into community-based economic and social development? If so, what are the challenges they must overcome to do so? The first chapter examines the existing research in the distinct areas of economic development, community development, and cultural development and the ways in which community development corporations have been understood to work on behalf of these distinct goals. Through three case studies, the remaining chapters attempt to identify the barriers CDCs face in integrating the arts into economic, as opposed to community development programs. These barriers broadly include the following: a failure of the government and the

¹³ Charles Landry, The Creative City (Comedia, 2000).

community development sphere to recognize the arts as an economic sector, a fear of gentrification, and the perceived incompatibility of CDC and arts organizational 'cultures.' Finally, it argues that CDCs are in a good position to overcome these obstacles in order to realize the potential of arts-led economic development in urban communities.

CHAPTER 1

CDCs and Development: a Literature Review

Established urban development research demonstrates that economic and community development are defined by their distinct methodologies and goals. While the former focuses on growth and revitalization, the latter seeks increased social services and improved quality of life. A third strand of development—cultural development—is often conceived of as a tool to serve the other two. In spite of distinct goals and approaches, the three strands can and do reinforce each other, creating fruitful synergies in a neighborhood or community. For example, economic growth can lead to a higher quality of life and to more public services. And, community development can create social capital that might spur economic growth. New cultural facilities can bring revenue into a city as well as foster community goals, such as pride, tolerance, and political activism.

Despite these synergies, tensions exist both in theory and practice between the goals of each strand of development. Recent experiences in urban development suggest that these tensions can be overcome, particularly through the work of community development corporations (CDCs). Despite busy agendas and limited resources, community development corporations have become an important player in the larger sphere of economic revitalization. These neighborhood-based nonprofits have uniquely integrated economic development with socially conscious community development to

improve poor, urban communities. Along with limited government programs and policies, CDCs have put into practice the theoretical relationship between economic and community development and provided real evidence for integration. Moreover, CDCs may be in position to further expand their focus and impact by incorporating the arts and culture into original economic development programs, such as workforce development, job training, and small business investment programs. The following review will describe more fully the three strands of development and discuss the evolution of CDCs in the U.S.

Background: Three Faces of Development

A brief definition of economic, community, and cultural development as they are distinguished from each other in the existing literature provides necessary background for analyzing the tensions and overlaps that result from the interactions between them.

Economic development, the dominating form of development and the focus of urban growth research and policy in the last half of the century, is best defined as the process of drawing businesses along with middle and upper class residents back from the suburbs to the urban centers.¹⁴ Described as a response to the problems of abandoned urban neighborhoods after the collapse of many urban economies in the 1970's, economic development has been singled out as the primary element trends to reverse urban decline. Most often used to measure the success of revitalization programs, economic development also forms the foundation of mainstream urban growth strategies.¹⁵ The

¹⁴ Dennis R. Judd, *The Politics of American Cities* (Illinois: Scott, Foresman and Company, 1988) 371.

¹⁵ European Task Force on Cultural Development, *In from the Margins* (Germany: Council of Europe, 1997) 30.

dominant theory in urban study research since the 1960's, urban growth theory argues that economic investment in communities, dominated by elite pro-growth coalitions, creates more jobs and an increased tax base, improving overall quality of life for residents because of higher levels of discretionary income and greater tax revenues. The final results go beyond investment and job growth, spilling over into public improvements and better community resources—an improved overall quality of life for residents of communities in the urban center.¹⁶ Tourism is one example of a specific economic development strategy. Tourists contribute to a city's economy by injecting spending on local products and services, absorbing its assets without providing a real drain on its resources, and creating spillover effects leading to higher employment and greater tax revenues.¹⁷ However, this aspect of economic development is less relevant for economically depressed communities in need of revitalization than for citywide attempts to draw outsiders to the city-center via conference centers and large-scale consumer attractions. Low-income neighborhoods are unlikely to succeed in attracting developers to invest in large-scale facilities of this type in the first place.

While city and federal governments have played major roles in encouraging large-scale investment in urban communities, community-based economic development organizations have made significant grass roots attempts to spur economic development locally. During the 1980's, when federal support for many programs targeted at combating urban poverty were scaled back along with local tax bases, communities were

¹⁶ Judd (1988), 376-377.

¹⁷ *ibid.*, 386.

forced to develop their own strategies for economic development.¹⁸ As a result, community development groups have taken on the challenge independently to spur revitalization locally. As Geoffrey Faux explains, local development corporations exist in financially devastated communities in order to support economic development. These institutions, he writes, strive “[f]or the purpose of planning, stimulating, financing and, when necessary, owning and operating businesses that will provide employment income and a better life for the residents of these areas.”¹⁹

Like economic development, community development’s basic goal is to provide assistance to communities in need of revitalization. As Rubin explains, “The organic theory of community development begins by premising the moral obligation to bring back the communities that government and the private sector have abandoned.”²⁰ However, community development is distinct in its holistic approach to development, adopting strategies that go beyond economic growth. Instead, community development directly targets social problems that may or may not be the result of a community’s poor economic health. The relationship between physical improvements and the social consequences of such changes, Rubin writes, enables community development workers to empower neighborhoods at both community and individual-levels.²¹ For instance, investing in a small business is not enough to constitute community development. Building social networks, guiding local residents in the management and job training

¹⁸ in Robert Fisher, ““Neighborhood Organizing: The Importance of Historical Context,” Revitalizing Urban Neighborhoods. ed. W. Dennis Keating, Norman Krumholz, and Philip Star. (University Press of Kansas, 1996) 43.

¹⁹ Geoffrey Faux, Background Paper, CDCs: New Hope for the Inner City (New York: Twentieth Century Fund, 1971) 29.

²⁰ Herbert J. Rubin, Renewing Hope Within Neighborhoods of Despair (Albany: State University of New York Press, 2000) 161.

²¹ *ibid.*, 162.

aspects of ownership, and helping them to achieve self-sufficiency are examples of aspects of community development that distinguish it from economic development.

Finally, definitions of cultural development are more difficult to synthesize because the goals of cultural development vary by approach. Generally, developing the culture of a community involves encouraging and supporting the indigenous arts of its residents, not only through local artists, but also by encouraging participation through increased access to the arts. While cultural development was initially conceived of in order to make the arts more accessible to a wider range of individuals, new definitions of culture in the service of development have primarily socio-economic aims; that is to bring about change or reform through the mobilization of culture.²² This can be accomplished through two approaches. The European model is an example of cultural development that stresses the accessibility of the arts to all members of the community. In this model, culture is incorporated by policy makers into the physical development of the city as both a community resource to be part of the city's public image and to be integrated into each individual citizen's self-perception. The European Task Force on Culture and Development defines the three major contributions of culture in the field of development as first, contributing to overall human knowledge (in a similar manner as science and technology); second, as defining and describing social and economic norms, and finally, as creating social capital through self-empowerment.²³ In many of the European studies of this type, the end result has been policy recommendations centered on making the individual's consumption of public cultural amenities accessible to a wider audience and utilizing the arts as an amenity to improve overall quality of life.

²² Culturelink, Culture and Development vs. Cultural Development, ed. Kees Epskamp et al. (Croatia: Institute for International Relations, 2000).

²³ European Task Force on Cultural Development, 31-32.

A second approach to achieving the objectives of cultural development, heavily utilized in America, relies more upon investing in large scale cultural institutions than upon expanding access, as in the European model, or creating environments in which the arts complement and improve neighborhoods on the street-level, as Florida proposes. Street-level cultural development may include sponsoring local cultural festivals, supporting concerts, independent movie houses, or small vendors of locally produced cultural products. However, in most instances, an American city's cultural life has been centered on large, expensive homes for art museums and what Florida refers to as the "SOBs"—"the high-art triumverate of a symphony orchestra, an opera company, and a ballet company."²⁴ These institutions draw audiences from society's middle and upper classes and often are not linked thematically or materially to the community they serve. They are designed to draw people from throughout a city, but focus on art with little or no community ties. Florida argues that these 'static' collections may be to blame for the lifeless city-centers these institutions often find themselves in. Although this type of cultural development runs counter to the goals of community-based economic development, it has dominated the urban agenda over community-based, more indigenous, 'popular' cultural strategies.²⁵ However, approaches to economic development are being reconsidered. Owing in part to the infusion of small-scale amenities-based approaches, cultural development stands to define itself anew in urban growth theory.

Recent policy initiatives, primarily instituted in Europe but with increasing frequency in the United States, have produced evidence that the integration of the above

²⁴ Florida, 182.

²⁵ Franco Bianchini, Cultural Policy and Urban Regeneration: the West European Experience, ed. Franco Bianchini and Michael Parkinson (Manchester: Manchester University Press, 1993) 19.

strands—economic, community, and cultural development—does indeed prove beneficial to urban communities. This is especially true, as urban theorists have argued recently, when the three strategies are targeted on small-scale, neighborhood, and amenities-based development approaches. Examples of this approach include investing in local bands and music acts through subsidized rehearsal space and equipment, or assisting in the distribution of locally produced records. What is more, the experience of several CDCs in the United States provides further evidence that community-based organizations, CDCs in particular, may be the most likely institutions to succeed at incorporating the arts in community and/or economic development schemes.

Three Faces of Development? Overlap and Interactions

Although conceptualizing development as three distinct strands, the existing literature also reflects the relationships between economic, community and cultural development. The overlaps and tensions between them present both opportunities and challenges for urban planners who wish to better integrate the arts into neighborhood revitalization strategies.

One example is the overlap between definitions of economic and community development. Economic development, while it may have a positive effect on the community in which it takes place, is not directly preoccupied with providing the social services, such housing, health care, or education, that characterize community development. Community development, however, is often forced to rely upon economic revitalization to pay for its programs, which typically include initiatives that generate little or no financial resources. Therefore, the role of economic development in holistic

community development is an important one. According to Robyne Turner, successful community development is measured by three elements: economic capital, social capital, and political capital.²⁶ Business and political leaders, and not community activists, traditionally control economic capital. However, as community leaders strive for more influence and power, they often realize the importance of economic development in their communities. The power that is acquired by community developers through economic development is translated into even more ambitious community development agendas. Building social capital, the second element, is most often associated with community development and involves organizing residents, facilitating community-based decision making, and providing basic social services. The third element—political capital—can also be understood as empowerment and self-determination. The ultimate goal of community development, as Turner argues, is raising the community’s political capital. Turner defines political capital as, “the community’s ability (via its neighborhood-based organization) to negotiate, set the terms of that negotiation, define what the neighborhood will look like, and control resources that affect the ability for this place to become a productive economic and social location.”²⁷ She stresses the connection between community development’s ultimate goal of political empowerment, and the means by which to achieve that goal through the growth of a community’s economic resources. Community development, then, necessarily includes aspects of economic development, but serves other aspects of the community simultaneously.

However, economic and community development do not always share common interests and sometimes run counter to each other’s purpose. Economic development

²⁶ Robyne S. Turner, “Entrepreneurial Neighborhood Initiatives: Political Capital in Community Development,” *Economic Development Quarterly*, 13(February 1999), 16.

²⁷ *ibid.*,16.

does not inevitably lead to community development, and it has been argued that it does not address the deeply rooted social problems that ail low-income communities.²⁸

Tensions arise in the interaction of community and economic development when the social and political goals of community development contradict the mission of economic development. For example, the aggressive economic development strategies of Robert Moses, New York City Parks Commissioner and head of the Triborough Bridge and Tunnel Authority in the 1930's through the 1950s, involved the destruction of many of the city's ethnic communities to provide space for highways.²⁹ Less dramatically, economic revitalization strategies centered on large-scale facilities, such as investment in new corporate towers, waterfront recreational facilities, shopping malls, stadiums, and convention centers, may force a community to sacrifice those buildings that provide the neighborhood with a distinctive identity.³⁰ Further, Judd and Swanstrom propose that economic development can widen the gap between high and low income residents and further divide a community across class lines, undermining attempts to build social networks and empowerment.³¹ While large-scale economic development may have the positive economic effect of drawing middle and upper class individuals into low-income neighborhoods to spend their discretionary income in the local economy, the overall benefits may undermine the mission of community development.

Although Turner's definition of successful community development does not explicitly recognize arts and culture, there is also a significant overlap between community development and cultural development. Cultural development generally

²⁸ Judd (1988), 396.

²⁹ Joel Schwartz, *The New York Approach* (Columbus: Ohio State University Press, 1993).

³⁰ Dennis R. Judd and Todd Swanstrom, *City Politics* (New York: Addison-Wesley Educational Publishers, Inc., 1998) 384.

³¹ *ibid.*

leads to positive effects on community development. Research has demonstrated that participating in cultural activities provides social and political benefits for a community. Some studies go as far as to argue that participation in the arts is a necessarily condition for community development. Culturelink, a European arts and cultural development research firm, proposes that the two are inter-changeable: “Participation in culture and creativity is a condition sine qua non for building an environment in which people can utilize their full potential and take part in decision-making pertinent to their life and the life of their community.”³² For example, a survey by the Urban Institute of ten community foundations across the country reports that many individuals who would not otherwise participate in their communities become involved through the arts.³³ Through the process of community participation, residents and community “connectors”—activists and leaders who are likely to attend cultural as well as political events—form networks, strengthening the overall influence of the community.³⁴ Between 1995 and 1997, Comedia performed a study of the effect of arts programs on community development in Britain. The report found that cultural programs and art participation resulted in personal development, increased social cohesion, community empowerment and self-determination, improved local image and identity, expressed imagination and vision, and improved health and well-being.³⁵ The processes of cultural and community development, when their missions are aligned, can reinforce one another and produce dramatic effects on a community.

³² Culturelink, 396.

³³ Chris Walker, “Arts and Culture: Community Connections,” (The Urban Institute, 2002) 9.

³⁴ *ibid.*

³⁵ Francois Matarasso, Use or Ornament? The Social Impact of Participation in the Arts (Comedia, 1997).

