

COMMUNITY DEVELOPMENT FEASIBILITY REPORT 2021

Powered by the Embers Project

This report was co-authored by the Embers Project team, the California Community Economic Development Association, and furnished with insights from the Stockton community.



TABLE OF CONTENTS

01. INTRODUCTION & OVERVIEW

| | |
|--------------------------|---|
| Project Origins | 3 |
| About the Embers Project | 3 |
| Report Purpose | 3 |
| Community Narrative | 4 |
| Question Guide | 6 |

02. COMMUNITY DEVELOPMENT ECOSYSTEM

| | |
|--|---|
| What are CDCs, CDFIs, and CLTs? | 7 |
| Comparing Community Development Entities | 7 |

03. COMMUNITY INSIGHTS

| | |
|-----------------------------------|----|
| Our Community Engagement Approach | 10 |
| Community Team Overview | 10 |
| Phase I Meeting Series | 11 |
| Values and Guiding Principles | 13 |

04. LEARNINGS FROM STOCKTON

| | |
|--|----|
| CCEDA Site Visit: Comparisons & Insights | 14 |
| Key Stakeholders Sectors | 17 |
| Stockton Stakeholder Interviews | 19 |
| Data Insights: Community Needs Index | 21 |

05. RECOMMENDATIONS

| | |
|---|----|
| Potential Projects | 23 |
| New Partnership Opportunities | 27 |
| Update on Our “Dandelion Approach”: Building a Shared Result & Distinct Subgroup Priorities | 28 |

06. NEXT STEPS AND TIMELINE

| | |
|------------------|----|
| Project Timeline | 29 |
| Budget | 29 |

07. APPENDICES

| | |
|---|----|
| Project Partners and Consultants | 30 |
| A Closer Look at CDCs, CDFIs, and CLTs | 31 |
| Core Competencies | 33 |
| Community Development Effective Practices | 34 |
| Choosing the Location of a CDE | 35 |
| Community Team Membership and Participation | 36 |
| Community Meeting Series Details | 37 |
| Community Narrative Sources | 39 |
| First Year Operational Budget (CDC) | 40 |
| Acknowledgements | 41 |

Project Origins

In 2018, the Stockton Workforce Development Action Plan outlined the circumstances and necessary improvements that need to be made for Stockton to thrive economically - citing limited human capital attainment and increases in the cost of living without corresponding wage increases. From 2016-2020, significant investments of over \$20M were made into human capital that lowered barriers for students to access educational opportunities.

Our team sought to understand how we could continue to invest in people after their formal education concluded. What type of seed investments would help build equitable economic opportunities? We believe that attention must now turn towards investing in systems that support job creation and inclusive economic development. This work started before the pandemic but has taken on renewed relevance and urgency with increasing economic instability for both new and seasoned workers and small businesses alike.

Stockton residents can choose to build a robust community development ecosystem that supports its most disinvested communities. The Embers Project team envisioned community development practices helping to expand and invest in building the human capital and economic development opportunities across the city. If achieved, this alignment would center people-centric investments rooted in our local community. Importantly, we believe it could address the intersecting challenges and opportunities around human capital development -- including community-owned assets, workforce development, small business support, or access to housing.

About the Embers Project

The Embers Project is dedicated to the objective of community wealth by creating a collaborative forum for community engagement, planning, and resource allocation. The Embers Project is incubated by the Edge Collaborative, which seeks to catalyze economic resilience across the region. To do this, the Embers Project partners with local community-based organizations and residents (see Appendix 1 for a complete list of partners).

We seek to generate resident agency by providing residents and community partners from historically disadvantaged communities with educational opportunities that empower them to set development priorities that work for them. We also support their endeavors with access to consultants and practitioners who are experts in this field. The Embers Project values cultivating opportunities for inclusive economic development when communities have the tools to spark a new vision.

Report Purpose

This feasibility report serves multiple purposes. It gives a comprehensive overview of the community insights surfaced through the Embers Project. Moreover, it highlights the difference between organizational models within a community development ecosystem. It also shares an array of key Stockton stakeholder interview themes and insights and draws connections between Stockton's ecosystem potential and the community development ecosystems in similar cities. Most importantly, this report will serve as a tool to highlight unique community development models, so that community leaders and residents can plan for the creation of possible community development institutions and/or design projects to benefit from such institutions.

The Embers Project values cultivating opportunities for inclusive economic development when communities have the tools to spark a new vision.

Community Narrative

Written by Caitlin Hamer

While Stockton has seen economic ups and downs since its founding, racial wealth and income disparities have always persisted within the city. These disparities are rooted in discrimination in the housing market and employment, as well as planning and legal practices that systemically prohibited people of color from enjoying the civic and financial benefits their white counterparts were afforded. Our history of discrimination, stemming from systems created before many of us were born, continues to dog us today. But our history need not predict our future.

In an effort to disrupt the erasure towards BIPOC communities in Stockton, we must first acknowledge our area's earliest residents and the oppression they faced. When European settlers first arrived in what is now Stockton, they encountered the Northern Valley Yokuts. Franciscan priests soon recruited many of them to missions, while disease decimated the rest of their population. Those left were ultimately driven off their land by the white settlers who arrived here during the Gold Rush.

The agricultural and industrial opportunities provided by Stockton attracted many diverse residents throughout the 19th and 20th centuries. To this day, many immigrants still choose to settle in Stockton. Moses Zapien, CEO of the Community Foundation of San Joaquin, grew up in a culturally diverse, working class neighborhood in North Stockton. Though he recalled that crime was ever present in the neighborhood, he nevertheless had fond childhood memories of it being a "melting pot" of different cultures where neighbors were friendly and knew each other by name. "There was a lot of social fabric present in the community," he said. And while some have come to accept Stockton's disinvested neighborhoods, Moses stresses that neighborhoods like the one

he grew up in should not be continually overlooked. "Families and kids are going to continue to grow up in those neighborhoods. I really think that as a community, we need to focus on changing the environmental factors so young folks and folks generally have a better chance of success."

Unfortunately, success has not been accessible to everyone. A major reason for this is due to redlining, the process in which the Home Owners' Loan Corporation set out to rank the "mortgage security" of neighborhoods across the country through color coded maps. Stockton's map, which was created between 1935 and 1940, highlighted many South Stockton neighborhoods in red and deemed them "hazardous", the worst rating possible. Banks and mortgage lenders typically refused to make loans for residents in these "hazardous" areas, viewing their neighborhoods as unsafe investments. Among the criteria used to create these ratings was the quality of housing, recent history of sale and rent values, and the racial and ethnic identity and class of residents. Redlining prevented many people of color from becoming homeowners, ultimately barring them from building intergenerational wealth. This problem was only exacerbated by California's Alien Land Laws which prohibited Asian immigrants from owning land. An example of the long-lasting effects of these issues can be seen through Little Manila Rising's struggles to save and preserve local historical structures; since they don't own the properties themselves, they are unable to advocate as landowners. Unfortunately, many of our city's historic buildings have sat empty for years, a seemingly counterintuitive move as Stockton continues to expand. "I do believe one of the shared visions for development in downtown is some of the buildings get to be fixed up and cleaned up, as opposed to everything getting torn down for condos," said Elazar Abraham of HATCH