Like economic development, however, cultural development can introduce tensions when pursued in conjunction with community development. There is some evidence that cultural development does more harm than good for low-income communities. Critic Sharon Zukin, for example, attributes the process of gentrification to cultural development. In her view, the interaction of the two results in the displacement of local residents and local artists to create space for “yuppies.”³⁶ Zukin is primarily concerned with the negative effects of community development—in this case economic development is an implied component of community development—on positive processes of cultural development. She cautions:

When push comes to shove, culture has been an interim development strategy, useful in period of uncertainty and risky development projects. Artists have been welcome as ‘bridge’ gentrifiers—but not as statutory tenants deserving protection when property values rise.³⁷

While Zukin draws attention to the negative effects of community development on artists pushed out of their communities by increased property values, cultural development, it can be argued, has the same effect on local residents. The process of gentrification is defined by Keating and Smith as a change in a neighborhood’s population from low-income to middle and higher-income residents that coincides with increased property values.³⁸ Put simply, when the arts are encouraged to flourish in a community, white middle and upper class individuals flock to the neighborhood to take advantage of the indigenous cultural resources, as well as low rents and property values. However, in response to increased demand, property values increase, and often, indigenous residents are forced to leave their neighborhoods because they can no longer afford to live there.

³⁶ Sharon Zukin, *Loft Living* (Baltimore: John Hopkins Press, 1982).

³⁷ Sharon Zukin, *The Culture of Cities* (Cambridge: Blaxwell Publishers, Inc., 1995) 111.

³⁸ W. Dennis Keating and Janet Smith, “Neighborhoods in Transition,” *Revitalizing Urban Neighborhoods*, ed. W. Dennis Keating et al. (University Press of Kansas, 1996) 29.

Those that benefit from higher property values—real estate developers, for example—assure anxious residents that displacement caused by gentrification is relatively low and that the benefits of higher property values, which include greater tax revenues and improved housing conditions, out-weigh displacement in most cases.³⁹ Still, gentrification remains a tension at the intersection of community and cultural development so long as it alters the composition of the community itself.

The most recent contributions to development research highlight the third example of overlap, that of economic and cultural development. Traditionally, cultural development has been treated as a subcategory of community development. The arts have most often been considered as a complement to community development, while the economic impacts of arts and culture are ignored. However, in addition to producing housing, creating job security, and maximizing tourism, capitalizing on a community's cultural assets is one of the means by which economic revitalization can be accomplished. Scholars such as Charles Landry and Justin O'Connor argue that culture is a resource, and every city possesses creative potential to capitalize on its distinct cultural flavor.⁴⁰ Monika Wulf-Mathies of the European Commission describes the importance of culture in economic development: "Culture is not merely a public occupation creating extra costs, but also an increasingly important part of the private economy with considerable growth potential, fostering creative, innovative and productive effects for the regional and local economies."⁴¹

³⁹ Richard Schaffer and Neil Smith, "The Gentrification of Harlem?," Annals of the Association of American Geographers, 76(1986), 349.

⁴⁰ Landry; Justin O'Connor, "Public and Private in the Cultural Industries," Unpublished Paper, Manchester Institute for Popular Culture, 2002.

⁴¹ New England Council, The Creative Economy Initiative (June 2000) 7.

One of the first steps in integrating economic and cultural development is defining the ways in which the goals of the two strategies overlap. This requires a brief explanation of the cultural industries as an example of the intersection of economic and cultural development. By relying upon a broader definition of the arts and cultural labor market than simply artists and a larger conception of cultural development than investment in a large-scale cultural consumption facility, the arts can be treated as a candidate for economic growth and development. This relatively new conception includes not only the individual artist, but also the entire cultural production sector—from production to distribution, management, and consumption. For example, in the music industry, the cultural sector, according to this definition broadly includes, but is not limited to songwriters, performers, producers, sound engineers, record companies, concert promoters, and record-store owners. These “creative” industries, as they have been called by scholars and governments in Europe, are concerned most basically with ‘symbolic goods,’ defined by O’Connor as goods that draw their economic value in the market from their cultural value.⁴² Effectively integrating the “creative” industries into economic markets requires a production, as opposed to consumption-based, approach to cultural development. Large-scale cultural facilities—Florida’s SOB’s, for example—provide spaces for individuals to experience the arts in exchange for a fee, a process which characterizes the cultural consumer model. On the other hand, production-based strategies target small cultural businesses and independent producers in order to build and reinforce existing infrastructures of local production.⁴³ Encouraging and supporting

⁴² O’Connor.

⁴³ Steven Jay Tepper, “Creative Assets and the Changing Economy,” The Journal of Arts Management, Law, and Society, 32(2002), 164.

small, indigenous cultural producers, assumes that individuals will be drawn to concentrated areas, or clusters, where creative production is taking place.

Much of the creative industry literature originating in Europe emphasizes the role of culture specifically in place-based economies. According to Charles Landry, culture “is the prism through which urban development should be seen.”⁴⁴ In order to thrive in the next century, cities must focus on their cultural aspects in order to draw knowledge workers, whose portability demands neighborhoods with strong cultural amenities and high overall qualities of life. Landry is primarily concerned with urban centers, what he refers to as a city’s “inner ring.”⁴⁵ By drawing creative people to work and live in the city center, these individuals will in turn offer fresh perspectives and ideas to perpetuate the renewal process. In America, Richard Florida’s work similarly provides a context for the intersection between culture and economic development that occurs within communities, where cultural production and consumption occurs everyday on the street-level.⁴⁶

However, defining the arts in an economic context does not exclude the potential for contradictions and tensions between cultural and economic development. For example, investment in cultural production projects can be criticized for distracting attention and diverting financial support away from nonprofit arts organizations, which rely upon public and private funds to stay open. The argument is that cultural development in its purest sense—independent artists and nonprofit arts organizations—suffers when for-profit cultural enterprises become the focus of arts-based economic projects. Similarly, economic development pursued in conjunction with cultural development via large-scale investment can have negative effects on indigenous art and

⁴⁴ Landry, 9.

⁴⁵ *ibid.*, 35.

⁴⁶ Florida.

culture. Because of the large price tags associated with building citywide cultural or convention centers, sports stadiums, and museums, this form of development is marked by public/private partnerships. These partnerships draw outsiders into a community and may lead to the same process of gentrification as discussed in the previous section, which undermine cultural development goals by displacing artists and local residents.

From an economic development perspective, cultural tourism strategies can destabilize a city's economy by creating an over-dependence on revenue generated from outside the city. When tourism slows, so too does the trickle down effect of tourism revenue to individual neighborhoods, and the economy as a whole is negatively affected by trends beyond their control. One of the most striking examples of the vulnerability of economic development strategies based on large-scale cultural development is the effect of September 11th on the New York City economy. The tourism industry, one of the city's largest employers of low-skilled labor, suffered a severe drop in tourist visits in the aftermath of the terrorist attacks. Along with the physical destruction of the World Trade Center towers and transportation routes to other major tourist attractions throughout the city (New York Stock Exchange, Battery Park City, Liberty and Ellis Island ferry terminal), traveling came to be feared in and of itself, and New York's economy suffered immensely.⁴⁷ The vulnerability of economic development strategies that rely too heavily on exogenous revenue generated through investment in large-scale cultural facility development can create tensions in integrated development strategies.

However, despite these concerns, cultural investment is most often focused on large capital, cultural investments precisely because of the economic benefits. Large-

⁴⁷ Susan S. Fainstein, "One Year On. Reflections on September 11th and the 'War on Terrorism': Regulating New York City's Visitors in the Aftermath of September 11th," International Journal of Urban and Regional Research, 26(September 2002), 591.

scale cultural facility investments are described by Strom as central to successful revitalization schemes.⁴⁸ It is hoped that by introducing cultural centers into abandoned districts of a city, additional restaurants, galleries, and other small businesses will develop in response to the created demand of tourists. Limited policy initiatives in Europe demonstrate an interest in exploring the potential for small scale, neighborhood based development. Only a few years old, many of the programs have found that approaching local development with integrated programs works to the advantage of economic, community, and cultural developers.

Public Policy Trends

In the last decade there have been a number of policy initiatives, primarily in Europe, but in the United States as well, that suggest the integration of these three realms of development has a positive impact on revitalization in practice. Enthusiastically welcomed by the British labour government in 1997, economic and community development projects via culture have been incorporated into urban development strategies in Manchester, Liverpool, Glasgow, and Huddersfield, to name only some of the British cities that have been impacted in recent years by cultural economic theories. The most prolific studies on the role of art in development have been concentrated in Britain, Scotland, Ireland and Australia. European research has been traditionally more inclusive in its definition of the creative industries, combining the commercial and nonprofit cultural sectors into one, broader industry and thus providing a more accessible

⁴⁸ Elizabeth Strom, Strengthening Communities Through Culture (Center for Arts and Culture, 2001) 20.

link between cultural and economic development.⁴⁹ For example, a nationally commissioned study of the city of Glasgow found that by investing in the arts, communities attract more capital and can afford to improve supporting facilities that benefit both artistic and commercial interests.⁵⁰ In Portsmouth, an evaluation of the impact of the arts on social capital and regeneration determined that the arts should play a larger role in community development. The Irish government invested in the arts in order to address poverty and neighborhood degeneration in 1995 and found that cultural activities resulted in ‘a dramatic shift in attitude and appetite for arts education and training.’⁵¹ Commissioned by the Scottish Executive and Scottish Arts Council, a 1999 study of thirty Scottish art programs found that the arts “could have a pivotal role to play in the regenerating of areas of social exclusion” through many of the same processes described in the above studies.⁵²

A few American studies have launched inquiries and developed programs recognizing a potential for cultural economic growth in the States. Primarily regionally based, these reports have found similar benefits to cultural development as their European counterparts. The New England Council’s Creative Economy Initiative studied both the role of the cultural industry in New England’s economy as well as designed a “blueprint” for investment in the arts. Drawing a distinction between the “creative cluster”—a sector growing faster than the rest of the New England economy by six percent—and the “creative workforce,” which accounts for more than two percent of New England’s total workforce, the report stresses the multi-dimensional economic

⁴⁹ New England Council, 7.

⁵⁰ Alan Kay, “Art and Community Development: the Role the Arts Have in Regenerating Communities,” *Community Development Journal* 35(October 2000), 416.

⁵¹ *ibid.*

⁵² *ibid.*, 422.

benefits of cultural development.⁵³ It recommends that business planners and workforce development programs treat the creative cluster with the same interest and consideration as other industrial sectors. By approaching cultural development at the regional level, these initiatives target specialization in cultural production, focus on tourism, identify the needs of creative sector participants, and improve access to training and openings in the creative industries through workforce development initiatives.⁵⁴

Another example of the successful integration of cultural and economic development strategies can be found in the experience of New York City as both the origin of many cultural development policies, as well as one of the first cities in America to recognize the relationship between the arts and economics. Arts and culture have been a sector of tremendous growth for New York's economy, boasting a 52 percent growth rate over the past nine years. Estimates found more than 150,000 jobs generated by the creative economy in New York City in 2002.⁵⁵ Host to 2,095 arts organizations, 150,000 artists and over 2,000 commercial arts businesses, New York City has consistently held its position as artistic and cultural center of the United States in part through such high profile facilities and institutions as Lincoln Center, the Metropolitan Museum of Art, and Broadway.⁵⁶ However, as early as the 1970's, New Yorkers were recognizing their city's cultural potential beyond the traditional Manhattan hotspots, and anticipating place-based theories of economic development. During this period and up to the present day, the arts, as recognized by the city, were accessible only to high-income residents who could afford

⁵³ New England Council, 4.

⁵⁴ Examples of cultural production strategies include, but are not limited to: making short-term leases and affordable studio spaces available to artists, hosting exhibitions or trade meetings for specific products or industries, publishing trade publications and employment bulletins, and forming public funds to support the promotion of cultural products and services. (Tepper, 164-165).

⁵⁵ The Creative Engine (Center for an Urban Future, November 2002).

⁵⁶ *ibid.*, 9.

to live downtown or transportation and ticket costs. Then Deputy Commissioner of the New York City Department of Cultural Affairs, Courtney Callender, commented on the strictly white composition of the boards of trustees of New York's cultural institutions.⁵⁷ Around the same time, the Ford Foundation's Junius Eddy criticized New York City's 'cultural enrichment programs' as white middle-class exports to the ghetto: "One does not have to deny the true richness of the Western cultural tradition to point out the presumptuousness, arrogance, and racism inherent in this simplistic approach to the culturally different person in our pluralistic society."⁵⁸ Today, New York's outer boroughs possess a myriad of artistic talent and cultural resources that contribute to New York's overall appeal to Florida's "creative class." A report by the Center for an Urban Future confirmed that not only are the arts an important economic sector in New York, but that community organizations outside of Manhattan have been effectively integrating the arts and economic development on the community-level.⁵⁹

The three types of development described above have already begun to be integrated through research and a limited number of policy initiatives. Community development corporations, as the case of New York City suggests, are in a good position to further cultivate the integration of cultural development into economic and community development strategies. Currently a community's most organic source of ideas and initiatives, CDCs have the potential to be the most effective vehicle through which to utilize cultural resources to further economic development. But many CDCs are hesitant to explore integrated approaches to development due to a lack of awareness of the

⁵⁷ Kevin V. Mulcahy, "Culture and the Cities," *Public Policy and the Arts*, ed. Kevin V. Mulcahy and C. Richard Swaim (Boulder: Westview Press, 1982) 223.

⁵⁸ *ibid.*, 224.

⁵⁹ Creative Engine.

economic potential of the arts, institutional stereotypes, and fears of gentrification. This resistance will be discussed in more detail later in the paper. The next section explores the history and organization of community development corporations in order to shed light on the potential for partnership between cultural investments and CDCs.

Community Development Corporations: A Definition

The evolution and growth of community development corporations over the past thirty years suggests that these organizations are in a good position to further test the potential for integration of the three realms of development. While no single definition exists to identify and distinguish between community development corporations and other not-for-profit neighborhood organizations, extensive literature has been dedicated to evaluating to what extent CDCs in particular can be effectively used to bring about neighborhood revitalization. The mission and structure of CDCs provide a rough picture of whether cultural development is in fact compatible with community development's organic approach.