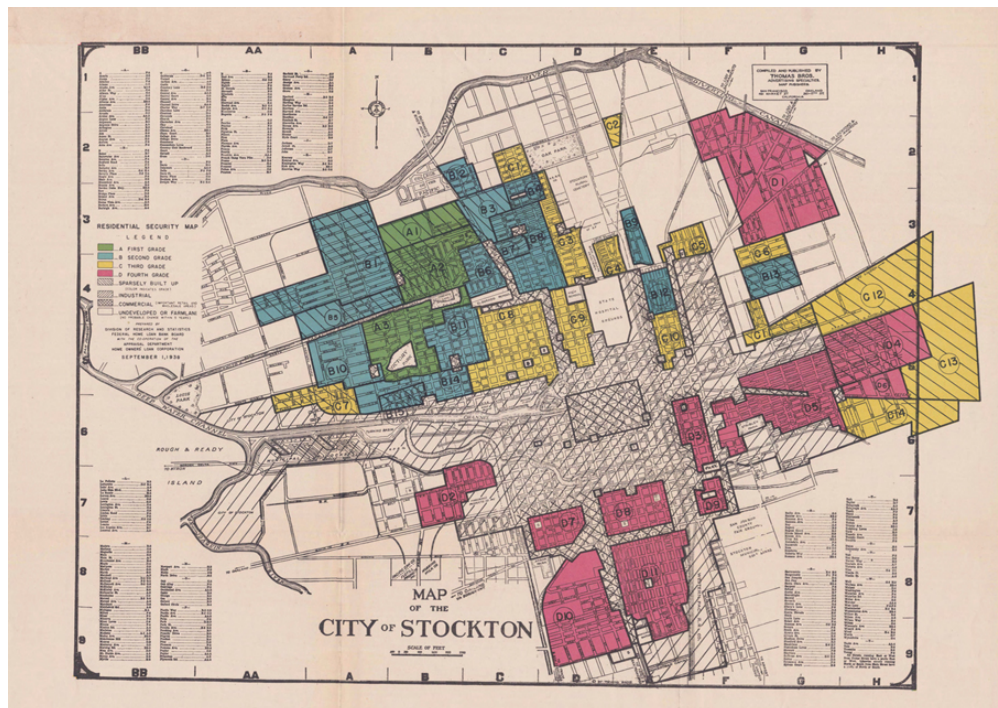
Workshop. Though Elazar is a Stockton transplant, he has wholeheartedly thrown himself into the city, becoming an advocate for downtown and creating a strong bond with the other business owners who have tirelessly worked to keep their part of the city alive. “The perception of the downtown area is lagging behind reality,” he stated.

While redlining set metaphorical barriers within the city, the Crosstown Freeway eventually created a physical barrier. Though the freeway was meant to improve the city, it ultimately created widespread harm. Homes and businesses were demolished, and residents were displaced. Those left behind have been forgotten and cut off from the rest of the city, though these communities have rich social, cultural, and economic value to offer. Little Manila Rising’s diligent attempts to revitalize and reconnect their community have unfortunately often gone ignored. In their Gleason Commercial Master Development Area⁷ proposal from 2003, they presented a clear and inspiring vision for the future of their neighborhood. Ideas and voices like theirs prove that while damage cannot be undone, there are always ways to sustainably move forward if given the opportunity.

Currently, 150,000 residents in Stockton are living below the median income,⁸ for many, regaining lost wealth is an uphill battle. While new jobs are being created in our region, most of them are paying less than similar jobs in other regions.⁹ Additionally, the occupations which

are projected to create more jobs locally will likely be paying near or below the living wage.¹⁰ It is also important to note that people of color are more likely to operate in low-wage work. As there is an increased threat of these jobs becoming automated in the future, this puts many livelihoods at even further risk.

Our city’s history has not been beneficial for all its residents. Understanding the ways in which discrimination has played out in our community can help us forge a new path forward. As¹¹ one of the most diverse cities in the nation, we can set an example of what multiracial economic prosperity looks like. Stockton is a glimpse of the future of not only California, but the country as a whole. By building on our local assets, we can preserve our city’s diverse cultures for future generations while unraveling the damage done by discriminatory systems that have compounded over the years. And as we move forward, we can take a closer look at our past mistakes to ensure that this time, no one gets left behind.



Question Guide

By reading this report, the Embers Project team anticipates that the community team members will form opinions on the models, concepts and ideas presented. We designed the guiding questions below to help them process the information presented throughout the report.

Community Development Ecosystem

- After reviewing the Comparison of Strengths graph and summary, what community development model(s) are you most interested in exploring further?

Community Insights

- Based on community conversations and presentations from Richmond LAND and Inclusive Action, what values or lessons should we take with us as we consider different community development models?
- Which of the 8 potential community development priorities are you most interested in advancing, and why?

Learnings from Stockton

- Based on CCEDA's site visit to Stockton, what community development strategies struck you as particularly compelling or exciting?
- Based on CCEDA's comparative analysis, what could Stockton learn from other cities?
- Do the Community Needs Index insights embody how we've understood systemic disinvestment throughout Phases I and II? What narratives back up the insights?

Recommendations

- What are new community development strategies that you believe organizations in Stockton are already well-positioned to pursue? What partnerships would it take to materialize those priorities?
- Where is there a gap in our organizational ecosystem? (e.g., what role could the CDE play that would complement existing organizations?) What potential development priorities could fill that gap? What would it take to materialize those priorities?
- After reviewing the recommendations, what intersectional approaches (combining either issues or approaches) can you identify to tackle your development priorities?
- The team has been clear that this work should advance racial equity. What criteria should we use to ensure future investment and development are anchored to that value?

Next Steps & Timeline

- What type of planning support will your subgroup need as we transition into the implementation phase (i.e., technical assistance, financial planning, real estate development, research)?

In this section, we define the major development models of Community Development Corporations, Community Development Financial Institutions, and Community Land Trusts. We then explore the effectiveness of these models for accomplishing different activities. More information on these community development models, core competencies, effective practices, and choosing a location for a CDE are available in Appendix items 2-5.

What are CDC, CDFIs, and CLTs?

Community Development Corporation (CDC):

A community-based institution that focuses on the comprehensive economic revitalization of distressed communities.

CDCs are transactional organizations focusing on major economic development initiatives in their community. Their goal is to build housing, commercial, and community facilities, support small businesses, and catalyze job creation.

Community Development Financial Institution (CDFI):

A mission-based community development financing organization that exists to address the credit needs of low-income individuals and poor communities.

CDFIs need effective CDCs or community-based nonprofits that focus on development and investment projects to provide lending and investments. They are lenders, not developers.

Community Land Trusts (CLTs):

A nonprofit corporation that owns property (through purchase or donation) and holds it in perpetuity for the benefit of the community.

Residential CLTs can be used to provide permanent homeownership opportunities for low-income families. Commercial CLTs benefit independent, locally owned businesses. They build community wealth by providing affordable spaces to businesses that uphold the cultural character of a community.

Comparing Community Development Entities

The California Community Economic Development Association (CCEDA) team has inspired a chart showing the major strengths of each type of community development entity broken down by community development activities. The chart's purpose is to allow community stakeholders to review how well each entity performs the activities. As a result, stakeholders can make informed decisions about which model would best suit the activities they want to prioritize. CCEDA defines these activities in the following segment.

Community Development Activity Definitions



Community engagement: Community engagement involves a broad cross-section of low-income residents and other community leaders developing the community development strategy. These individuals are engaged in prioritizing, planning, and helping to implement development projects.



Neighborhood Focus: Community development is grounded in low-income neighborhoods. The neighborhood serves as a geographic entity and focuses on where development and services are targeted to benefit neighborhood residents.



Financing: Financing is the ability of an organization and community to raise diverse public and private funds to implement community development projects. Real estate projects often have at least seven different funding sources financing various aspects of the development process, including acquisition, pre-development, construction, and permanent financing.



Project Capacity: Project capacity is an organization's ability to plan, design, implement, and manage a development project. Community development organizations build their capacity to develop more complex and larger projects learning from more straightforward projects. Smaller CDEs can partner with more experienced CDEs as they build their development capacity.



Comprehensive: Community development is a comprehensive approach that addresses substandard housing, limited business opportunities, the need for commercial and community space, access to jobs and workforce opportunities, access to capital, and needed services to strengthen a community.



Leverage Resources: Leveraging is a critical concept in community development, built on the ability of a CDE to take limited local resources and raise substantial new sources of capital for community development projects. Development projects require multiple sources of financing for the project to succeed, given the levels of subsidies needed.



Community ownership: One of the elements of community development is to build ownership and resources for community residents and businesses. Homeownership and business ownership are vital strategies for helping individuals and families accumulate assets and wealth.



Impact: Community development helps to create new markets and opportunities in underserved communities. Community development helps to create new markets, and opportunities in underserved communities—a practical community development project impacts beyond housing units, commercial revitalization, or business support. The effect is about creating momentum and spurring additional resources and developments that benefit the local communities.



Short-term: Short-term success is crucial to the ability of a new CDE to attract resources, build capacity, and entice new partners for future development successes. An initial project that turns out well will help the organization build a track record of accomplishments.