Community development corporations are unique in their community-based strategies toward development. Community, in the case of CDCs, can be defined by a particular ethnicity, need, or neighborhood. In heterogeneous neighborhoods, CDCs tend to focus exclusively on low to middle-income residents.⁶⁰ Formed, organized, and/or governed by local residents and leaders, most CDCs are founded by a single leader or small group of local residents, and in many cases in Vidal's 1988 survey, the same individual or group remains with the organization for a long period of time, permanently

⁶⁰ Avis C. Vidal, Rebuilding Communities (New York: Community Development Research Center, New School for Social Research, 1992) 38.

shaping and influencing its direction.⁶¹ According to the professional organization of CDCs, the National Congress for Community Economic Development (NCCED), 90% of CDCs participate in housing production, 23% in business development, and 18% are involved in industrial and commercial development.⁶² Because of the variability in focus among CDCs, it is difficult to measure their overall impact and effectiveness as development agents. Evaluations of CDC success have been primarily qualitative, depending upon subjective quality of life measures, rather than quantitative (property value increases, higher average incomes) because of the tensions that exist between real economic measures and community and cultural standards. As an example of this trend, Gittell's research critique of CDCs is based upon a four-pronged operational definition of success, measuring mission, organizational competency, political capital, and funding.⁶³ Similarly, Vidal provides five organizational characteristics that provide a functional measure of CDC success.⁶⁴ Other researchers have attempted to quantify CDC performance by assigning value to qualitative characteristics such as efficiency.⁶⁵ Still, the majority of evidence that CDCs have been effective institutions of community development and change relies upon anecdotal evidence and case studies.

Between 1966 and 1994, the number of CDCs increased from 36 to over 2,000.⁶⁶ The relatively short history of community development corporations finds their most direct roots in the community organizing movement of the 1960's. Research outlines

⁶¹ *ibid.*, 37.

⁶² National Congress for Community Economic Development, Tying it all Together: The Comprehensive Achievements of Community-Based Development Organizations (Washington D.C, 1995).

⁶³ Gittell and Wilder, 345.

⁶⁴ Vidal (1992) and "CDCs as Agents of Neighborhood Change: The State of the Art," in Revitalizing Urban Neighborhoods, ed. W. Dennis Keating et al. (University Press of Kansas, 1996).

⁶⁵ Spencer M. Cowan et al., "Factors Influencing the Performance of Community Development Corporations," Journal of Urban Affairs, 21(1999).

⁶⁶ National Congress for Community Economic Development.

three stages in CDC growth over the past fifty years beginning with a period of massive urban renewal projects, such as highway building, which led to the displacement and disruption of many urban communities. These projects gave rise to grass-roots protest groups, organized around a local program and run by local residents.⁶⁷ Tumultuous national events and movements provided the spark for communities to respond locally to specific national problems. In many of these neighborhoods, CDCs grew out of local activist groups and were sponsored by federal programs such as the Equal Opportunity Act's Special Impact Program or the Model Cities Program.⁶⁸ The official start of CDCs was the result of a February 1966 walking tour of the New York Bedford-Stuyvesant neighborhood by then Senator Robert Kennedy. During the tour, a local leader and member of the Central Brooklyn Coordinating Council told Kennedy that he was "tired of being studied" and wanted "action."⁶⁹ Following the visit, Kennedy directed his staff to devise a program that both addressed the specific needs of Brooklyn neighborhoods, as well as served as a model for other local organizations. The result was the Title VII amendment of the Economic Opportunity Act of 1964, providing funding for the first wave of community development corporations, including the Bedford-Stuyvesant Restoration Corporation, which is examined in detail in this paper.

Between 1973 and 1980, during the second stage of growth, CDCs were more focused on distinctly urban and local issues, while still maintaining a strong connection to

⁶⁷ Vidal in Sara E. Stoutland, "Community Development Corporations: Mission, Strategy, and Accomplishments," Urban Problems and Community Development, ed. Ronald F. Ferguson and William T. Dickens (Washington D.C.: Brookings Institution Press, 1999) 197.

⁶⁸ Vidal (1992), 34.

⁶⁹ Ronald F. Ferguson and William T. Dickens, Introduction to Urban Problems and Community Development, ed. Ronald F. Ferguson and William T. Dickens (Washington D.C.: Brookings Institution Press, 1999) 18.

protest and advocacy.⁷⁰ CDC formation dropped during this period in the eighties. Under the Reagan administration, dramatic cuts in federal funding for CDCs “put a premium on attention to the ‘bottom line.’”⁷¹ CDCs created during this stage were forced to form public-private partnerships and to rely to a larger extent on national not-for-profit organizations for local support and funding, leading to a more professionalized, less activist-based approach to community change.⁷² Stoutland refers to the growing influence of national financial intermediaries, such as the Enterprise Foundation, The Local Initiative Support Corporation, and the Neighborhood Reinvestment Corporation, as one of the most important changes in public funding trends to occur in the 1980’s.⁷³ In addition, federal cuts for low-income housing focused CDCs during the decade on housing problems. At present, according to the National Congress for Community Development (NCCD) 1994 survey, CDCs have been formed in almost every state, although they are more concentrated in the northeast and midwest. The report also found that CDCs formed in the 1960’s and 1970’s remain, on average, larger than those formed more recently.⁷⁴

Individuals in the cultural, economic, and community development fields have recognized the potential for community development corporations to expand their cultural development programs. A growing interest in the economic potential of the arts has convinced some arts organizations, for example, to expand their programming into the realm of CDCs. From 1986 to 1997, the number of urban arts agencies who have expanded their programs into the realm of community development through arts

⁷⁰ Vidal (1992), 35.

⁷¹ *ibid.*, 36.

⁷² Stoutland, 199.

⁷³ *ibid.*

⁷⁴ National Congress for Community Economic Development.

programs has quadrupled from twenty percent to eighty-two percent.⁷⁵ But of more interest is the potential for CDCs to integrate cultural development into their existing community and economic development priorities. While some CDCs have approached the marriage of social programming and the arts gradually and hesitantly, others were designed to be cultural and artistic agents from their foundation. The degree to which a CDC can be successful depends, to a large extent, on how cultural development is conceived and whether or not it can be adapted to the community development ‘culture.’

CDCs and Development: Challenges and Obstacles

Despite the documented success of CDCs, there are a number of challenges unique to the community-based approach to all three forms of development. One of the most basic but nagging criticisms of community development corporations is helplessness. Against a strong tide of national inequality of resources and deeply rooted social problems, skeptics argue that local residents cannot mobilize enough resources to ‘fix’ depressed urban neighborhoods because the real sources of poverty and neighborhood decline exist outside the community, in powerful institutions that CDCs are unable to challenge.⁷⁶ In order to revitalize a community, existing power structures and resources must be re-distributed. As long as CDCs rely on federal, state, and local government leaders, as well as private businesses, critics argue that these authorities will never relinquish their influence or control in order to serve the community. It is argued that CDCs are only as effective as the existing relationships between residents, and merely reflect well-organized neighborhoods instead of the creation of tight networks

⁷⁵ Mulcahy in Strom, 34-35.

⁷⁶ Judd and Swanstrom (1998), 412-413.

from within poor, minority areas.⁷⁷ According to Vidal, a community organization's ability to thrive depends to a large extent on economic factors outside of the nonprofit community. The willingness of political leaders to prioritize economic development, as well as the eagerness of local business leaders to take financial risks translates most often into cities with more active CDC participation.⁷⁸

The tenuous relationship between economic development and community development is particularly relevant for CDCs. While a CDC's goal is generally to preserve the integrity and culture of its neighborhood, economic developers attempt to convert local space into moneymaking enterprises. This contradictory relationship is one problem in the CDC model, described by Stoecker: "Capital is less willing to invest in neighborhood redevelopment that maintain neighborhood spaces as use values because that would prevent speculation and limit profit accumulation."⁷⁹ As a result, CDCs must re-align their focus to assure that all residents, including those most in need of its services, benefit from economic development.⁸⁰ CDCs are in the unique position of representing individuals from the development, real estate, and small business community, while championing the goals of community empowerment and self-determination. Gittell and Wilder refer to this problem as one of the "inherent contradictions" of CDCs.⁸¹

Despite these institutional challenges, a great many political scientists, sociologists, policy makers, and community activists view CDCs as central to community

⁷⁷ *ibid.*, 413.

⁷⁸ Vidal (1996), 152.

⁷⁹ Randy Stoecker, "The CDC Model of Urban Redevelopment: A Critique and an Alternative," *Journal of Urban Affairs* 19(1997), 4.

⁸⁰ *ibid.*

⁸¹ Gittell and Wilder, 343.

development, serving to bridge physical and economic development “with capacity building and community stability to create long-term investment and success.”⁸² Interest in extending this relationship toward the cultural sphere has developed among those in the community development field. And it appears that funders are listening to this view. In 1996, foundations supported fifty percent more community-based arts programs than it had just four years earlier. “Private funders are particularly interested in programs that treat communities holistically, linking arts resources to other community assets”⁸³ However, lacking is a comprehensive analysis of the simultaneous integration of the three well-established traditions of economic, community, and cultural development. A holistic approach to development builds upon a latent connection between communities, nonprofits, city government and the arts, but none of these actors have expressed an explicit commitment to arts-led economic development.

A review of the growth and success of community development corporations almost fifty years after their first founding finds relatively few analyses of the potential for successful integration of urban economic renewal, community development, and cultural investment by CDCs.⁸⁴ Nonetheless, an examination of three case studies in the following chapters will investigate the ways in which CDCs are in a strategic position to inherit the challenge of integrating cultural development with economic and community development. For the first case study, arts and culture have been incorporated into economic development strategies effectively and with relative ease. For another, the goals of cultural development have proven more difficult to incorporate into the

⁸² Turner, 15.

⁸³ Renz and Lawrence in Strom, 36.

⁸⁴ A few examples of significant analyses of CDCs that do not explore cultural development include Vidal (1992, 1996); Stoecker (1997); Gittell and Wilder (1999).

community's economic development. In the final case, the barriers to developing cultural programs in light of economic and community needs has prevented the CDC from developing their community's cultural resources until recently.

CHAPTER 2

Case Studies: History, Programs

The case of The Point is an exception in the community development field. By successfully overcoming the barriers to community-based arts-led economic development, The Point has set itself apart from other CDCs in New York City and the country as an innovator of community development strategies that integrate cultural and economic development. Before exploring the ways in which CDCs can confront obstacles to integrated development strategies, it is necessary to provide a brief introduction to the neighborhood conditions, history, mission, and programs relevant to the arts and economic development for all three cases: The Point, Bedford-Stuyvesant Restoration Corporation, and Fifth Avenue Committee. This background provides enough information to critically analyze the ways in which The Point and the remaining two cases have been both successful and challenged by the process of integrating the arts into economic and social development in the next chapter.

The Point Community Development Corporation, Hunts Point

“It wasn't a stroke of genius on anyone's part. We were riding a wave that had always been here.” *Paul Lipson, Executive Director of The Point CDC*

The Point Development Corporation first opened its doors in 1994 when four friends, colleagues, and Bronx residents—Paul Lipson, Maria Torres, Steven Sapp, and Mildred Ruiz—purchased an abandoned warehouse at the intersection of Garrison Avenue and Manida Street in the South Bronx neighborhood of Hunts Point.⁸⁵ Serving an immediate population of 11,000 residents, the organization also plays a role in the development of the larger South Bronx region, encompassing a wider population of 49,000 individuals.⁸⁶ Explicitly focused on “the cultural and economic revitalization of the community,” The Point’s mission is declared on its website:

We work with our neighbors to celebrate the life and art of our community, an area traditionally defined solely in terms of its poverty, crime rate, poor schools, and sub-standard housing... Our mission is to encourage the arts, local enterprise, responsible ecology, and self-investment in the Hunts Point community.⁸⁷

At present, The Point operates with an annual budget of approximately \$1.5 million, \$100,000 of which is generated through Point-sponsored cultural activities, such as occupancy fees, rent, admissions, print sales, merchandising and tour fees. For its remaining costs, The Point relies almost entirely on foundation grants, with no permanent government contracts or long-term patrons.

The Point’s programs fall broadly under three categories: youth development, nonprofit artistic programs, and for-profit cultural (but not strictly arts-related) enterprises. The Youth Economic Development Initiative is the general title of a variety of programs targeting neighborhood youth, from after-school tutoring, to literacy programs, to theatre and dance performance workshops. Parents are asked for donations

⁸⁵ Unless otherwise noted, all Information on The Point’s history and programs can be found at their website <www.thepoint.org>.

⁸⁶ Paul Lipson, Personal Interview (2/6/03).

⁸⁷ <www.thepoint.org>.

to help support the programs, but no child is turned away. Of particular relevancy to the integration of arts and economic development is the International Center of Photography (ICP) at The Point program. First conceived out of a friendship between board members of The Point and the ICP, the program brings together professional photographers and local teenagers in free photography classes. Using their skills, students then become professionals themselves and are commissioned to take pictures for other local non-profit public relations campaigns, weddings, artists' headshots and participate in citywide competitions and local exhibitions. Finally, the program awards one scholarship a year to the School of Visual Arts, translating an artistic hobby into a career.

Performances and exhibitions are, perhaps, the most widely visible programs The Point offers. The Live From The Edge Theater, a one hundred-seat space, is the only performance stage in the Southwest Bronx. Host to two theater companies and one dance company, the theater is also available for concerts, film screenings (the South Bronx Film and Video Festival) and other exhibitions. A few blocks from The Point's headquarters, the Bronx Academy of Arts and Dance (BAAD), home of the award-winning Arthur Aviles Typical Theater Dance Company, hosts visual artists as well. BAAD's 17,000 square-foot space was converted from an abandoned warehouse of which the owner agreed to allow Aviles and The Point to use the space for reduced rent. Currently, seventeen artists occupy the space with Aviles, who, in turn, is able to support his own dance company with the \$100,000 in rent generated from these artists. According to Rice-Gonzalez, BAAD has encouraged new investors in the remaining areas of the warehouse, as well as stimulated the purchase of raw materials.⁸⁸

⁸⁸ Rice-Gonzalez (2/24/03).

The most innovative and unique aspect of The Point's development strategy is the 4,000 square foot 'marketplace,' an arts incubator and home of for-profit companies and rent paying artists. Contributing over \$100,000 in rent, service and occupancy fees, admissions, print sales, and tour fees to The Point, the incubator is the self-sustaining force behind the CDC. Companies such as the Rice-Gonzalez Public Relations firm, which provides promotion and consulting to artists throughout New York; Anything Dance, the only dance apparel and equipment store in the South Bronx; and Strange Fruit, a video and cable TV production company, support The Point by paying rent and keeping the warehouse space available for the non-profit aspects of its programming, such as the Youth Development Initiative.⁸⁹ Pat's Soul Food Kitchen, a restaurant featuring Southern cuisine, also operates out of the Point's headquarters, drawing nearby workers to the Point during their lunch break, where they are forced to walk past the photography exhibit or ticket booth for an up-coming production. The revenue brought in by the owners of these businesses, along with the rest of the tenants, approaches a half of a million dollars annually, and has generated twelve new jobs for local residents.⁹⁰ Across the alleyway is Tats Cru, Inc., a graphic design firm specializing in graffiti and mural art founded by three of the South Bronx most notorious graffiti artists. Recognizing graffiti as a legitimate and marketable art form, the Tats Cru has designed promotional campaigns and mural for companies such as Coca Cola, Firestone, and MTV and employs five full-time artists.