CDE Comparison Chart

How to Use

- Community development activities are in the far left column; types of community development entities are in the top row.
- Performance is measured from excellent to average to poor.
- To view how well each entity performs the activity side-by-side, start at the left column and work your way to the right.

| | CDC | CDFI | CLT |
|----------------------|------------|-------------|------------|
| Community Engagement | Excellent | Average | Average |
| Neighborhood Focus | Excellent | Poor | Average |
| Financing | Average | Excellent | Poor |
| Project Capacity | Average | Average | Poor |
| Comprehensive | Excellent | Excellent | Poor |
| Leverage Resources | Average | Excellent | Poor |
| Community Ownership | Average | Poor | Excellent |
| Impact | Average | Excellent | Poor |
| Short-term Results | Excellent | Average | Poor |

Chart Summary

CDCs are best for neighborhood-based community development and usually have a larger geographic footprint than the other two models. They tend to be strongest in broad community engagement, neighborhood focus, comprehensive strategies, and short-term results. CDCs are adequate in financing, leveraging resources, impact, and community ownership through investments, though other models may better serve those needs.

CDFIs are strongest in financing and leveraging resources for community development. CDFIs rarely engage with community organizations; instead, their focus is much larger than a neighborhood. It takes a while for CDFIs to accumulate capital, so they do not usually achieve short-term results and need a fertile ecosystem of community development projects.

CLTs are a robust model for guaranteeing community ownership. As they are involved in land ownership, they retain a local neighborhood-level focus and are a good vehicle for community engagement.

Over the course of a year, the Embers Project team planned and facilitated 21 community meetings. In this section, we will give an overview of the community team dynamic, highlight the strengths of our community engagement approach, share more about the meeting series, and share community insights. This section should serve as a springboard for further discussion in Phase 3, specifically when crafting development priorities and strategies.

Our Community Engagement Approach

The Embers Project's community engagement approach is intentional about building a shared result that will enable multiple and distinct initiatives to flourish under it. In Phase 2, the Stockton Community Team began to discuss the implications for creating a shared result centered on economic mobility.

As the Embers Project seeks to operationalize an inclusive community-centered process, we've endeavored to center racial equity, compensate participants for their time, and build community trust.

We believe that community members are the most valuable part of this process because their insights directly inform its direction. To back this belief and build equitable practices into this project, we compensate community members for their participation - at various points, that's included recurring meeting stipends, a one-year subscription to PolicyMap, or a one-time grant for their organization.

Community Team Overview

Community input is not only at the center of the meeting series but of the entire endeavor of the Embers Project. During Phase 1, the Embers Project created two teams, the community advisory team (CAT) and the core team, to harness their collective strengths. The

core team initially consisted of Stockton stakeholders who work, advocate and facilitate change in the Stockton community. The Embers Project team envisioned this eight-member team handling the technical and financial side of establishing the community development entity based on community input. The CAT initially comprised 18 Stockton residents who are equity-minded and community-oriented. The Embers Project team envisioned this team driving the potential CDE's priorities rooted in community sharing and inclusive economic development.

Both teams spent Phase 1 learning and sharing separately so that the technical and nontechnical insights were not lost in conversations. However, members of both groups expressed interest in reflecting and learning alongside each other. Therefore, the Embers Project team reshaped the remainder of the meeting series to create a shared learning space for the entire community (see Appendix 7).

After Phase I concluded, the project lead held one-on-one chats with the community to get their feedback and insights on moving forward. Based on feedback, the Embers Project decided to form one Stockton Community Team (SCT) with referrals from earlier participants. We welcomed Phase I participants back into the space while recruiting new members with new perspectives and skills (see Appendix 6).

In collaboration with Ground Works Consulting, the Embers Project team offered an opportunity for each member (or the organization that they represent) to receive pro-bono consulting on a project or idea that they wished to pursue. In total, seven organizations took advantage of this opportunity - ranging from needs on prospective project collaborations, community development models, policy advocacy, and opportunities to build a racial

equity strategy. Based on the groups' experience with consulting, the Embers Project team decided to use the eight potential development priorities surfaced in Phase I (see below) to create four subgroups. We grouped the priorities to reinforce each other and create a quorum of people to identify adjacent opportunities.

8 Potential Development Priorities

Workforce Access & Small Business

These two key areas - workforce and small business - exist on a spectrum of how we can bolster and transform our economic development ecosystem that serves both Stockton and San Joaquin county. Whether these efforts should stabilize existing small businesses, lower barriers to high-paying jobs, or focus on the needs of a particular group - like youth, the community is exploring community development as a tool to tackle employment needs.

Affordable Housing & Homeownership

Across Stockton and the county, there is a housing shortage of tens of thousands of units. As the Bay Area exodus exerts additional pressure on the Central Valley housing market, there is a greater risk of displacement - particularly for those on the brink of housing insecurity. There are big remaining questions as to how the group might prioritize if a housing focus would include or link to existing efforts around housing production, rehabilitation, advocacy, or adjacent services.

Land Use & Environmental Justice

In the 1970s, the construction of the Crosstown Freeway in Stockton demolished a significant portion of the "Little Manila" neighborhood - displacing the Filipino American community. Throughout Phase I, the community teams cited specific forces that have led to extractive development practices, brownfields, or harmful land-use decisions.

Commercial Revitalization & Arts / Culture

Against the backdrop of Stockton's bankruptcy in 2012, housing foreclosures accelerated with many properties (commercial buildings and vacant lots) purchased by speculative investors. Based on the work of existing organizations, there could be a significant role for artists and the arts to play in helping to revitalize key neighborhoods through the creative use of space, youth engagement, and the preservation of cultural heritage sites.

Phase I Meeting Series

The community development field was relatively new to the Stockton community. Therefore, the Embers Project team wanted to provide ample opportunities for team members to learn about this field and available development options. Those opportunities included case study analysis, practitioner presentations, and a series of learning labs. For details about meetings and learning opportunities, please see Appendix 7.

Case Studies Takeaways

CCEDA presented four case studies: East Bay Asian Local Development Corporation, New Jersey Community Capital, Youngstown Neighborhood Development Corporation, and Unity Council (see Appendix 7 for an overview of each presentation). Most members were interested in learning about the inner workings of community development funding and political support dynamics in each case study. Most importantly, they began to make connections between the case studies and potential projects in Stockton. Here are some of the members' critical takeaways captured from the meetings.

Key Takeaways

- No one organization can do this work without the help and lift of other stakeholders and collaborators.

- Stockton has plenty of resources and change-makers; we just haven't connected them to create new development opportunities.
- In each case study, there was a group of community members who came together to address a single set of priorities. If we want to create equitable avenues for development, we will have to come together in the same way.
- In the case studies, community members either took a place-based or people-based approach to development. We need to be intentional about discussing who and where this potential entity will serve.
- Many questions emerged about funding. A combination of private/philanthropic, corporate, and bank funding is the best starting place to move this work forward.

Practitioner Presentation Takeaways

During the first phase, the Embers Project team brought in 11 practitioners to talk about the origins of their organizations, their values, and their work (see Appendix 7 for the complete list of participating practitioners). This gave the community teams another layer of perspective from practitioners who are on the ground doing the work. Of those presentations, the community gravitated toward two presenters - Richmond LAND (presented by Valerie Jameson) and Inclusive Action LA (presented by Rudy Espinoza). Here is an overview of what the community appreciated about their respective presentations.

Inclusive Action LA

Members appreciated that Inclusive Action had a similar start to ours (i.e., it was a small group of community members that identified a community need and created an organization to address it). Rudy's presentation also opened the members' eyes to advocacy and social justice opportunities through community development. Inclusive Action LA advocates for systemic change and better policies for street vendors.

This was the first time the group was exposed to a microlending approach to community development, where an entity supports local entrepreneurs at "the bottom of the economic pyramid." The members asked a series of questions about CDFI certification and funding sources to understand the inner workings of this unique loan model. In the end, they recognized this model as a people-based approach that can provide people with capital that they otherwise wouldn't access. A few members shared that Inclusive Action's model is an attainable model for Stockton to copy. The community took it a step further and shared that this microlending approach is an opportunity to support local Stockton entrepreneurs and artists.

Stockton has plenty of resources and change-makers; we just haven't connected them to create new development opportunities.

Richmond LAND

Members gravitated toward community ownership, specifically the community land trust model. Valerie emphasized that it is crucial to nail down who you serve and who you're accountable to because it determines how you operate. Having this clear vision can prevent co-opting, gatekeeping, and other challenges.

Members appreciated that this model is held together by residents who want to support and build it over time. It's a unique way to engage residents of color at the local level through affordable housing and programming. Residents co-create and determine the future of their neighborhoods. The community teams also appreciated that Richmond LAND and those who operate it have a background in organizing. Leaders power map and build relationships with City council members and city staffers to advocate that land is sold below market rate.

Values and Guiding Principles

This endeavor is anti-racism work

Racial and social equity needs to be at the center of this community development effort. Our group shared stories about unequal access to resources, opportunities, and property because of their race. This work is about ensuring that communities of color have access to capital that isn't typically available. It's recognizing that "rising tides do not lift all boats when someone is knocking holes in yours."

The community has the agency to determine its priorities

The work needs to be led - owned and operated - by community leaders who commit to a long-term effort. While it can be connected to the priorities and operations of the city, this work should not be attached to a single office, which is subject to change.

Both community residents AND institutional leaders have a role

Community residents and institutional leaders alike bring valuable technical expertise and practical insights to this process. Expertise is not exclusive to one group of people; data can help create a level playing field among groups with different sets of expertise.

Using storytelling as a tool for healing and redemption

Storytelling needs to remain a centerpiece activity moving forward. It has proven to be a powerful tool to build trust, understanding, and camaraderie amongst all team members. It is a tool to share the historical harms and experiences that community members lived through and extrapolate opportunities for development that address those harms.

Advancing racial equity

This is a unique opportunity to support populations that the existing traditional development models do not effectively serve. Members have highlighted the racial groups such as Black/African American, Latinx/Hispanic, Asian American, Pacific Islander, and Native American and immigrant populations that have been left behind by development. Members continuously expressed that this work is ripe for investing in the financial and economic education and opportunities of Stockton youth.

Centering disinvested places & leveraging data

A community development entity should support areas that have experienced heavy disinvestment. The community validated that the top five census tracts in the Community Needs Index are potential hotspots and opportunities for development.

Support and invest in community-based organizations

Leaders of local community-based organizations have a unique opportunity to learn about community development and how it can serve them. The Embers Project is dedicated to providing access to technical assistance providers and practitioners that can support their endeavors, creating the conditions to invest directly in project planning capacity, while also connecting their organizational goals to a broader community development ecosystem.

This section will cover observations from CCEDA's site visit, takeaways from Stockton stakeholder interviews, and a narrative review of the Community Needs Index.

CCEDA Site Visits: Comparisons & Insights

The CCEDA team visited Stockton in late October to get an on-the-ground view of Stockton's development history and major neighborhoods. CCEDA and the Embers Project team toured Little Manila, Downtown, and South Stockton neighborhoods, then briefly encountered the Port of Stockton. This section serves to highlight key insights from the tour and share potential development approaches based on community development activities that have been successful in similar cities.

On cultural centers & historic preservation

Little Manila

Dillon Delvo, Executive Director of Little Manila Rising, conducted a tour of Lafayette Boulevard. CCEDA described this neighborhood as "one of the most vibrant neighborhoods in Stockton, with a mixture of commercial, residential, and cultural facilities." Dillon shared that before WWII, Stockton had the largest Filipino community in the U.S. due to its proximity to agriculture and industry. The construction of the Crosstown Freeway in the 1960s destroyed Little Manila and it continues to erode today. During the tour, the group witnessed [the historic Rizal Social Club be demolished](#) (see photo to the right).

Unfortunately, what has and is happening to Little Manila is far from unique. Other communities facing similar destruction have engaged in a community development strategy to revitalize the culture of their community. Avenida Guadalupe is one such case.

Avenida Guadalupe

In the early 1900s, Avenida Guadalupe was the commercial and cultural center for San Antonio's Mexican-American community. Decades of severe public and private neglect made the Avenida neighborhood the city's poorest and most physically deteriorated area. In response, the Avenida Guadalupe Association, city residents and stakeholders, and the City of San Antonio (in cooperation with the San Antonio Development Agency) developed a master plan to develop 3.5 blocks in an Urban Renewal Project. The goal was to reverse the course of neglect and promote physical, economic, and cultural revitalization. The project included the renovation of the Guadalupe Theater as a Center for Mexican-American Arts. Industrial bonds purchased by six area banks funded this work.

Like Little Manila, Avenida Guadalupe was a victim of disinvestment. Both were areas with an ethnically specific culture, history, and commercial facilities in their heyday. The Master Plan and renovation of the Theater returned Avenida Guadalupe to that cultural center point. Little Manila could evolve similarly by facilitating the restoration of prominent community centers to bring back commercial life, culture and highlight the neighborhood's history.



On central business districts & adaptive reuse

Downtown Stockton

Representatives of two organizations, Third City Coalition and Fathers and Families, led the downtown Stockton tour. The first stop was the Mexican Heritage Center, which aims to educate and promote art and culture for current and future generations. During the tour, Fathers and Families shared the focus of their work on providing holistic services and employment opportunities for Stockton residents and formerly incarcerated Stocktonians. The team also learned of the Open Window Project, whose goal is to create

a vibrant, walkable, and livable urban core within nearly 12 acres in the heart of Downtown.

CCEDA noted numerous commercial and office spaces dating from the 1920s to the present. Moreover, CCEDA noticed several vacant three to ten-story buildings adjacent to Downtown. There is significant potential for adaptive reuse in downtown Stockton using various community and economic development tools, including historic tax credits and New Market Tax Credits. Another strategy to revitalize Downtown Stockton is to employ adaptive reuse strategies and ordinances similar to Downtown LA. The Historic Core was the central business district of Los Angeles but began to decline in the 1950s as the white flight took place. In 1999, the Los Angeles City Council passed an Adaptive Re-Use Ordinance, allowing for converting old, unused office buildings to apartments or "lofts." This strategy would encourage loft development in formerly non-residential buildings.

West Philadelphia

Another relevant example of adaptive reuse is the Enterprise Development Center in West Philadelphia launched by the Wharton Business School SBDC. The Enterprise

Development Center acquired many buildings, most notably the Dick Clark American Bandstand studio, which they converted into a business incubator with significant community and public space. They have also expanded into youth employment and other business support services. Stockton universities could explore launching a business center in a historic building serving downtown and adjacent neighborhoods in South Stockton.

On reducing blight & affordable housing strategies

South Stockton

Fred Sheil, the Administrator of Stocktonians Taking Action to Neutralize Drugs (STAND), conducted a tour of South Stockton's residential neighborhoods. CCEDA noted multiple vacant lots, substandard housing, and limited commercial, retail, and community services available. They also noted a lack of people's presence and activity. STAND has renovated and sold over 300 homes in their neighborhood without tax credits. They own several rental homes and apartment buildings. STAND has reduced crime in sections of their neighborhood with clustered housing and developed increased police presence in neighborhood pockets.

New Jersey Community Capital

STAND's successes in creating homeownership opportunities do suggest a strategy for expanding affordable housing development and reducing blight, and addressing vacant property challenges dating back from when Stockton was "ground-zero" for the foreclosure crisis from 2007 to 2009. New Jersey Community Capital (NJCC), a CDFI featured as one of the case studies, was able to pool together funds to partner with local municipalities and purchase loans in default in bulk purchase from financial institutions at a deeply discounted rate. NJCC and their subsidiary Community Asset

Preservation Corporation (CAPC), along with CDC partners, renovated the housing, leading to rental opportunities and homeownership opportunities, some through lease purchase arrangements. NJCC partnered with the City of Newark to acquire several foreclosed and abandoned properties.

A similar approach could be developed in Stockton with affordable housing developers, financial institutions, local government, and CDFIs who serve Stockton. Bulk purchases will increase the number of properties purchased, renovated, and converted to rental or homeownership opportunities.

On economic development & climate

Port of Stockton

The last visit was to the Waterfront Warehouse near the Port of Stockton. The Port of Stockton is the 4th largest port in California after Los Angeles, Long Beach, and Oakland. The Port can be viewed as a positive engine for economic development. Several major development activities are near the Stockton marina, including a baseball stadium, restaurants, and health clubs. The deep-water port of Stockton with several large freighters and storage areas supply the region and provide a major export vehicle.

One of the significant challenges of the Port of Stockton is the adverse climate and air quality impacts they cause, including producing particulate matter. This production can result in respiratory problems and lead to premature deaths. However, there are several health and heat consequences that CDCs can address. The Port has an opportunity to increase community approval by reducing emissions and incorporating public spaces for the community. Reducing port emissions is a service to the community, but it is less visible, especially without sufficient air quality monitoring. Therefore, it should be coupled with waterfront development to complement it, similar to the Port of Los Angeles.