The Hunts Point community is better known for the devastation, abandonment, and destruction that characterized the South Bronx in the 1970's and 1980's, than for

⁸⁹ www.thepoint.org

⁹⁰ Rice-Gonzalez (2/24/03).

successfully integrating economic and cultural revitalization.⁹¹ According to the 2000 census, the community is 75.8 percent Hispanic, 21.4 percent African-American and 42.4 percent of the population receives some form of income support assistance.⁹² Home of the largest wholesale produce market in the world, high asthma rates due to the volume of trucks delivering and picking up from the market, and a reputation for prostitution and drugs indicated in its nickname, the “Capital of Crack,” Hunts Point remains the poorest urban congressional district in America.⁹³ However, evidence demonstrates that Hunts Point has begun the slow process of economic revitalization. A *New York Times* article reported in 2000 that in the past fifteen years, 60,000 residences have been rehabilitated or built, along with a post office, the area’s first credit union in twenty-five years, and a primary care clinic. On Hunts Point Avenue, the neighborhood’s main corridor, storefront vacancies have fallen from sixty percent three years ago to twenty-five percent today. One resident interviewed for the article echoed sentiments that the benefits of economic development were being felt in the neighborhood: “Compared to what it was in the 1970’s and 1980’s, it’s being reborn.”⁹⁴ Comparing the South Bronx to Williamsburg, Brooklyn, reporter Juan Forero describes one of Hunts Point’s successful strategies, that of “selling itself to artists looking for cheap space.”⁹⁵

The successes of The Point in conjunction with community development strategies throughout the South Bronx have also begun to attract the attention of a few city officials. In the last year alone, The Point has been the recipient of the 2002 New

⁹¹ For more information on the decline of the South Bronx, see Jill Jonnes, *South Bronx Rising* (New York: Fordham University Press, 2002).

⁹² New York Department of City Planning, “2000 Census Data,” <www.nyc.gov/hm/dcp/html/census/popcdemo.html>.

⁹³ *Creative Engine*, 29.

⁹⁴ Juan Forero, ““No Longer a War Zone, Hunts Point Gains Status; new Services Arrive as City Improvements Life Bronx Community,” *The New York Times* (August 23, 2000).

⁹⁵ *ibid.*

York City Neighborhood Development Award for community development presented by Mayor Bloomberg, invited to lead a workshop on the arts and economic development for other CDCs at Deutschebank in January, and asked to represent the community development field in front of the New York City Council.

Unique among CDCs in its success in the field of arts-led economic development, the case of The Point Community Development Corporation is a valuable case study in that it demonstrates the potential for arts-led development on a small scale and illuminates the circumstances that allow culture and neighborhood revitalization to work to the advantage and betterment of an entire community.

Bedford-Stuyvesant Restoration Corporation, Central Brooklyn

“The program for development of Bedford-Stuyvesant will combine the best of community action with the best of the private enterprise system. Neither by itself is enough, but in their combination lies our hope for the future.” *Senator Robert F.*

Kennedy

The history of the Bedford-Stuyvesant Restoration Corporation (BSRC) is inseparable from the history of community development corporations more generally. It would be difficult, in fact, to analyze the effects of CDCs in New York City, without critically examining the most well known of all. However, in the area of arts-based economic development, BSRC has struggled in recent years to integrate its arts programs with economic growth, providing an interesting study of the challenges of fusing the seemingly independent priorities of cultural and economic development.

When Senator and Presidential hopeful Robert Kennedy made his historic visit to Bedford-Stuyvesant in the winter of 1966, many of the community's leaders expressed their frustration with the federal and city governments' apathy toward the poverty and suffering of their neighborhood. One of the men told Kennedy: "I'm weary of study, Senator. Weary of speeches, weary of promises that aren't kept...The negro people are angry, Senator, and judge that I am angry, too. No one is helping us."⁹⁶ Due to America's role in Vietnam, the federal government had no money to allocate to new antipoverty programs. The concept for the Bedford-Stuyvesant Restoration Corporation, Kennedy's solution, embodied two new principles for urban renewal. First, it relied upon the private sector to actively engage and support development. Second, the program focused on community-wide renewal, as opposed to a problem-based approach. "We must grab the web hole," Kennedy said in a 1966 speech.⁹⁷ On December 9, 1966, Kennedy announced the creation of two nonprofit corporations—the Bedford-Stuyvesant Renewal and Rehabilitation Corporation, which would later be renamed the Bedford-Stuyvesant Restoration Corporation, and D and S, which stood for distribution and services. The first organization was the main decision making body, composed of twenty community leaders gathered to directly address community needs. The second corporation was designed to make "fund and managerial expertise" available to the CDC.⁹⁸ The D and S component of the organization has since been absorbed into the Bedford-Stuyvesant Restoration Corporation. No longer focusing on drawing large enterprises into the Bedford-Stuyvesant Community, BSRC has adapted its approach to encourage indigenous business growth and economic development.

⁹⁶ Jack Newfield, Robert Kennedy: A Memoir (New York: E.P. Dutton & Co., inc., 1969) 94.

⁹⁷ *ibid.*, 95.

⁹⁸ *ibid.*, 97.

BSRC came under attack in the late 1990's, accused of failing to live up to its promises of community development and empowerment. With an annual budget of \$11 million in 2000, BRSC ran a high deficit of \$1.6 million in 1998. From its founding in the 1960s when an estimated eighty percent of funding came from public sources, BSRC has experienced a major drop in government revenue, forcing it to raise over fifty percent of its annual budget from private sources.⁹⁹ In response to criticism that Restoration was not responding to the needs of the local small business community, BSRC's President and Chief Executive, Roderick B. Mitchell stepped down.¹⁰⁰ BSRC was without a leader for half a year until it appointed Colvin Granuum, a former appellate lawyer, to the \$150,000- a-year position.¹⁰¹ Granuum has publicly committed himself to realizing the potential for arts-led economic development. Granuum writes, "As we contemplate the new direction we must take, we realize that promoting the arts is integral to Restoration's community and economic development vision."¹⁰²

The potential for integration of the cultural and economic development strategies at BSRC are centered on three programs.¹⁰³ The first, the Restoration Capital Fund (RCF), provides capital and training for businesses in Central Brooklyn that are at least 51% owned by women or minorities. While the cultural industries are not singled out by the Fund as a priority, BSRC is aware of the arts as an economic sector. The second and most public program is the Restoration Plaza market place, home to offices and

⁹⁹ In 2000, Restoration's received \$1 million from government sources and \$1.3 from private funds (Terry Pristin, "In Bedford-Stuyvesant, the Boom Remains a Bust; Neighborhood Development Unit Under Fire," The New York Times, May 29, 2000).

¹⁰⁰ Sarah Kershaw, "Chief of Bed-Stuy Economic Group Quits," The New York Times (August 5, 2000).

¹⁰¹ Terry Pristin, "Community Leader to Head Economic Group in Bed-Stuy." The New York Times (March 22, 2001).

¹⁰² Nykia Omphroy, email (March 27, 2003).

¹⁰³ Unless otherwise noted, all information on BSRC's programs can be found at their websites: <www.restorationplaza.org> and <www.restorationarts.org>.

commercial businesses, two banks, a SCORE test and tutoring center, an eyeglass carrier, and a Pathmark supermarket. Housed in an abandoned milk bottling plant, the plaza also hosts performance and exhibition spaces for the organization's cultural programs. The Center of Arts and Culture, the source of the bulk of cultural programming at Restoration, is composed of two main programs: the Youth Arts Academy (YAA) and the Skylight Gallery. The YAA, involving over four hundred children, offers workshops in visual arts, theatre, and dance in both local public schools and at the workshops' headquarters. Currently, BSRC is making plans to consolidate the YAA into a single, larger space at Restoration Plaza, making it possible for the Academy to accommodate more students, offer advanced classes, introduce adult programming, and make space available for rent specifically for small arts-related non-profits.¹⁰⁴ First opened in 1969, the Skylight Gallery is a contemporary exhibition space dedicated to exhibiting both young and experienced artists in the African arts. Finally, the Billie Holiday Theatre, a 200-seat performance space, showcases productions at affordable prices for local residents.

One of BSRC's most recent projects involves signing on to the Fulton FIRST (Fleet Initiative for Retail Service and Trade) program. The three-year, three million dollar initiative, funded by a grant to the Brooklyn Chamber of Commerce from Fleet Boston Financial Foundation and the Guiliani Administration and the New York City Department of Business Services, its stated goals are to spur the economic redevelopment of Fulton Street, Bedford-Stuyvesant's main commercial corridor. Encompassing business training, financial and technical assistance, marketing efforts, as well as a

¹⁰⁴ Omphroy, e-mail (3/27/03).

Facade Improvement Program, Fulton FIRST and BSRC are currently in the earliest phases of assessing Fulton Street's needs and unique concerns.¹⁰⁵

With a population of 142, 692, the neighborhood of Bedford-Stuyvesant is a community of eighty percent African-Americans and eighteen percent Hispanic or Latino.¹⁰⁶ The second largest community of blacks in America, Bedford-Stuyvesant is part of the greater Central Brooklyn neighborhood, the largest African-American community in the western hemisphere.¹⁰⁷ As one of the strongest African-American neighborhoods in New York City and the United States more generally, Bedford-Stuyvesant has historically served as a leader in the field of community development.

Because of its combination of established programs in both economic development and cultural development and the transitional period brought on by change in leadership, BRSC is in an interesting position to accept or reject the possibilities of arts-led economic development. Its leadership has expressed a desire to expand its programs in the direction of arts-based economic development, but current programs do not effectively integrate cultural and economic development. Instead, BSRC is pursuing each as distinct and separate aspects of its overall community development strategy. Its ability to overcome the obstacles of incorporating cultural into community-based economic development will provide valuable insight into the relationship between CDCs and this integrated form of community development.

¹⁰⁵ "Fulton First," Bed-Stuy Online, <www.bedstuyonline.com/Economy/FultonFIRST.htm>.

¹⁰⁶ Pratt Institute Center for Community and Environmental Development, "Preliminary Fact Sheet, (July 2002), <www.picced.org/NewDesign/FACTSHEET.htm>.

¹⁰⁷ Yusuf Nuruddin, "Is Bed-Stuy Following in Harlem's Footsteps?" BedStuy Online, <www.bedstuyonline.com/Views/nuruddinview1.htm>.

Fifth Avenue Committee, Park Slope

“We’re not thinking of, in this neighborhood, arts as an economic development tool. We’re thinking of arts and culture as a way to involve more people in the organization.”

Brad Lander, Executive Director of Fifth Avenue Committee.

Explicitly dedicated to protecting the interests of local residents against the threat of gentrification, Fifth Avenue Committee (FAC) in South Brooklyn’s Park Slope neighborhood has been wary to explore the possibilities of arts-led economic development. Concentrating instead on workforce development and small business investment initiatives, the leadership at FAC has recently added cultural development strategies to their agenda, but their concerns persist. The experience of FAC, Park Slope residents, and community development in South Brooklyn is an interesting study of the obstacles that complicate, challenge, and prevent integrated development strategies from taking root at the CDC level.

The Fifth Avenue Committee, like BSRC, was founded out of neighborhood dissatisfaction.¹⁰⁸ Tensions in South Brooklyn reached a high point in 1970 when the city demolished a block of housing in order to build a new neighborhood school. However, the city could not afford to build the school, and residents mobilized in anger and protest of the city’s unnecessary destruction of their neighborhood. In 1978, the Fifth Avenue Committee was formed. Joining with the Park Slope Fifth Avenue Local Development Corporation in 1991, FAC began to focus on workforce development. In January 2000, FAC merged with another South Brooklyn non-profit and formed Brooklyn Workforce

¹⁰⁸ Unless otherwise noted, all information on the history and programs of FAC can be found on their website <www.fifthave.org>.

Innovations, a workforce development initiative that focuses on providing employment opportunities to neighborhood residents.

The mission of the Fifth Avenue Committee can be defined most broadly as community development:

Our mission is to advance social and economic justice in South Brooklyn, principally by developing and managing affordable housing, creating employment opportunities, organizing residents and workers, and combating displacement caused by gentrification.¹⁰⁹

Over the past five years, FAC has experienced rapid growth. The staff has grown from six to fifty individuals, and the operating expenses in 2001 reached over two million dollars. Revenue is broken down from the following sources: corporations and foundations 57%, government grants 17%, housing-related fees 22%, and others sources such as direct fundraising 4%. While FAC was originally conceived to serve only the lower Park Slope area, it has since grown to serve all low-income communities in South Brooklyn, from Flatbush Avenue to 60th Street, Sixth Avenue to the New York Harbor, an area that encompasses approximately 55,000 residents.¹¹⁰

Focusing primarily on housing initiatives, FAC also owns and operates two for-profit businesses that earn a combined revenue of \$600,000 in 2000: Ecomat, a dry-cleaning service and FirstSource Staffing, a temporary staffing company. Along with affordable housing programs, FAC focuses largely on workforce development. The three step structure of BWI's programs—"job skills training," "job creation and placement," and finally "retention, advancement, and support services"—is applied to various sectors.

¹⁰⁹ <www.fifthave.org>.

¹¹⁰ Fifth Avenue Committee, "Five Year Strategic Business Plan, FY 2001-2005," adopted by Board of Directors May 16th, 2001, <www.fifthave.org>.