Port of Los Angeles

The Port of Los Angeles has officially begun construction on the LA Waterfront town square. The promenade consists of a series of waterfront development and community enhancement projects blanketing more than 400 acres of existing Port of Los Angeles property. These public space projects are being funded by the Port's Public Access Investment Plan, which ties community infrastructure investments to a percentage of the Port's operating revenue. Since 2005, the Port has invested more than \$700 million in waterfront capital development, programming, and maintenance, with an additional \$300 million in Port funding anticipated through 2025 under the Plan.

The Port of LA also has its own Clean Air Action Plan, which is partially funded. The community was eager to electrify equipment at the Port and use more efficient and zero-waste trucks in the Port's vicinity.

In summary:

- Stockton is a sizable city with a large quantity of undeveloped land and potential development sites.
- Neighborhood small business development is organic but lacks proactive support and capital.
- Cultural initiatives could act as anchors for neighborhood development.
- Neighborhood efforts similar to STAND's work could be a foundation to build area-wide housing and commercial development.
- Adaptive reuse of downtown buildings rather than wholesale demolition could activate long-time dormant real estate.
- The Port of Stockton is a huge development engine and opportunity for supporting community development.

Key Stakeholder Interviews

The CCEDA team interviewed a cross-section of 20 stakeholder partners (see Appendix 11 for the complete list of interviewees). First, they shared how each sector could support a potential CDE and examples of how these sectors support community development efforts in other cities. Next, they distilled important interview themes.

Key Stakeholder Sectors

Educational Institutions

Stockton has several higher education institutions interested in supporting a community development initiative, such as San Joaquin Delta College, University of Pacific, and California State University, Stanislaus. Educational institutions can explore offering courses and programs to residents in low-income neighborhoods in Stockton to enhance their employment opportunities and provide technical support to economic development initiatives. An alternative for educational institutions to promote development within their communities is a model similar to Central Baltimore Partnership (CBP).

Example: Central Baltimore Partnership

Several major Baltimore universities, including Johns Hopkins University, the University of Baltimore, and the Maryland Institute of Commercial Arts, formed the CBP alongside local community-based organizations. It increased commercial space, revitalized the arts and culture district, and provided affordable housing to prevent residents from being priced out of the area.

Public Sector

There are a number of public sector resources from San Joaquin County and the State, both of which have financial and technical resources that can benefit the new community development entity. The San Joaquin Partnership (SJP) is a non-profit economic development corporation serving all of San Joaquin County and its seven incorporated cities. SJP provides supportive services during the due diligence process of development and advocacy support for project needs. Whether it's the San Joaquin Partnership or the Workforce Investment Board (WIB), there are opportunities to more intentionally connect workforce pathways, like apprenticeships, with economic development opportunities. Stockton could learn from Boston's emphasis and direction on advocacy and policy.

Example: City of Boston and Massachusetts Association of CDCs (MACDC)

The Massachusetts Association of CDCs (MACDC) developed several exciting policies and program initiatives for CDCs in Boston. These initiatives include linkage policy, mixed-use developments, inclusionary zoning, and economic justice in the construction industry. They spearheaded a South Boston development to increase the number of low and moderate-income residents living in major housing projects sponsored by MassPort (a major landowner). The linkage policy requires that major development projects allocate a portion of their revenue for affordable housing and community development projects. The economic justice initiative focuses on increasing the number of females and people of color in the construction industry, which provides good jobs and benefits.

Private Sector

Several important financial institutions have invested in community development in the Central Valley, including Wells Fargo, Bank of America, and BBVA (which is being acquired by PNC Bank). In the healthcare sector, Dignity Health Care recently made a significant investment in the Fairview neighborhood in South Stockton. This is through Reinvent South Stockton Coalition's partnership with St. Joseph's Hospital, a Dignity affiliate. The focus will be on connecting housing issues to improved health outcomes; a similar model is in Columbus, Ohio called the Healthy Neighborhoods, Healthy Families initiative.

A note on bank mergers

Bank mergers provide a unique opportunity to raise capital for community development entities. When banks merge, impacted communities can argue that the merger will result in community needs being unmet. Banks can work with community groups to clearly outline how the community will benefit from a merger.

Example: Nationwide's Children Hospital, Columbus, Ohio

Nationwide Children's Hospital, located in the Linden Neighborhood of South Columbus, is a leading hospital nationally in creating healthy outcomes for their patients. They are viewed as the "gold standard" in how hospitals develop comprehensive community development initiatives. They started the Healthy Neighborhoods, Healthy Families Initiative in 2008 to strengthen health outcomes for their patients and the community. They worked with residents to renovate over 400 units of housing through gut rehab, improving energy efficiency and adding other green features, as well as grants to current residents through a home repair program. They have developed 58 units at Career Gateway and provide career training to residents. Nationwide recently launched a \$20M+ Southside Renaissance Fund to provide financing to build at least 170 units of low-income rental units.

Philanthropy

Community foundations can be catalytic supporters for new community development entities. The Community Foundation of San Joaquin County has supported this feasibility inquiry phase by serving as the fiscal sponsor of the Embers Project. Alongside a suite of other community organizations, the Community Foundation has marshaled philanthropic support during the height of COVID-19. In parallel, Stockton has benefited from several philanthropic funders, including the James Irvine Foundation and the Chan Zuckerberg Initiative. Similarly, Cleveland has leveraged significant philanthropic funding to support a breadth of initiatives.

Example: Cleveland Philanthropic Support

Cleveland has a strong philanthropic community, led by the Cleveland Foundation, George Gund Foundation, and others. They have provided long-time support to several major initiatives such as the Evergreen Cooperative, Cleveland Housing Network (CHN), and Neighborhood Progress Incorporated. Evergreen Cooperative, launched by the Democracy Collaborative and the Cleveland Clinic, has launched several cooperative businesses, including a cleaning business, energy conservation, and fresh food farm through greenhouses. Cleveland Housing Network (CHN) is a 30-year-old organization that helps increase the housing production capacity of CDCs in Cleveland and pioneered the concept of lease-purchase to help low-income families become homeowners. Neighborhood Progress Inc. (NPI) provides financial and technical support to a strong network of CDCs in Cleveland for economic development and affordable housing initiatives.

Stockton Stakeholder Interviews

The CCEDA team interviewed 17 diverse stakeholders throughout the Stockton region. In this section, they share key insights and observations born out of the interviews. They also identified potential development opportunities that could be explored.

Key Insights and Observations

A) Stockton forged several private and philanthropic partners in the past few years. The Embers Project and Community Foundation of San Joaquin County can support in attracting new funding partners.

B) Stockton's low-income neighborhoods are diverse and have a lot of talent that can be placed.

C) Some of the local organizations expressed that Stockton historically does not have great civic culture. Community organizations generally do not collaborate well with other community organizations or the City of Stockton. The CDE could encourage those partnerships between organizations that are otherwise non-collaborative.

D) Downtown Stockton currently has six charter schools, plenty of City support, and Visionary Home Builders as an active participant in the area.

E) Weston Ranch has experienced unstable growth recently, but it has plenty of undeveloped lands and is currently a food desert.

F) Kentfield is another neighborhood identified as an area in need of growth with both residential and commercial developments (small business).

G) Rising Sun is providing significant youth employment and entrepreneurship activities training youth in energy efficiency technology.

H) Grid Alternatives has been active in Stockton, installing solar panels on homes owned by low- and moderate-income families.

I) The San Joaquin Partnership has discussed potentially creating an alternative energy grid with the Port.

J) The Public Housing Authority leads a demonstration project with electric vehicles and charging stations for low-income family usage (with public access).

K) Little Manila Rising plays a leading role in addressing air quality problems in South Stockton that emanate from the Port of Stockton. They do so by participating in the AB 617 Air Quality legislation process. They are focused on getting the San Joaquin Valley Air Pollution Control District (Air District) to enforce air quality standards to reduce emissions that lead to toxic particles.

Development Opportunities

L) If the effort seeks to impact opportunities in workforce development, the new community development entity should partner with higher education institutions. Delta College is searching for partnerships with community-based organizations for skilled training and certifications leading to jobs. Stockton's neighborhoods offer a larger pool for employees for which Delta College can provide vocational skill training. CSU Stanislaus has a stackable credentials program that allows for career-ready individuals to accumulate qualifications to move along career-ready individuals to accumulate qualifications to move along a career path or move up a career ladder to higher-paying jobs. CSU Stanislaus also works to connect those individuals to community development entities for employment.