The telecommunications Infrastructure Partnership (TIP) for example, is a training session for high-tech, internet capabilities.¹¹¹

Despite its growth, FAC has been slow to develop arts and cultural programming. Currently in the process of expanding its cultural initiatives, FAC and its Executive Director have been cautious about straying from the organization's basic purpose of advocacy and economic development. In the process of developing a cultural development agenda, FAC explored Park Slope's cultural resources in a concept paper, "Culture, Community Development, and Social Change." Hoping to develop cultural programs that will simultaneously achieve FAC's goals of community, social, and economic justice, cultural development is approached in three distinct, but overlapping strategies. The first will bring community residents together with Groundswell Mural Project, a neighbor arts organization and advocacy group, to paint a mural on the exterior of new FAC headquarters. The second will make more spaces available for local artists to display or perform their work. Third, FAC is contemplating actively seeking out artists and cultural producers as tenants in their new 33,000 square foot community development center.¹¹²

Fifth Avenue Committee's priorities, as well as its challenges, are dictated by the conditions of the Park Slope neighborhood. One of the city's oldest industrial neighborhoods, South Brooklyn suffered from the transition away from industry and manufacturing. More diverse than both Hunts Point and Bedford-Stuyvesant, Park Slope is fifty-one percent Hispanic (predominantly Puerto Rican), twenty-three percent white,

¹¹¹ <www.fifthave.org>

¹¹² Fifth Avenue Committee, "Culture, Community Development, and Social Change," Unpublished Concept Paper (2003).

and twenty-one percent African-American.¹¹³ Close in proximity to some of Brooklyn's highest income communities, Park Slope is a heterogeneous mix of income-levels and classes, as well as ethnicities. FAC, therefore, does not exist to serve the entire community, but those low-income residents most in need of development and support. The ways in which FAC's mission affects its interest in pursuing arts-led economic development provides insight into whether or not CDCs are effective sites for the integration of cultural and economic development, particularly in light of FAC's social development goals.

The following section investigates the conditions and circumstances that make it difficult for community development corporations to pursue strategies that integrate cultural, economic, and community development. Relying upon information gathered from personal interviews with the Executive Directors at both The Point Community Development Corporation and Fifth Avenue Committee, as well as e-mail correspondences with the Director of the Skylight Gallery and the President of Bedford-Stuyvesant Restoration Corporation, the case studies of these three organizations demonstrate the tensions and contradictions in community-based economic development via the arts, in addition to providing evidence that the challenges can be overcome. Additional interviews with others in the economic and cultural development fields contribute to the analysis and present an optimistic, but cautious picture of the future role of CDCs and the arts in neighborhood revitalization and urban development more generally.

¹¹³ <www.fifthave.org>.

CHAPTER 3:

Analysis: A Comparative Approach

A comparative analysis of the experiences of three of New York's community development corporations demonstrates that obstacles to the integration of the three strands—economic, community, and cultural development—exist in practice as well as theory. Each CDC has been confronted with the challenges that arts-led economic development pose to community development goals; all three responded in different ways according to their history, mission, leadership, programs, stage of growth, and neighborhood conditions. The degree to which each barrier has affected, prevented, or stalled integrated strategies depends on the CDCs' circumstances and environment as described above. Based on their distinct, but inter-connected responses to the challenges of incorporating the arts into economic and community development, three broad barriers emerge as the most fundamental threats to successfully incorporated arts-led economic development strategies: a failure to recognize culture's role in a community's economy; a general fear that cultural development leads to gentrification and displacement; and finally, a perceived 'culture clash' between members of the arts community and those in

the community development field. However, in the cases of The Point, Bedford-Stuyvesant Restoration Project, and Fifth Avenue Committee, all three have been able to find creative, innovative ways to overcome at least one of the obstacles, if cautiously and gradually, translating the arts into economic opportunities for their communities.

Failure to Recognize Art as a Sector

The cultural industry is big business in New York City. Encompassing nonprofit arts organizations, art galleries and auction houses, commercial theatres, the television and motion picture industries, tourism and capital projects, in addition to the indirect support network of bookstores, restaurants, and retail stores, the cultural industries both benefit from and contribute to the creative energy stimulated by the introduction of the arts into the community. The creative economy as defined by the Center for an Urban Future is estimated to host 150,000 jobs in New York City.¹¹⁴ The Center's estimates, based on a commissioned study by the Alliance for the Arts, does not include printing and publishing, architecture, and most obviously independent visual and performance artists working in New York, making 150,000 an under-representation of the actual impact of culture on the New York economy. In 1988, the National Endowment for the Arts estimated the cultural industries represented an aggregate value of \$130 billion or 2.5 percent of the GDP.¹¹⁵ Voluntary contributions, both public and private, to the arts industries are also significant. In 1990, 6.4 percent of charitable giving was directed at

¹¹⁴ Creative Engine, 2.

¹¹⁵ David Throsby, "The Production and Consumption of the Arts: A View of Cultural Economics," Journal of Economic Literature, 32(March 1994), 1.

the arts, culture, and humanities, a total of \$7.9 billion that year.¹¹⁶ While these statistics are over a decade out-of-date, they indicate that the steady growth of such an already sizeable industry translates into a significant sector in America's economy.¹¹⁷

At the same time as mounting evidence demonstrates that the arts, as a sector, do have a significant impact on economic growth, few involved in economic development recognize the opportunities in growth and labor markets for local cultural businesses and workers. Fifth Avenue Committee's Director admits, "I guess the arts and culture stuff has not been on our radar screen in that it doesn't seem like a sector with a whole lot of employment and a place where workforce development intervention would make a difference."¹¹⁸ Cultural workers and enterprises—from independent music producers to graphic designers, and performance artists—can be viewed locally as an industrial sector in that many of the creative industries share common labor pools, institutions, and infrastructures. O'Connor, for one, has found that thinking of the cultural industries in this way helps to illuminate opportunities in local economic development that other sectors do not.¹¹⁹

One of the reasons for this lack of recognition of culture as a sector is simply a matter of communication. Deutschebank, for example, held a workshop in January 2003 to create a dialogue about the creative industries and assist CDCs who were interested in applying for funding to develop arts-led economic development programs. But a meeting of this type is the exception rather than the rule, and generally the role of art in the

¹¹⁶ *ibid.*

¹¹⁷ The fact that there are not more current statistics regarding the cultural industries is further evidence of their lack of recognition.

¹¹⁸ Unless otherwise noted, the discussion of Fifth Avenue Committee is from a personal interview with FAC's Executive Director, Brad Lander (February 28, 2003).

¹¹⁹ O'Connor.

economy of a community is ignored. In turn, CDCs fail to consider the potential for the development of the cultural industries because they are focused on more established sectors, such as manufacturing or retail. By directing their attention toward the possibility of integrating culture and economic development through the cultural industries, CDCs could begin to increase their understanding of the relationship between culture and industry.

Nor does the city government isolate the cultural industries for its potential labor needs or business growth. The stated goals of the Department of Cultural Affairs are to “sustain and promote the cultural life of the City of New York, and *to articulate the contribution made by the cultural community to the City's economic vitality.*”¹²⁰ But other areas of city government, such as the Council of Tourism, small business investment groups, and workforce development offices have not developed any programs that particularly target the arts as a coherent industry. One individual from the New York Department of Small Business Services was enthusiastic about the synergy that often occurs between cultural businesses and neighborhood commercial strips.¹²¹ The city is attracted to the arts for many of the same reasons Florida advocates creative clusters—more aesthetic storefronts, increased foot-traffic, the formation of creative networks, and business investment. Still, it has yet to develop a united, coherent strategy. Instead, culture is employed as a marketing or public relations tool to “make the neighborhood look better” in the form of street fairs, commissioned murals, or youth activities, when it could be developed through incentives and support to CDCs that target arts-related

¹²⁰ New York City Department of Cultural Affairs, <<http://www.nyc.gov/html/dcla/html/profile.html>> February 27, 2003.

¹²¹ Ronald Melichar, New York City Department of Small Business Services, Telephone Interview (March 18, 2003).

businesses in the community.¹²² By not articulating the role of the arts in the city's economy, workforce development and small business departments further exacerbate the challenge of recognizing the potential of the cultural industries.

There are two characteristics of the cultural industries that prevent large-scale awareness of their impact as an economic sector. First, cultural industries are a heterogeneous mix of production and consumption industries, corporations and nonprofits, self-employed artists and large firms. A detailed survey of cultural industries in Manchester found that the industry was composed of primarily small businesses: 46% of employees in the cultural sector worked in businesses with less than 20 people.¹²³ These small businesses and independents integrate with others in the same specialty, without identifying themselves with other arts-related businesses. Justin O'Connor refers to the sector's "hive mentality," a tendency to informally cluster around "scenes," as one of the reasons that the cultural industries are under-developed and misrepresented as an economic sector: [t]he CI sector is not very self-conscious; if it is it is usually in terms of membership of a specific sub-sector (music, performance, design, etc.) rather than as a 'cultural industry.' In fact, this term is frequently resisted by many in the sector...¹²⁴ And because the arts sector is heavily influenced by strong labor organizations, such as actors unions, there is a bias toward conceptions of the individual "artist" as employee, against small arts-related businesses, that affect the way the cultural industries are perceived.¹²⁵

¹²² *ibid.*

¹²³ O'Connor.

¹²⁴ *ibid.*

¹²⁵ *ibid.*

A comparison of the absence, rather than presence, of arts-led economic programs in the three case studies indicates that the cultural industries are not widely recognized by community developers. Faced with the choice of developing job training programs in any economic sector, FAC's workforce development subsidiary, Brooklyn Workforce Innovations, chose to expand its programs into the cabling industry instead of the television and film industry, an aspect of the creative economy. While the television and film industries were considered, significant barriers to entry, such as the sub-contractual relationship between aspects of production and the need for highly specialized skills training, were cited as the reason the industry was rejected. This reinforces O'Connor's claim that the cultural industries are clustered around specific tasks, divided and independent from each other, making them difficult to break into. The obstacles that FAC identifies are in fact symptomatic of the cultural industries more generally and present a challenge to workforce developers, particularly community-based small scale developers like Fifth Avenue Committee.

At BSRC, President Colvin Granuum has been advocating the development of programs to support local arts producers in the distribution of their own goods, freeing them from reliance on outsiders. Restoration Plaza, a marketplace for local businesses and small vendors, has marginally addressed this problem, but BSRC has failed to develop any large-scale program to address the need. Further, the arts have been incorporated into BSRC's agenda through a human development strategy, with limited mentions of the role of arts in the economy. Instead, the arts are primarily used as a community-building tool: "The arts...give us a particularly advantageous means of pursuing this goal [of human development]: they can nurture the community's spirit,

inspire hope and imagination in our neighborhood, and foster cultural pride and awareness both locally and regionally.”¹²⁶ In contrast, The Point has no major absences, since its programs directly relate to and rely upon the cultural industries.

One aspect of the cultural sector’s low profile can be accounted for by the city government’s failure to establish a united plan to isolate and support these industries. While arts-led economic development strategies need not be dictated or introduced at the government level, a more sectoral approach to the city’s economy would focus attention on the role of the arts and impact the thinking of economic developers at the community level. However, all of the directors interviewed expressed minimal confidence in the city’s workforce development offices to incite any movement towards utilizing the arts as an economic tool. Lander is critical of the city’s workforce development program overall:

The workforce development system is utterly broken and dysfunctional. It doesn’t work in a meaningful way to think thoughtfully about the New York economy as sectors and try to train people....They don’t do a study which says ‘here are good and growing sectors,’ ‘here are the labor needs in those sectors,’ and ‘here’s how city interventions can help fill those needs at the same time as helping New York City residents find jobs. They don’t do them at all...It’s not that they’re neglecting arts and culture as a sector. They’re not focused on any sectors.¹²⁷

The failures of New York City’s workforce development department are beyond the scope of this paper. However, it is important to note that lack of confidence in the city government to navigate effective development policy affects the way in which CDCs allocate their resources. Instead of serving as an intermediary between CDCs and arts

¹²⁶ Unless otherwise noted, the information regarding BSRC and its President Colvin Granuum was forwarded through e-mail correspondence from Nykia Omphroy, Director of the Skylight Gallery (March 27, 2003).

¹²⁷ Lander (2/28/03).

organization, city officials provide no such assistance. According to Lipson, the situation is less dire; a shift in attitude, however, will be necessary before the government can recognize the potential for culture to directly spur economic development. Lipson claims, “[a]rts are often viewed like a park,” meaning an amenity to a neighborhood, a feel-good addition to a community in order to boost morale and therefore, not a part of workforce or business development strategies.¹²⁸

One of the striking things about The Point’s success in arts-led economic development is that it exists virtually independent of direct governmental support and without political recognition of its unique, integrated approach to development. The South Bronx’s relationship with politicians has been historically precarious, contributing to The Point’s desire to be independent from political trends and involvement. After President Jimmy Carter’s visit in 1977, Charlotte Street in the South Bronx became a popular stop for campaigning politicians, a place to make promises and announce urban renewal plans, with little actual effect. In 1997, President Clinton made a surprise visit to Charlotte Street like Carter and Reagan before him: "My No. 1 message here is, 'Look at where the Bronx was when President Carter came here in despair,' " Mr. Clinton later said. "Look at where the Bronx was when President Reagan came here and compared it to London in the Blitz. Look at the Bronx today."¹²⁹ While the economic development of the South Bronx has been commended by government officials, the role of the arts in the process has been ignored. The Point itself is categorized informally as an arts organization, and the city workforce development department largely ignores The Point’s employment programs. Relatively speaking, the number of individuals permanently

¹²⁸ Unless otherwise noted, information about The Point is from a personal interview with Paul Lipson, Executive Director of The Point (February 6, 2003).

¹²⁹ Jim Yardley, “Clinton Praises Bronx Renewal as U.S. Model,” New York Times, December 11, 1997.

employed in any of The Point's programs is small (Tats Cru, inc., for example, has a full-time staff of five). But taken together, The Point's small business incubator generates over half a million dollars in annual revenues, providing a major source of income to the Hunts Point community.¹³⁰

The Point receives little funding from public sources. However, The Point has turned its political independence from the city government into an opportunity, instead of a barrier, for arts-led economic development. Described by Lipson as "the place where many CDCs go to die," the South Bronx has a long history of grass root mobilization and community action. Lipson attributes this to the fact that most CDC's drew their relative strength and influence from a single political patron or faction. As individual politicians or groups lost power, so did the financial and political support for the CDC. The importance of political independence is particularly salient in the arts context. Arthur Aviles, a modern dancer trained in the Bill T Jones school of modern dance and described by the New York Times as "one of the great modern dancers of the last 15 years," opened the Bronx Academy of Arts and Dance in partnership with the Point in 1999.¹³¹ The headquarters of Typical Theater, Aviles' own troupe, is only a few blocks away from the Point. Aviles' most recent production, "Arturella," has been tremendously successful both in Hunts Point and in downtown Manhattan at the show's temporary home. The very fact that "'Arturella' has a gay pride message, and that Mr. Aviles, in the title role, eventually finds his prince in a long smooch," makes it difficult to imagine a politician willing to publicly link his name and image to such a performance.¹³² As Lipson

¹³⁰ Rice-Gonzalez (2/24/03).