M) Interviewees stressed the importance of increasing affordable housing in Stockton.

Reinvent South Stockton Coalition (RSSC) is currently leading this effort via the Housing Justice Coalition to foster progressive housing policy leading to increased production.

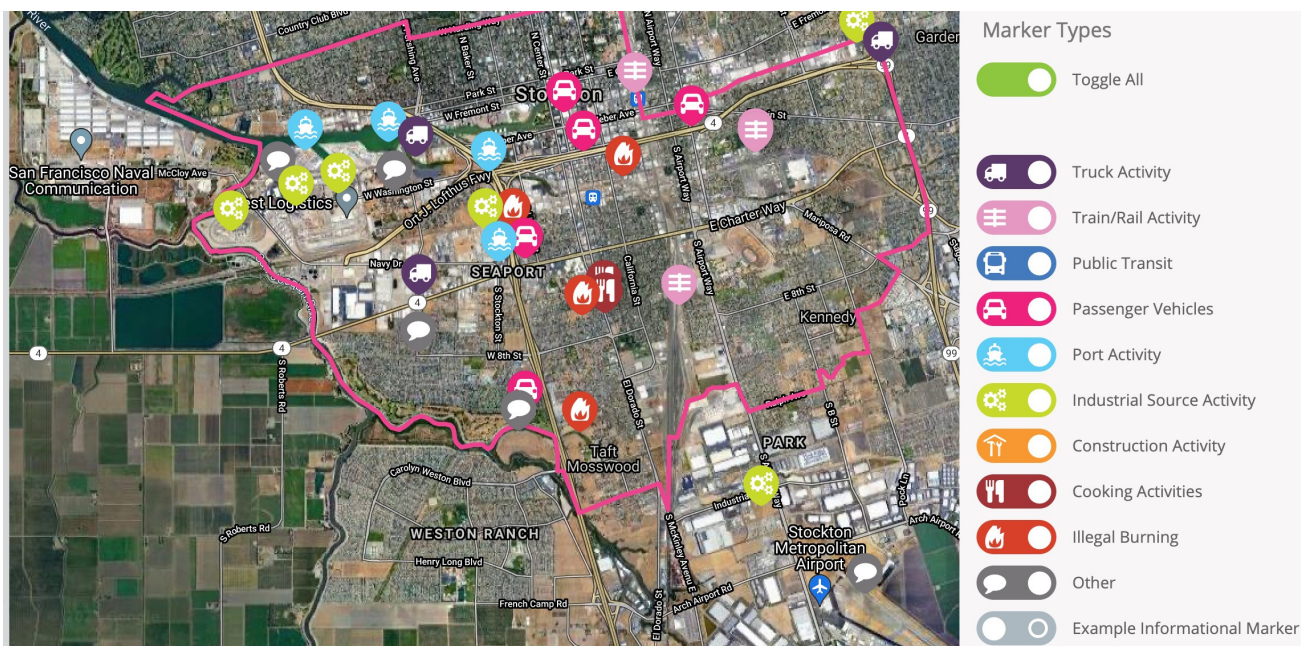
N) Interviewees shared that affordable housing efforts should be coupled with supportive services, i.e., youth/child-care services, food services, financial education, etc. Visionary Home Builders is an excellent resource for any potential affordable housing initiatives. They have incorporated supportive services for residents that promote greenhouse gas reduction, such as giving bus passes, developing bus shelters, fixing sidewalks, and creating bike lanes.

O) Dignity Health Care Systems and St. Joseph's hospital (their Stockton affiliate) provided a grant to RSSC to focus on strategies for using housing to address the social determinants of health in cooperation with the Build Healthy Places Network. Corporation for Supportive Housing is a national intermediary that works with affordable housing developers to combine housing with services for vulnerable adults.

P) The Port of Stockton is connected to Boggs Tract, which has industrial and underdeveloped lands, is located near housing, and has an opportunity to produce an energy grid with the Port. While there is significant environmental pollution, the port could also provide major economic opportunities around job creation and supporting local businesses. The Port of Stockton could provide offices and locations for tech entrepreneurship initiatives. Underdeveloped lands in this area could be used to create solar PV farms or wind farms.

Q) John Solis and Patty Virgen of the San Joaquin County WorkNet shared how their apprentice programs could be part of a community development and workforce strategy. SJC WorkNet is a national leader in apprenticeship programs.

R) Focused entrepreneurial training for existing business owners and emerging leaders can support Stockton's 10,000+ minority business owners. Chambers of Commerce could provide the infrastructure to develop programs targeted toward minority entrepreneurship capacity building in Stockton.



Map: Community identified sources of air-quality concern, AB617 planning process in Stockton

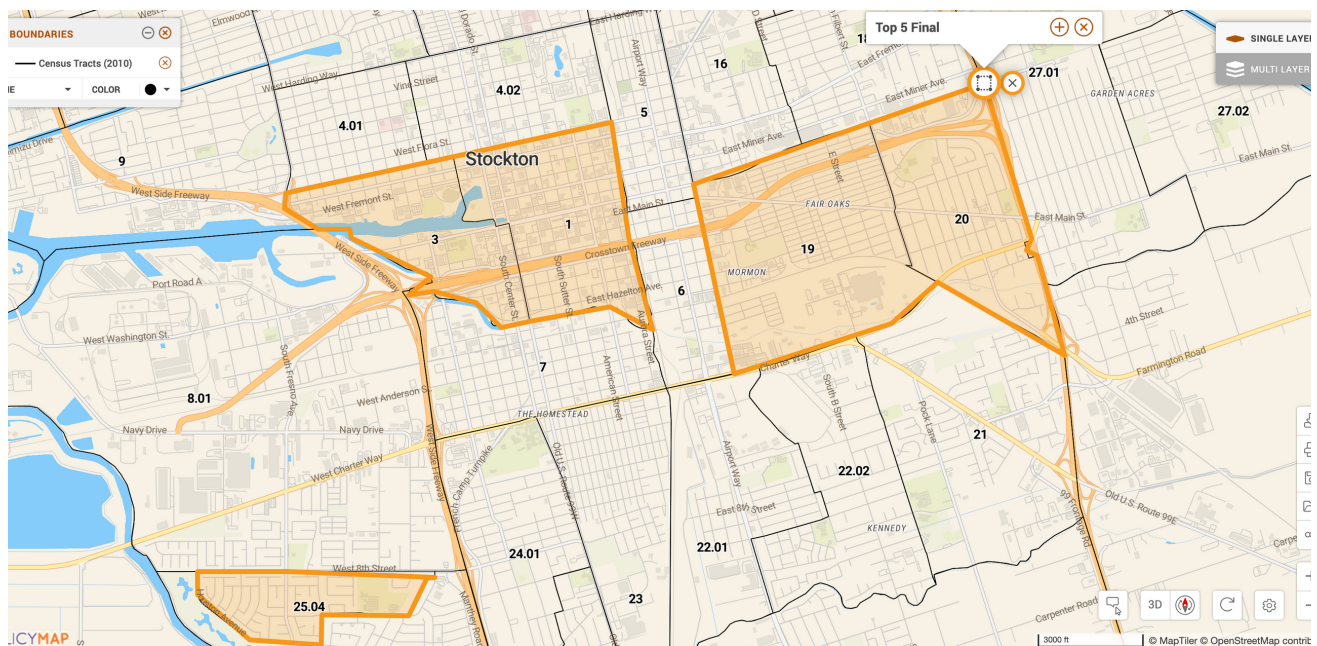
Data Insights: Community Needs Index

In December of 2020, the Embers Project team developed the Community Needs Index (CNI) to provide the community with digestible community data to inform their decision on the need for and focus of a community development entity in Stockton. The CNI measures 33 indicators ranging from per capita income estimates to the incarceration rate for low-income families. The team employed this indexing strategy to determine what Stockton census tracts deal with the most extensive consequences of disinvestment.

The following are the top five census tracts ranked from highest to lowest CNI score (the higher the score, the more opportunity there is for development). We used these five census tracts as a case study to examine needs within Stockton that a CDE could address.