¹³¹ Anna Kisselgoff, "Dance Review: 'Cinderella' Set in a Puerto Rican Ghetto," New York Times, February 3, 2003.

¹³² *ibid.*

describes, “Anyone with too high a profile is not going to like that.” Because the government remains inactive and unresponsive to developing the arts as a sector, partnerships between cultural development and economic development, in the rare cases that they are pursued, have been able to remain organic and free of regulation and governmental control. Using this logic, The Point has translated a potential obstacle—the government’s failure to provide support for arts-led economic initiatives—into an opportunity to experiment artistically and create a uniquely integrated development strategy.

Although city government has failed to recognize the cultural industries as a growing sector through any meaningful policy initiatives, this does not necessarily affect a community’s ability to develop programs that mobilize artists and cultural producers toward neighborhood revitalization goals. In fact, government involvement, in the case of The Point, is accepted hesitantly because of either incompetence or lack of trust on the part of local residents and CDC leaders. In evaluating the potential for CDCs to incorporate cultural investment programs into their agendas it is necessary to consider the specific conditions of the place, in the instance of this paper, New York City. One of the unique challenges facing cultural programming in New York is the vast diversity and proliferation of cultural programs and artistic endeavors throughout the five boroughs. Developing a single, united plan instituted by the Mayor’s Office would be impossible; however, the simple recognition by policymakers, developers, and community leaders of the arts as an economic sector could lead to more productive partnerships between the culture and economic development.

While stereotypes of the cultural industries portray the arts as risky and unprofitable, neither the Small Business Department nor the CDCs themselves indicate that arts investment in low-income neighborhoods is any more of a risk than small business investment of any type. Instead, arts-related businesses are generally perceived as having a “double” benefit for the community, primarily by stimulating creativity through aesthetic contributions, and then, if possible, turning a profit and contributing to the local economy.¹³³ The localized, small business orientation of the creative industries suggest that investing in cultural production could be an effective strategy for community development in America’s run-down urban neighborhoods. In his testimony to the City Council, Rice-Gonzalez compares Bronx-native artists Arthur Aviles, break- dancer Richard “Crazy Legs” Colon, and Hunts Point poet Flaco Navaja to business investments. These individuals “are a magnetic presence in Hunts Point, drawing visitors and audiences, much as entrepreneurs attract capital.”¹³⁴ In New York, the arts are recognized with more frequency by researchers as an economic sector with an incredible diversity of industries and scope of production; policy has been slow to acknowledge these trends. Instead of waiting for the city to articulate an overall strategy, community development corporations themselves would benefit from recognizing culture as a growth sector, changing the way arts and culture are incorporated into their own approaches to community development.

Gentrification

¹³³ Melichar (3/18/03).

¹³⁴ Rice-Gonzalez (2/24/03).

Because of associations with large-scale cultural facility growth characterizing current trends in gentrification, many community residents have come to fear the effects of high art resources into their communities. The Center for an Urban Future's report cited gentrification as "[o]ne of the biggest barriers to cultural development at the neighborhood level." According to the study, "issues around the displacement of community residents, local merchants, manufacturers and artists were found to be a major barrier, slowing specific development projects and creating resentment at the local level."¹³⁵ Anxiety relating to gentrification is particularly strong in New York, a city with a highly competitive real estate market. Observing the link between the arts and higher property values in neighboring communities, CDCs have been suspicious of models of cultural development that pursue both community-based consumption and economic production strategies targeted at the cultural industries. Because many CDCs have their roots in anti-gentrification advocacy, they naturally fear pursuing development strategies they believe will encourage the gentrification process.

Gentrification is broadly defined as, "the renovation of old inner and central city building stock for new uses, generally associated with the middle class."¹³⁶ The process of gentrification has expanded since it was first identified in the 1960's beyond central city neighborhoods toward the downtown's periphery, into, as Hackworth describes, communities once thought "ungentrifiable."¹³⁷ New York residents have observed arts-led gentrification first-hand, often in the most unlikely of communities, raising awareness

¹³⁵ Creative Engine, 7.

¹³⁶ Schaffer and Smith, 347. Jason Hackworth defines gentrification more broadly as "the production of urban space for more affluent users" in "Postrecession Gentrification in New York," Urban Affairs Review, 37(July 2000).

¹³⁷ Schaffer and Smith credit Ruth Glass is with coining the term 'gentrification' in 1964 (ibid.); Hackworth, 825.

of the relationship between economic development and gentrification, as well as the tenacity of gentrification processes more generally.

In 1986, Richard Schaffer and Neil Smith attempted to account for the trend towards gentrification in Harlem, despite its status as “an international symbol of black culture.”¹³⁸ Seventeen years later, Smith and DeFilippis compared the expansion of real estate markets outward from Manhattan’s central neighborhoods to America’s original expansion toward the western frontier, predicting that the same process by which New York’s Lower East Side became the paradigm for new wave gentrification would occur across the river in Brooklyn and Queens: “The feral energy of early gentrification...is increasingly supplanted by large-scale corporate underwriting of complete cultural and economic environments.”¹³⁹ Regardless of the way in which it is accomplished, the lesson of gentrification to many low-income New York residents over the past two decades is a simple one: beware of economic development in your neighborhood.

The role of the arts in gentrification processes is contentious. In Sharon Zukin’s central study of gentrification in New York City, Loft Living, she foreshadows creative city arguments by explaining the ways in which artists contribute to a community, making them more attractive to white middle and upper class residents. Most significantly, the arts are related to “motifs of power;” specifically the ability of a neighborhood to participate in processes of de-industrialization, as the arts represent the post-industrial economy both symbolically and practically.¹⁴⁰ The role of the arts, then, is as a facilitator, easing the transition from industrial/manufacturing economies to

¹³⁸ Schaffer and Smith, 350.

¹³⁹ Neil Smith and James Defilippis, “The Reassertion of Economics: 1990s Gentrification in the Lower East Side,” International Journal of Urban and Regional Research, 23(1999), 650.

¹⁴⁰ Zukin (1982), 112.

service/knowledge-based economies. As this power becomes recognizable to real estate developers and middle-class knowledge workers, the neighborhood's indigenous past—including its low-income residents—are pushed out to make room for a new community of post-industrial money-makers. CDCs, while attempting to convert local economies into competitive markets, are always aware of the possibility that this process will contradict the social goals of community building and empowerment. The arts are seen as a particularly effective means of accessing the new economy, which is one of the reasons why the integration of economic and cultural development is potentially lucrative and worthwhile in the first place. But at the same time, the arts trigger a more immediate and tangible fear of gentrification among residents, reflected in the community development field.

Despite fears, there is no indication that economic development via culture must lead to the displacement of local residents. Gentrification itself is not defined as an entirely negative process, inasmuch as it serves as evidence of economic development, drawing investment, higher levels of discretionary income, and improving the tax base, leading to better schools, safety, and other amenities. Simultaneously, cultural development does not always lead to the displacement of local residents. In a study of Philadelphia community-based arts organizations, Mark J. Stern concluded that a lively cultural scene may actually slow the gentrification process because it encourages gradual, longer-term investment as opposed to artificial floods on the real estate market.¹⁴¹ The way in which the arts are used within a community by local developers, including CDCs, can determine the relative strength or weakness of gentrification trends in their neighborhood. A

¹⁴¹ Mark J. Stern, "Performing Miracles," *CityLimits*, November 2002, www.citylimits.org/content/articles/articleView.cfm?articlenumber=884>, January 27, 2003.

comparison of The Point, Fifth Avenue Committee, and Bedford-Stuyvesant Restoration Corporation shows the ways in which fears of gentrification are a barrier to integrating cultural and economic community development strategies, while demonstrating that CDCs can recognize the potential of arts-led economic development without compromising their mission.

In each of the cases, the perceived threat of gentrification via cultural development depends on three variables: the original reasons for founding the organization, the CDC's explicit mission, and the economic condition of the neighborhood. Both Fifth Avenue Committee, which was established to oppose and protest the government's demolition of a block of housing on the Fifth Avenue corridor, and BSRC, the plans for which were introduced by Senator Kennedy in response to neighborhood frustration with the government's response to local poverty, trace their goals to advocacy and protest of public policies. Although none of the organizations in this paper were founded in opposition to gentrification specifically—gentrification had not occurred on large scale at the time of BSRC founding in 1969 or FAC's formation in 1977—both FAC and BSRC remain committed to their roots and are wary of encouraging irresponsible development in their communities. The Point, on the other hand, was founded when four individuals representing the community development, workforce development, and cultural development fields came together to “change the mythology” of the South Bronx from the image presented in ‘Fort Apache,’ the 1981 film depicting drugs and crime in the South Bronx, toward a vibrant center of cultural life.¹⁴² In this way, the arts are being incorporated into economic development not only through business investment and job training, but as a public relations tool, not entirely distinct

¹⁴² Lipson (2/6/03).

from the ways in which real estate developers use the arts to lure white middle and upper class residents away from the city-center towards more comparatively affordable real estate.

While anti-gentrification advocacy was not the organizing issue for Fifth Avenue Committee, its mission has always been to, “improve the neighborhood while preserving its economic, ethnic, and racial diversity.”¹⁴³ Gentrification has since become an immediate problem in Park Slope in response to trends of new-wave gentrification after the recession of the early 1990’s. FAC immediately demonstrated its commitment to protecting Park Slope from the negative effects of gentrification that was taking place up-town in Harlem and had already taken place in the nearby Brooklyn neighborhood of Williamsburg: “We did not just want the neighborhood to have less blight and more business...FAC, therefore, refined its mission during the 1990’s to focus on advancing social and economic justice in our community.”¹⁴⁴ Lander, who was also interviewed for the Center for an Urban Future’s report, echoes the report’s findings that fear of gentrification makes many low-income residents wary of economic development strategies in which the arts play too central a role. Accordingly, when FAC redefined its mission in the late 1990’s, the arts were seen as a threat to anti-gentrification strategies and avoided all together. In this way, anxiety and fear over displacement has served as a barrier to the partnership of economic and cultural development in Park Slope because the latter is perceived as a stimulus to economic development that ignores local residents, the very residents community development corporations were designed to serve. Because its mission is directly linked to protecting low-income residents, FAC cannot ignore local

¹⁴³ Fifth Avenue Committee Strategic Business Plan.

¹⁴⁴ *ibid.*

fears: “There is anxiety about what those sectors foretell for your neighborhood...it might price you out of your neighborhood,” Lander acknowledges. Asked to what extent the residents themselves are aware of gentrification and the associated threat of displacement, Lander re-iterates, “it’s not a sophisticated connection. People see what’s going on in Fort Greene [Brooklyn] and are worried.”¹⁴⁵

Not far away in Central Brooklyn, BSRC is less concerned with the issue of gentrification than with re-defining its mission. Simultaneously experiencing a transition of leadership and goals, BSRC has identified “human development” as the core of their new strategy designed to address the demands of a modernizing economy:

Looking forward from where we now stand, we see an entirely different economy than the one that faced Restoration at our inception. Increasing regionalization and globalization coupled with the advancement of technology present new challenges for all community development corporations.¹⁴⁶

Fears of gentrification have not caused BSRC to hesitate to incorporate the arts into their future plans. The President is not afraid of contradicting BSRC’s mission through the arts. Instead, he highlights cultural development as one of the primary elements of their refined human and economic development agenda.

The Point also does not see gentrification as a major threat to its purpose, a mission linked to arts and culture from its foundation. Executive Director Paul Lipson dismisses gentrification as an example of CDCs being “put out of business by their own successes,” a threat that exists for all CDCs in all communities.¹⁴⁷ If a community’s ultimate goal is simultaneous economic and cultural development, then higher property values in

¹⁴⁵ Lander (2/28/03).

¹⁴⁶ Omphroy, e-mail (3/27/03).

¹⁴⁷ Lipson (2/6/03).

conjunction with increased access and utilization of cultural resources are proof of success and not to be feared.

While The Point and South Bronx residents can be confident that gentrification is a long way off based on current neighborhood economic conditions, gentrification is a much more immediate threat in Park Slope. Fifth Avenue's greatest challenge has been assuring that those residents most in need of its services—low-income residents—benefit from its redevelopment projects. FAC Executive Director Brad Lander explains, “we’re not looking at arts as an economic tool, partly because this neighborhood...is not distressed, it’s gentrifying. So those aren’t the problems we’re trying to solve.”¹⁴⁸ Instead, FAC’s development strategies attempt to isolate low-income and minority residents within the community, as opposed to helping middle and upper class residents and widening the income gap. Park Slope is unique from the other neighborhoods in this study in its ethnic and economic diversity; approximately half of local residents are Hispanic—Puerto Rican—one quarter African-American, and one-quarter white.¹⁴⁹ FAC is concerned that due to the neighborhood’s diversity, cultural development programs will connect with the wrong constituents—white, upper class residents—and reinforce gentrification in the community.

This is less of a concern in Hunts Point or Bedford-Stuyvesant, where there are few high-income residents at all. In diverse neighborhoods, Lander points out, it is more difficult to develop a singular conception of a community’s assets—“their art”—that is coherent: “It makes it easier to tap an asset when more people are going to share it.”¹⁵⁰ In

¹⁴⁸ Lander (2/28/03).

¹⁴⁹ New York Department of City Planning, 2000 census data, from <www.nyc.gov/hm/dcp/html/census/popcdemo.html> February 15, 2003.

¹⁵⁰ Lander (2/28/03).

other words, FAC wants to insure that those sharing and participating in the arts are the same people they are targeting with their social and economic development programs.

While the demographic and economic conditions of Bedford-Stuyvesant are such that gentrification is not an immediate concern for BSRC, the primarily African-American population of residents is not unaware of the potential for displacement that often accompanies cultural development strategies. One resident reacted to the Fulton First initiative with more than skepticism:

I had heard horror stories about the impact on Harlem...and I didn't want them replicated in Brooklyn. In the name of economic empowerment, small black entrepreneurs, often residents of the Harlem community, were systematically being driven out of business by large conglomerates or rapidly escalating rents. Is this what we call empowerment? If so, then empowerment for whom?¹⁵¹

At present, fears of gentrification are not targeted at the arts, in part because the cultural development programs at BSRC—the Skylight Gallery and the Billie Holliday Theater in particular—have become permanent neighborhood institutions over the past thirty years. At the same time, local debates and conflicts over gentrification have targeted other characteristics of the urban development process, such as the city's zoning laws, as the main harbingers of gentrification.¹⁵² The tide of local opinion suggests that residents are concerned with the threat of gentrification, and their support for CDCs and arts-led economic development strategies depend upon the degree to which they believe BSRC is defending their interests against those of real estate developers and “intruders.” While BSRC is not currently threatened by gentrification, neighborhood trends indicate that

¹⁵¹ Yusuf Nuruddin, “Is Bed-Stuy Following in Harlem’s Footsteps?” BedStuy Online, www.bedstuyonline.com/Views/nuruddinview1.htm, March 11, 2003.

¹⁵² In particular, residents are involved in lawsuit involving the expansion of Hasidic communities in Williamsburg into Bedford-Stuyvesant. (James Bradley, “Zoning Bout,” [CityLimits](http://www.citylimits.org), March 2000, Available: <www.citylimits.org>).

they cannot remain neutral for long if they wish to continue being effective agents in the community.

The Point, on the other hand, is able to dismiss gentrification because while Hunts Point is being revitalized, no one in the community is expressing much concern that the neighborhood will draw the attention of real estate developers in the immediate future. This is reflected in the attitudes of community leaders and residents. For example, the Bronx Borough President, Fernando Ferrer expresses confidence that the displacement of local residents due to increased property values is a distant and unlikely possibility, dismissing claims that the arts threaten local residents by describing the type of individuals moving in to newly built real estate in the South Bronx as “not folks that can even remotely be described as the gentry.”¹⁵³ Even the *New York Times* categorizes the South Bronx as “not in immediate danger of becoming a chic area” due to persistent poverty in the neighborhood.¹⁵⁴ Hunts Point, and the South Bronx more generally, remain many years away from any such stage. Hunts Point remains the poorest Congressional District in the city and nearly half of residents receive public assistance.¹⁵⁵ Still, in many cases, the economic end result of cultural development, although it is not explicit, is gentrification. Convincing communities that arts-led economic development can lead not to displacement, but job growth, business investment, and quality of life improvements, is a major challenge for all CDCs, including The Point.

Recognizing that combining cultural development with community-based economic development serves other, positive goals is the best way for CDCs to overcome fears of gentrification as a barrier to arts-led economic development. Many of those interviewed

¹⁵³Trish Hall, “A South Bronx Very Different From the Cliche,” *New York Times*, February 14, 1999.

¹⁵⁴ *ibid.*

¹⁵⁵ *Creative Engine*.

agreed that by attracting, sponsoring, and exhibiting predominantly local artists, CDCs can affect the likelihood that local residents will be displaced by white, upper-class professionals. The ways in which the arts are incorporated into existing agendas, then, relaxes tensions related to gentrification. Lander, for example, admits that arts-led revitalization with a genuine commitment to community arts, including a commitment to predominantly people of color in neighborhoods where this reflects the demographic, can be successful at invigorating local economies without leading to gentrification. Lander warns, “mostly building an institution of white artists that white audiences will gather around with a pittance of other people included is much more likely to gentrify an area.”¹⁵⁶ The assumption is that white consumers of the arts are much more likely to identify with “white” artists and therefore claim ownership of a community which supports these arts through arts-led economic development strategies than local, minority residents. Further, pursuing this type of cultural development does nothing to achieve the social aims of CDCs, instead reinforcing existing problems of marginality and exclusion.

The challenge, then, is in striking a balance between drawing discretionary income to the neighborhood, presumably by drawing individuals from throughout the city—members of Florida’s creative class with a desire to consume ‘indigenous culture’—and preventing the displacement of local residents. At The Point, for example, all of the business owners housed in its small business incubator, as well as Arthur Aviles, and the majority of artists with studio space in the nearby Banknote building are South Bronx-based. Further, it is important to draw visitors and patrons for exhibits and performances from the neighborhood, rather than relying predominantly on audiences from other, wealthier areas of the city. The Point achieves this by keeping ticket prices low, not

¹⁵⁶ Lander (2/28/03).

requiring local residents to pay for its services if they cannot afford it, including local actors, performers, employees, etc. in performances, and finally, by not relying on profits from ticket sales alone to fund artistic projects. Preferred access is then made available to local residents who in turn develop a sense of ownership of their community's cultural assets and identity, while providing the opportunity for interested members of other communities to participate in activities and contribute to the economy of the neighborhood.

While every neighborhood possesses cultural assets and artistic talent, FAC is conscious that Park Slope has never been “especially thought of as an arts neighborhood.”¹⁵⁷ Instead of defining itself according to Park Slope's cultural assets, FAC relies upon South Brooklyn's geographical and institutional resources: “proximity to downtown Brooklyn and Manhattan, access to the water and to Prospect Park, and a mix of housing, commerce, and industry.”¹⁵⁸ In terms of cultural heritage, the Park Slope neighborhood has few highly publicized examples of cultural production. While every community contains artists and cultural producers, Park Slope is better known for its progressive political stances and as a popular neighborhood for gays and lesbians: “In the brief period of time it was hip—before it was gentrified—it wasn't arts focused...unlike Williamsburg, which has an arts identity, the Slope hasn't had a strong one.”¹⁵⁹ Lander admits that the fact that Park Slope has no well-established arts identity does impact the potential for the arts to be used in social programs because it means that cultural development could more easily be co-opted by higher-income residents and lead to

¹⁵⁷ *ibid.*

¹⁵⁸ <www.fifthavenue.org>.

¹⁵⁹ Lander (2/28/03).

gentrification, rather than lead to community building as few low-income residents respond to a Park Slope cultural identity.

In contrast, Bedford-Stuyvesant has a well-established cultural tradition similar to that of The Point, inspired by the shared heritage of the African Diaspora. The Skylight Gallery, for example, is dedicated to the exhibition of African artists whose work communicates some aspect of experiences relevant to the Bedford-Stuyvesant neighborhood.

The success of The Point's mission is dependent on the community's cultural identity and a strong pool of local talent. Despite its many economic struggles over the past thirty years, the South Bronx has maintained a vital cultural life, albeit out of the mainstream, with its roots in the mid-century. In the 1950's and 1960's, Hunts Point was the home of Latin music halls, featuring well respected Cuban and Puerto Rican musicians, dancers, and audiences. Salsa music—the 1970's Bronx-based name for Cuban-New York fusion music—inspired thousands of Bronxites, as well as music lovers from all over New York City, to pay admission fees, buy drinks, and frequent restaurants in the area. Today, a tour sponsored by three local organizations, including The Point, traces the musical history of the neighborhood through the original concert halls and clubs. The tour also stops at various hip-hop music sites in the area. Hunts Point's musical past has not been lost on recent generations. Recognized as the “home of hip hop culture,” the South Bronx also boasts some of New York's most talented—and notorious—graffiti artists, as well as the Rock Steady Crew, one of the founding of the break dancing movement.¹⁶⁰ Despite increasing economic hardships over the past thirty

¹⁶⁰ Tricia Rose, Black Noise: rap, music, and black culture in contemporary America (Hanover: Wesleyan University Press, 1994) 30.

years, “these visions of loss and futility became defining characteristics, the youngest generation of South Bronx exiles were building creative and aggressive outlets for expression and identification....while facing social isolation, economic fragility, truncated communication media, and shrinking social service organizations.”¹⁶¹

For The Point’s founders, therefore, it was not extraordinary that they would choose to capitalize on the cultural legacy of Hunts Point and its surrounding area and target the arts as a means through which to establish themselves. Still, Lipson rejects the notion that the South Bronx is unique in its rich cultural heritage. According to Lipson, low-income, socially marginalized communities are precisely the communities in which arts and cultural thrive. “Culture is born on the margins,” he argues.¹⁶² Those that cannot afford to access large-scale arts facilities develop culture in their own neighborhoods. But these cultural developments remain peripheral and underground. Incubators such as The Point’s serve to legitimize established cultural traditions and allow individuals to earn money for their work.

Creating a cultural identity for a community is one of the ways in which the arts can stimulate community-building processes. It is also one of the ways CDCs can overcome fears of gentrification in their communities. While CDCs are in the awkward position of resisting development intended to displace local residents, improving conditions for neighborhood residents, and assuring that funding continues to arrive from city hall, tapping into a community’s cultural identity and understanding its potential as an economic resource is not a process that contradicts the goals and purpose of a

¹⁶¹ *ibid.*, 33-34.

¹⁶² Lipson (2/6/03).

community development corporation.¹⁶³ The “elephant in the room,” gentrification is a legitimate threat to residents when culture is not used in the service of community development, but as a ‘quick-fix’ for deeper social problems.¹⁶⁴ Arts-based economic development, however, need not be inconsistent with the original goal of responsible community development. Through accepting the sometimes seemingly competitive role of arts supporter and neighborhood defender, CDCs assist local artistic producers, as well as consumers and participants in the cultural identity aspect of community-building processes, to benefit from their own cultural assets. Still, for many, anxiety and fear of displacement haunts cultural development, serving as an obstacle to arts-led economic development.

Institutional, Cultural Barriers

Despite recent efforts to draw connections between cultural and economic development, many individuals in both fields are suspicious of integrating the two in the field of community development. Kate Levin, Commissioner of New York City’s Department of Cultural Affairs admitted that the “dream of combining business and culture together” is a distant one so long as economic development and cultural development maintain distinct goals and means of operation.¹⁶⁵ Whether convinced that artists and arts organizations “speak a different language” than community development corporations or that integrating the two distinct “cultures” threatens the quality and integrity of the respective processes, doubts over the compatibility and potential for conflict between the two institutions are an obstacle to CDCs incorporating the arts into

¹⁶³ see Hackworth.

¹⁶⁴ Creative Engine, 7.

¹⁶⁵ quoted by Ronald Melichar (3/18/03).

economic revitalization programs. While careful to avoid generalizations about either field, it is important to recognize that perceptions, stereotypes, and real differences in methodologies and values of CDCs and the cultural community represent a valid challenge for both to overcome.

Community development corporations differ from other community organizations, including arts-related groups, in their dual mission to both engage their target community and to bring about real social and economic development in terms of what Gittell calls, “specific and tangible” goals, such as building housing units, supporting locally owned small businesses, and providing social services to residents.¹⁶⁶ Bratt et al. refer to this tension at the heart of the mission of community development corporations as the “double bottom line.” Bratt et al. continue, “many nonprofit housing sponsors have had to struggle mightily with this duality, given the inexorable logic of “the numbers.”¹⁶⁷ With limited resources and ever-increasing demands, CDCs and their staff must choose which issues facing local residents take priority over others and distribute the resources according to an established agenda.

Individuals in the community development field presume that arts organizations, arts enterprises, and artists are not restricted by the same conditions and goals.

Assumptions about the antagonistic nature of the arts community versus the community/economic development field expressed in an interview with Fifth Avenue Committee’s Executive Director included:

“I think it’s a really different language...it’s just a very different way of thinking about the world.”

¹⁶⁶ Gittell and Wilder, 345.

¹⁶⁷ Rachel G. Bratt et al. Confronting the Management Challenge: Affordable Housing in the Nonprofit Sector (New York: Community Development Research Center, Graduate School of Management and Urban Policy, 1994) 4.

“I think community development folks have come to have a more ‘what’s the end product, what’s the bottom line?’ attitude. It’s not a creative field, not that people aren’t creative, but it’s not a creative field in that way.”

There is also a sense that the priorities of art and community development are at odds with one another, and must be reconciled before culture can be enlisted in the efforts of economic development strategies:

“Our staff wants to know how arts and culture are going to help us do x, y, and z. And artists get annoyed. But we’re going to want culture work that advances a sort of social change vision.”

“We have to try to set a context in which the culture that we’re helping amplify speaks to the vision and mission of this community.”¹⁶⁸

For those in the community development field who do recognize the role of cultural development in neighborhood revitalization strategies, there is a concern that, as Paul Lipson said, “letting community development dictate art leads to bad art.”¹⁶⁹ By demanding cultural products that respond to particular social issues and shared community experiences, community development corporations assume artists will respond with indignation, reject restrictions on their creativity, bringing the collaboration of arts and community development to a stalemate. Artists, who are assumed to value creative expression and integrity of their work above all else, are expected to reject the notion of a bottom line. Ronald Melichar of the New York Department of Small Businesses echoes the fear: “We don’t want to stymie artistic endeavors by straight-jacketing them with budget sheets.”¹⁷⁰

¹⁶⁸ Lander (2/28/03).

¹⁶⁹ Lipson (2/6/03).

¹⁷⁰ Melichar (3/18/03).

Caron Atlas, an independent consultant to FAC who helped develop their mural project and facilitate a partnership with Groundswell, has traveled around the U.S. advising community organizations on cultural partnerships. She echoes the impression that many individuals involved in community development believe that cultural development does not necessitate the input of ‘artists’ per se. Part of the work that she does revolves around forcing the realization that artists and community development personnel can share the same goals and values—responsible community development—while practicing different methodologies.¹⁷¹ A respect for the processes of both is essential to over-coming stereotypes that prevent partnerships from being forged.

An ability to understand the methodology and processes of the arts enables CDCs to move beyond stereotypes of artists as detached from the tight financial reality of CDCs toward a shared sense of responsibility to the community. As in most organizations, the background and experience of a CDC’s leadership plays an important role in determining the organization’s direction and priorities. Their respective experiences with members of the cultural community, together with the stage of successful cultural development of each CDC, dictates their willingness to forge relationships with those outside the traditional community development sphere. Finally, a comparison of the ways in which the three cases evaluate and measure success in arts-led community development provides evidence that institutional barriers between the spheres can be overcome.

FAC was founded to defend and advocate on behalf of local residents whose homes were being irresponsibly destroyed by the city. None of the past directors, including the present Executive Director, nor any of the permanent staff, specializes in the arts. The organization is in the process of including cultural development on its

¹⁷¹ Caron Atlas, Telephone Interview (March 18, 2003).

agenda; to ease the transition, the staff enlisted the advice and assistance of Atlas, an intermediary with experience in bringing artists, art organizations, and community groups together. BSRC was organized with the general mission of forging “the resources of government, business, and local residents into an effective mechanism for urban redevelopment.”¹⁷² Establishing and utilizing networks between political leaders, business leaders, and community activists from many disciplines, BSRC has always had a diversified and integrated approach to development. BSRC’s cultural agenda was initially determined in one of five off-site community centers distributed throughout the community.¹⁷³ The cultural program, therefore, was a satellite mission of the organization’s primary focus of business investment and physical redevelopment and served to supplement core programs. Today, the Skylight Gallery, Billie Holiday Theater, and the Youth Education Program compose the Center for Arts and Education at BSRC, each of which has its own director. The relatively new Executive Director at BSRC, Colvin Granuum, has publicly expressed his commitment to the arts: “The arts are integral to the vision that both our Board and President hold for Restoration’s future...With human development at the core of our efforts for the twenty-first century, the arts are the centrifugal force that link all of our programs and allow us to maximize our impact.”¹⁷⁴ However, it remains to be how Granuum’s interest will translate into arts-led economic development in Bedford-Stuyvesant.