Top Five Census Tracts of Community Need

- 06077000300 - 3: Downtown/ Marina
- 06077002504 - 25.4: Van Buskirk Adjacent
- 06077000100 - 1: Downtown/ Historic Little Manila
- 06077002000 - 20:
- 06077001900 - 19: East Downtown



During Phase I, both teams interacted with CNI and validated the data with their lived experiences. We incorporated their lived experiences as residents of these neighborhoods throughout this section to amplify the findings.

The distribution of investment and resources across Stockton has been uneven. We have utilized the regional data from the top five census tracts because Stockton-wide data conceals the specific needs of these structurally disinvested neighborhoods. It was no surprise to our community teams that the top five census tracts were close to the Crosstown Freeway. The narrative of the construction of the Crosstown Freeway is that it was going to bring prosperity to Stockton. Still, the data demonstrates, and the community shares that it did the exact opposite. The freeway destroyed family homes, businesses, and community centers and has caused lasting health and economic impacts for Stockton community members.

Homeownership rates highlight a clear indicator of these uneven investment patterns. In Stockton overall, the census reports 49% of households were owner-occupied from 2015 to 2019. Still, within the five census tracts examined by the CNI, the rate is estimated to be only 28% between 2014 to 2018. Safe and stable housing is a baseline need, which, once met, can facilitate improvements in other categories. A focus on affordable, supportive housing can be a central point for implementing programming to address different community needs, such as youth development and childcare. Supportive housing can also mean having access to proper grocery stores and healthcare practitioners for its residents.

In addition to bolstering housing availability and affordability, a CDE can directly address **adverse health outcomes resulting from environmental racism and historic policy choices**. The CNI found that these five neighborhoods in Stockton scored an average of 1.054 on the health index, which is 256% higher than Stockton's mean. Notable areas of concern include respiratory impacts from air pollution, which can be improved with the same actions that will lower the city's overall climate change impacts. Additionally, efforts to increase overall greenspace, maintain tree canopy, and improve air quality (through electric vehicles, access to bike infrastructure, or upgrading of home appliances) will improve quality of life and access to economic opportunities.

Several metrics demonstrate this area of Stockton's struggle with employment and income inequality. As the Community Needs Index stated, "unemployment in this region was nearly a point higher than the San Joaquin average before the pandemic and has taken longer to recover than the San Joaquin total." Aside from total available jobs, the type of available jobs is also essential as it can correlate with earning potential. The Census reports that [median household income](#) in 2020 is \$54,614 in Stockton compared to \$100,315 in California at large. According to the CNI, the community is overrepresented by employment in low-wage jobs, resulting in a significant portion of the Stockton workforce commuting to other cities for higher-paying employment opportunities. This contributes to the "brain drain" of the area and proves that the talent and skills residing in Stockton need a robust jobs ecosystem to flourish locally. Doing so will help in raising the overall income floor.

Community-led investments designed to address the structural inequities that produce these outcomes can act as a catalyst for improvement across all the indicators, as mentioned earlier. Stockton has recently received state dollars from several sources such as the Transformative Climate Community Grants (\$10.8M) and AB617 (\$37M) specifically to target environmental justice and climate infrastructure, providing the city with a unique opportunity to become a national innovator. More specific recommendations for instigating a community development ecosystem in tandem with these aforementioned opportunities can be found in the following section.

Potential Projects

Based on the data gathered through the Embers Project, the CCEDA team recommends that the community should focus on low-income / high opportunity neighborhoods of Stockton, notably the five census tracts identified in the Community Needs Index (see above summary). As the community determines its collective priorities around how to invest in people, the below range of potential projects may help to catalyze and inform that process.

The potential projects are based on ideas discussed during community meetings, in addition to the needs identified by organizations as they sought technical assistance in the feasibility phase. Each potential project highlights a **tangible community need**, the **prospective capabilities required**, and the **community development vehicle** that might be utilized. While this list is not exhaustive, it is intended to capture the essence of how the community can drive investments into human capital development.

Recommendation #1:

Strengthen the **small business ecosystem** by investing in **entrepreneurs of color**. Ever since the 2008 Financial Crisis and even more so in this time of renewed focus on racial equity, investments in diverse businesses are seen as an effective tool to build community economies. The Stockton Community Kitchen (operating in downtown Stockton) offers hourly kitchen rentals to current and aspiring home chefs developing their catering businesses. As many are starting in food services and entrepreneurship, access to capital is limited. There may be an opportunity to offer loans or lending-related services to this community of predominantly immigrant women of color as they grow their business and seek to invest in upgraded equipment or expand their operations through food trucks or brick-and-mortar retail space.

- **REQUIREMENT:** Create or partner with CDFI to build lending capabilities (for reference, Main Street Launch has experience in Stockton - previously partnering with the City of Stockton in 2020 to support small businesses). A CDE can connect food entrepreneurs of color to technical assistance. In San Francisco, La Cocina's commercial kitchen supports its food entrepreneurs with business launch support, food product development, and lease agreements when they are ready for commercial operations.

Recommendation #2:

Remove barriers for workers to access jobs or seed worker-owned businesses. During the COVID-19 pandemic, unemployment skyrocketed; in December 2020, 140,000 jobs were lost in the US, with women disproportionately impacted - accounting for all job losses. The numbers further bear out racial disparities; the unemployment rate was higher than average for Latina and Black women. Beyond that, however, is the reality that childcare and school closures have further forced millions of primary caregivers out of the workforce. As communities grapple with the recovery, there may be a need to build or augment a more robust childcare infrastructure bolstered by creating women-led small businesses. In the context of economic recovery, a model to pay attention to is the Evergreen Cooperative in Cleveland that "catalyzes new businesses,

owned by their employees.” This approach is pursued as a wealth-building strategy for low-income workers that are often locked out of more traditional employment opportunities.

- **REQUIREMENT:** Create a CDC to support the workforce training, or invest in the start-up costs of childcare-oriented businesses across the community. CDCs can help child-care providers identify facilities where they can serve children and grow their business. Many CDFIs could finance childcare facilities and provide microloans to home-based child care operators.

Recommendation #3:

Expand **green infrastructure** and **job opportunities** in **low-income communities**. Stockton has some of the worst air quality in the state. From 2017 to 2020, the Stockton environmental justice community helped drive \$65M+ worth of public sector investment into Stockton’s climate projects. For the next 5-7 years, that will directly impact electric transportation, workforce training, community gardens, solar on single and multi-family homes, and air quality incentives. Significant capital will be required to build a pipeline of robust ‘Green New Deal’ jobs. A CDC might be a vehicle to help finance expanded climate infrastructure needs - like cleaner appliance upgrades (water heaters, stoves, dryers, HVAC, etc.), building electrification, or cleaner power sources (like solar/microgrids). This body of work could focus on commercial or residential properties. Either way, it will have to happen in tandem with labor/trades groups and leverage non-traditional partnerships to expand access to training, placement, apprenticeships that leads to employment opportunities for local residents.

- **REQUIREMENT:** Create a CDC that can host larger-scale climate infrastructure projects/agreements in connection with the trades. As required, partner with a CDFI to project finance (including solar, weatherization, green buildings and healthy homes). In Chicago (West Town), Bickerdike owns the social enterprise Humboldt Construction - which provides union construction jobs and contracting services for Bickerdike and employs an average of 15 carpenters annually.

Recommendation #4:

Drive **local land ownership** through the development of **creative services** on **vacant lots**. There are several brownfields and other vacant lots throughout midtown, downtown, and south Stockton that have been subject to chronic neglect or toxic contamination from industry. Some of these could benefit from creative re-use, and in turn, spur placemaking efforts and drive larger-scale commercial revitalization. If residents or community groups took ownership of these lots, these newly revitalized areas could breathe new life into neighborhoods by providing outlets for social enterprise development, urban agriculture, or artistic space for community-based organizations.

- **REQUIREMENT:** Evaluate prevailing community land trust models and review efforts like the East Bay Permanent Real Estate Cooperative. In San Diego, the Jacobs Neighborhood Center has helped to develop a community shopping center where some residents have

purchased shares. These are promising strategies for enabling CDEs to acquire properties that could benefit the community.