The Point is the only case study to have integrated the arts into its economic and community development vision through its leadership. The Point’s founders represent

¹⁷² Barry Stein, *Rebuilding Bedford-Stuyvesant* (Cambridge: Center for Community Economic Development, 1975) 4-5.

¹⁷³ *ibid.*, 16.

¹⁷⁴ Omphroy, e-mail (3/27/03).

actors from community development, economic development, and the arts, symbolizing a mixed tradition and unique, balanced approach to economic and cultural development. Both Executive Director Paul Lipson and Associate Director Maria Torres came to The Point with experience in nonprofit economic and community development. Prior to co-founding The Point, Torres was involved in employment programs in the Bronx, helping young people find after school and weekend employment and reducing barriers to workforce entry for Bronx residents. Lipson was similarly involved in economic and youth development in the Bronx. Mildred Ruiz and Steven Sapp's community activism expressed itself primarily through their art. Ruiz is herself an award-winning singer, dancer, and performing artist, while Sapp has written, directed, and choreographed six productions.¹⁷⁵ Because each of the founders came to The Point with the same goals, almost ten years after it first opened, The Point remains dependent upon both creative, cultural approaches and community-based economic strategies. Tensions between the two approaches were translated into productive synergies from the beginning.

For the three CDCs in this study, the ways in which relationships between the organization and the participating artists were developed had a significant effect on not only the success of specific projects, but the organization's willingness to continue seeking out collaborations with artists and arts organizations and pursuing arts-led economic development. For FAC's first experiment with the arts, the organization partnered with Groundswell Community Mural Project, a local arts organization with a history of advocacy and community involvement, to design a mural in celebration of

¹⁷⁵ <www.thepoint.org>.

FAC's twenty-fifth anniversary.¹⁷⁶ Although characterized as an arts organization, Groundswell relies upon a model for the mural making process that is not unlike FAC's approach to community building and social development. The four components of their model are the following: collaborative community engagement; individual development and leadership; social and cultural expression; and community mural history and education.¹⁷⁷ The specific goals, methodology, and process of cultural production, therefore, are compatible with FAC's social agenda, providing encouraging evidence to FAC that partnerships between the arts and CDCs can be effective. Perhaps with this experience in mind, FAC will be more willing to explore the relationship of the arts to economic development initiatives in the future, building upon past successes to overcome perceived institutional barriers.

The Skylight Gallery, which has been part of BSRC since 1969, has an established history of working with both well established and young, emerging artists. The only criterion for exhibiting at the gallery is a relevance to the Bedford-Stuyvesant community, which involves a focus on African-inspired works. Because it invites new artists to exhibit every three months, relationships with individual artists vary by personality and circumstance; building trust is not as necessary a step to overcoming methodological differences. Because the Skylight Gallery and the Billie Holliday Theater have been incorporated into the neighborhood as a permanent presence, there does exist a certain degree of trust between the residents, artists, and BSRC. As such, specific artist-CDC relationships are less significant for the success of BSRC's arts-led economic development strategies than is maintaining its relationship with the community.

¹⁷⁶ For more information on Groundswell Mural Project, see their website, <www.groundswellmural.org/aboutus.htm>.

¹⁷⁷ *ibid.*

For the much younger Point, both Lipson and one of its most well known tenants, Arthur Aviles, stress the importance of forming relationships and highlight trust between individuals as central to overcoming institutional differences.¹⁷⁸ An award-winning modern dancer and choreographer, Aviles' dance company is an example of a successful marriage of artistic integrity and socially relevant art. Aviles and Lipson share both a personal friendship and a professional relationship; trust and mutual respect is at the foundation of both. But Lipson also warns that some relationships between cultural producers and community developers are better than others: "Sometimes artists come in and don't like what we do, aren't compatible with our mission, so they leave."

One of the most important lessons The Point offers is that institutional incompatibilities are not insurmountable and do not have to bring an end to arts-led economic development. For example, those for-profit businesses based out of The Point's small business incubator stabilize the organization by providing a constant flow of rent. Creatively approaching the category of 'arts' provides essential, and often ignored, sources of financial and structural support. "Why reject the possibility of helping a business that actually makes money?" Lipson asks with a hint of sarcasm. "Pat [of Pat's Soul Food Kitchen] pays her rent. That's a good thing. Period."¹⁷⁹ Through its willingness to combine nonprofit and for-profit endeavors in its small business incubator, The Point has successfully recognized arts and culture as an industry, while remaining dedicated to promoting the arts through non-profit performance groups and exhibitions. The Point's experience has made them even more flexible and willing to attempt partnerships with organizations of all types. In December 2002, for example, The Point

¹⁷⁸ Lipson (2/6/03).

¹⁷⁹ *ibid.*

unveiled the Jose E. Serrano Environmental Discovery Center. Congressman Serrano, convinced the National Weather Service to fully fund an official weather station at The Point. The station also monitors local ozone and carbon dioxide levels—among the highest in the country.¹⁸⁰ A nod to the central role The Point plays in the Hunts Point community, the weather station has no direct relationship to the artistic/economic partnership of the majority of The Point’s services. Unconventional as it is for a theater or arts group to host an educational weather station, The Point demonstrated its flexibility and willingness once again to respond to the neighborhood’s broad needs. In this way, all of the businesses under the same roof work toward the same goals of supporting themselves and sustaining The Point.

Determining the appropriate measures of impact is a challenge; without a means by which to determine impact levels, community development corporations often find arts programs difficult to justify to their funders, even their own staff. One of the ways in which arts organizations and CDCs can be more easily partnered is by developing evaluative processes that translate the effects of the arts on economic development in economic terms. CDCs can serve as the intermediaries between artists and those seeking quantitative proof of culture’s economic effects. Clinton describes the need for more concrete ways to measure the impact of the arts on community development: “[I]n addition to training in local arts delivery there is a need for trained professionals with multidisciplinary skills who can properly identify benefits and set up suitable systems to evaluate the results of local arts work at various levels.”¹⁸¹

¹⁸⁰ <www.thepoint.org>.

¹⁸¹ Lola Clinton, Community Development and the Arts, Briefing Paper (Great Britain: Community Development Foundation, 1993) 17.

None of the CDCs in this case study have implemented evaluative models to measure the impact of the arts on economic development. Neither have they developed significant or concrete quantitative or qualitative evaluations of their cultural programs at all. The Point records ticket sales and counts the number of people through the door of its incubator, while FAC is in the process of developing a way to measure the number of people who become engaged in the organization or community via contact with their limited arts programs. But these are both related more concretely to social, community development goals and do little to communicate or measure the impact of the arts on a community's economic development. The vague potential to measure real estate, increases to local businesses during times of exhibitions or performances, increased foot-traffic, etc. is present, but it remains a challenge for the field of arts-led economic development to determine a methodology for standardizing impact measures that would help developers and arts organizations to speak the same language.

Drawing from characteristic differences in approach and methodology, relationships between the arts community and the CDC world can create a synergy that stimulates, rather than deters from, successful economic development. Bringing unique core competencies to the table, cultural organizations, industries, and individuals can overcome institutional obstacles and form productive partnerships. The experience of The Point demonstrates that creativity and profit are not always at odds. In order to overcome institutional barriers, long-term relationships between artists and community developers are central to successful arts-led economic development. As Atlas describes, the partnership requires mutual respect of the methodology and values in both the arts-

world and the economic development field in order to create a sense of reciprocity and equal ownership of the process.

CONCLUSION:

Easing the Transition

Partnered with the cultural sector, the next phase of community development, led by the city's community development corporations, is ripe with the potential to translate the arts and culture into economic growth at the local level. Writing on the uncertain future of CDCs, which includes a period of adjustment and expansion, Vidal is cautiously optimistic about the potential for CDCs to creatively address the problems of low-income communities:

The maturation of the CDC movement is expanding the CDC agenda...Expanding the agenda will require careful attention to the challenge of expanding the funding base (which requires asserting that positive results can be achieved) without promising more than CDCs can actually deliver.¹⁸²

At this moment of transition, the new ways in which the economic, community, and cultural development pieces fit together are central to understanding conceptions of urban revitalization. However, many questions are yet to be answered. Broad uncertainties regarding the merits of pursuing this strategy include the following: Is arts-led economic development the right strategy for community development corporations to pursue? How can a CDC determine if an integrated approach to development will lead to opportunities in their community? And do the arts even belong on CDC agendas, where the concern is to combat issues such as unemployment, poverty, and displacement with already severely limited resources?

While there are no easy solutions available to CDCs in search of security or guarantees of the promises of arts-led economic development, there is evidence that the arts provide a valuable addition to holistic community development strategies. For example, the personal and social benefits of the arts are well accepted in Europe, where policy makers and community developers have recognized the central role of cultural development in community revitalization efforts. The economic effects of the cultural industries are more difficult to define. While sporadic studies attempt to measure the impact of the arts on the economy, until recently, analyses tended to focus on the consumption-side of cultural development strategies, largely ignoring the potential and growth of cultural production. A few studies, such as Richard Florida's, have attempted

¹⁸² Vidal (1996), 162.

to highlight the impact of cultural production strategies on urban economies in the U.S. But outside of academia, only a small number of regional and citywide initiatives have pursued these strategies.

For the most part, existing literature on the cultural industries or on arts-led economic development does not recognize the role of CDCs as an important one. A closer look at New York City's neighborhood development community suggests a different picture. The economic impact of the arts on Hunts Point, while difficult to measure, is clear to Rice-Gonzalez: "...[M]ore runs for the local car service, more sales and later hours for the corner store, the restaurants and cuchifritos sell more food and weekend employment for box office staff, stagehands, lighting and sound technicians, and maintenance personnel."¹⁸³

Situating cultural development alongside economic development presents the challenge to both community development leaders and the arts community to create a set of shared goals and compatible methodologies. But innovation and creativity are not foreign concepts to community development corporations. As one of the first community organizations to take on the challenge of integrating economic and social programs into the mission of a single organization, CDCs have thirty years of experience tackling contradictions in urban development and translating them into growth for their communities. CDCs possess a unique understanding of the resources in their neighborhoods, and bring first-hand knowledge of the special considerations facing their communities to the development process. This sensibility, together with a tradition of experimental approaches to revitalization, places CDCs in a strong position to effectively balance the challenges and opportunities of an integrated approach to development.

¹⁸³ Rice-Gonzalez (2/24/03).

The experiences of Fifth Avenue Committee, Bedford-Stuyvesant Restoration Project, and The Point, demonstrate that CDCs must be aware of and committed to the particular needs of their communities in order to remain faithful to their original mission. Community development corporations are as diverse as the residents they serve, and the obstacles they face depend on variables that cannot easily be categorized or controlled for. However, based on the low-income, marginalized nature of the neighborhoods in which most CDCs originate, patterns of resistance to arts-led economic development can be generalized from the three case studies. First, the degree to which the cultural industries have been recognized as a sector in the city's overall economic structure affects the impact cultural production strategies will have on a given community, and, more importantly, the willingness of developers to see the arts as an industry or sector. Second, the economic and ethnic diversity of residents influences the CDCs willingness to sacrifice cultural development programs to protect the neighborhood from gentrification. Fear of displacement, it seems, is correlated with exposure to the negative effects of gentrification in nearby communities; therefore in areas where gentrification has been a highly publicized, negative side-effect of the urban redevelopment process, arts-led economic development is likely to be met with skepticism and anxiety. Finally, the extent to which a CDC has interacted and built relationships with local artists, art organizations, and arts enterprises affects its willingness and ability to forge partnerships across cultural and economic development lines. Trust building is an important and often ignored step in the process of community development more generally, and is even more crucial when the methodologies of artistic processes are to be integrated with economic and community development goals.

The case studies of three New York City community development corporations indicate that significant barriers to the integration of cultural development into community and economic development strategies do exist. However, the major obstacles—a lack of understanding of the cultural industries, a fear of gentrification, and a perceived ‘culture clash’ between organizational methodologies—are more the product of institutional stereotypes and perceptions, than concrete incompatibilities. With increased awareness, education, and communication, all three CDCs were able to adapt cultural resources to accommodate their goals and turn the arts into opportunities for economic and community development to some extent.

Once committed to exploring the potential of arts-led economic development, CDCs can take certain steps to assure that cultural development does not detract from their original mission of holistic community revitalization. One of the ways to do this is to build stronger networks and communicate with one another about shared challenges and successes. To date, New York City is lacking such a network. Surprisingly, despite The Point’s success, many in New York’s community development field do not consider it part of the CDC community. “Most CDC directors,” Lander speculates, “wouldn’t even know who they are. They’re really not in the CDC community here, whether you consider the work they do to be community development or not.”¹⁸⁴ Deutschebank took one of the first steps in January 2003 to start a dialogue between CDCs by bringing individuals together to discuss arts-led economic development in an open forum. The event’s keynote speaker—The Point’s Paul Lipson—shared with the group the experiences of The Point and responded to questions from others in the field as to how Hunts Point overcame its obstacles. To encourage CDCs to integrate cultural

¹⁸⁴ Lander (2/28/03).

development strategies into existing programs, Deutschebank made grants available to local development organizations interested in pursuing integrated development strategies.

While a handful of cities are in the early phases of integrating cultural development into their agendas, the long-term implications of arts-led economic development strategies remain to be seen. In the meantime, CDCs are in the best position to incorporate diversified arts-led economic development strategies at the local level. To overcome the challenges that stand in their way, intermediaries—whether they take the form of independent research centers, foundations, academics, government task forces, or community activists—can facilitate the process by opening up a dialogue between the arts world and community developers, as well as between CDCs. All of the obstacles standing in the way of integrated development strategies can be overcome by utilizing the creative synergies produced in partnerships between economic, community, and cultural development schemes. Finding creative solutions and uses for the core competencies of community development corporations is the real challenge, and one that is well served by arts-led economic development.

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