Recommendation #5:

Revitalize neighborhoods by adapting the use of outdated building stock. Taking cues from a [2019 City Council resolution](#) about historic City Hall, there is precedent for the City of Stockton to support the adaptive reuse of older buildings downtown. Particularly in the historic midtown Magnolia district of Stockton, many underutilized buildings can be transformed into mixed-use developments, in addition to market-rate or affordable housing. Doing so would not only generate new opportunities for the neighborhood but could potentially incentivize local homeowners and investors to enhance proximate corridors and properties. New Markets Tax Credits (NMTC), Historic Tax Credits, and other financing tools can be applied for creating adaptive reuse.

- **REQUIREMENT:** Create a CDC to advance the acquisition and rehabilitation of the properties and identify what CDFIs can finance for adaptive reuse strategies with commercial properties.

Recommendation #6:

Lessen displacement of small businesses by investing in commercial infrastructure. Small businesses across the country have been struggling against the weight of the pandemic. This struggle has been especially acute as commercial rent relief has been hard to attain from many landlords (even while mortgage relief has been available from lenders). One concrete way to support these businesses is to lower barriers for them to purchase their own retail space - instead of being subject to short-term leases, rent spikes, and speculative investors. Given the high number of vacant and/or blighted properties - particularly across downtown and south Stockton - there's an opportunity to invest in these properties and help stem the displacement of local businesses. This could happen by partnering with small businesses interested in commercial property acquisition or community-based development organizations to develop commercial space for businesses.

- **REQUIREMENT:** Identify whether a CDC or a community land trust is best suited towards addressing the nuances of commercial infrastructure needs and the capacity and financial resources required. For example, Bickerdike Redevelopment Corporation developed El Mercado, where locally-owned Cermak Produce serves as the anchor business and is committed to ensuring that local residents fill at least 75 percent of its jobs.

Recommendation #7:

Advocate for policy to accelerate business improvement districts in disinvested areas. Property & Business Improvement Districts (PBID) are a proven strategy for marketing and public space enhancements (i.e., benches, store signs, etc.) that are already being employed by the Downtown Stockton Alliance and the Miracle Mile Improvement District in Stockton. PBIDs tax themselves and finance improved facilities and marketing to attract new customers. There is also a potential connection with art districts, which could lead to improved economic vitality - for business, retail

and cultural facilities in key neighborhoods. This project would likely require a critical mass of businesses to advocate to the City Council for a PBID in another part of the city (example: to serve neighborhoods within south Stockton)

- **REQUIREMENT:** Assess the role of a CDC in advancing policy, advocacy, and potentially launching and managing a BID. The Unity Council in Oakland manages the Fruitvale Improvement District. Avenida Guadalupe in San Antonio has a BID, H Street CDC in Washington D.C. has a BID, and there are several CDCs in New York City, notably Fifth Avenue Committee in Brooklyn that manages a BID.

Recommendation #8:

Support **first-time homebuyers** through the **production of new housing units**. There is an important precedent for this work, as STAND in Stockton focuses on acquiring and rehabilitating housing. Through this work, STAND is enabling families in south Stockton to become first-time homeowners. With a shortage of affordable housing units across Stockton and San Joaquin county, this work is important and could potentially be scaled with greater financing capacity; that could focus on rehabilitation or expanded to housing production (with groups like Visionary Homebuilders and the Housing Authority). To the extent relevant, a vital consideration is partnering with existing housing advocacy efforts - whether that's with faith-based groups or with the work of the Housing Justice Coalition.

- **REQUIREMENT:** Determine whether housing rehabilitation or production should be the core focus for a CDC. Depending on the focus, the CDC may need to engage in policy advocacy to create the right enabling conditions. Then determine which CDFIs can provide the financing and technical assistance to produce affordable homeownership opportunities.

Recommendation #9:

Invest in **young people** by **developing financial power from childhood to adulthood**. One of those methods is through the creation of children's savings accounts to create financial assets. In Stockton, the California Student Aid Commission (CSAC) approved a grant award of \$4.6M to San Joaquin A+ for a pilot program of the Child Savings Account grant program. To that end, the community development entity can be a catalyst and/or provider for building human and financial capital. An example is Prosperity Now - a national organization that provides technical support to CDEs involved in asset building from Children's Saving Accounts to Individual Development Accounts (IDAs). An example of how to build on these tools is in Austin, Texas: there, the Foundation Communities sponsors an IDA, homeownership center, and financial counseling and coaching.

- **REQUIREMENT:** There is a range of entities that can help build financial literacy; they include CDCs, credit unions, community action agencies, etc. Determine which services are needed - whether that's financial literacy, capability training, and/or coaching on how to save, minimize debt, and reduce expenses.

New Partnership Opportunities

Partnership strategies are key to building the capacity and expertise of the new CDE in priority areas. Those partnership models will necessarily include the public, private and nonprofit sectors. Given the COVID-19 pandemic, there are increasing opportunities to seed collaboration with federal support. As of June 2020, the federal government awarded a total of \$1.25 billion to 863 CDFIs across the country to support COVID-19 relief. Community Vision received \$1.82 million that will be used as lending capital for historically disinvested communities in Northern and Central California.

The community development opportunity chart below:

- highlights local organizations that could play a leadership role in Stockton in implementing the community development initiatives
- offers a comparison of similar initiatives in cities that are relatively analogous to Stockton

| Potential Initiatives | Stockton Resources | Examples | Capacity & Resources |
|--|---|---|--|
| Minority entrepreneurship | Hispanic Chamber , African American Chamber | Unity Council (Fruitvale BID) | Experienced org with minority entrepreneurship, and specialized technical assistance |
| Environmental, climate resiliency, electrification | Little Manila Rising , Rising Sun , Grid Alternatives | Isles, Inc. , Climate Resolve, L.A. , Community Garden Council , Fresno Metro Ministry | Expertise, climate networks, health homes expertise needed |
| Workforce development | WorkNet , Delta College , RSSC | CPLC , Isles, Inc. | Need help with design for workforce initiatives focusing on green economy |
| Art and culture | Little Manila Rising , other cultural orgs | Avenida Guadalupe , EBALDC | Placemaking to connect community development to arts and culture including financial, resources needed |
| Adaptive reuse | Downtown Stockton Alliance | Historic Core LA , West Enterprise Center, S.F. , Small Sites Program , Miami Beach CDC | Design, finance, and accessing buildings for adaptive reuse |
| Vacant properties | STAND , RSSC | NJCC , Youngstown CDC | CDFI to assemble funds to acquire properties and have them renovated |
| Supportive housing | RSSC , Dignity | Tenderloin Neighborhood Development Corporation , Corporation for Supportive Housing | CSH and local/regional supportive housing expertise |
| Commercial revitalization | Downtown Stockton, commercial corridors | Unity Council , EBALDC , Historic Core LA | Finance and expertise, renovation expertise |
| Port development | Port of Stockton | Port of LA | |

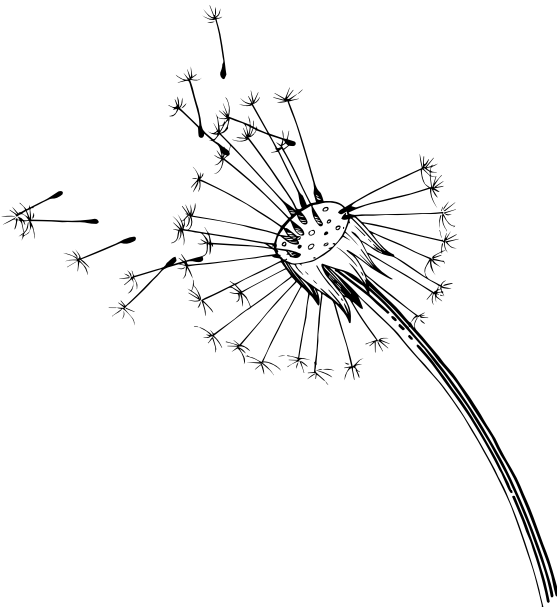
There is a temptation for a new organization to want to do everything. It is essential to stay focused on core priorities and not pursue more than a couple of initiatives. Start small and achieve quick victories, which will build momentum and generate interest and support for future projects. Use this time as an opportunity also to build up relationships, identify shared priorities, and create a funding strategy to support the ecosystem of actors.

Update on Our “Dandelion Approach” Building a Shared Result & Distinct Subgroup Priorities

An earlier version of this feasibility report described a draft decision-making proposal for the Stockton Community Team to consider in moving toward consensus on a project to pursue. Since that version of the report was released, the Embers team learned of a new way to support the community during Phase 2. We refer to this as the “dandelion approach.” This approach is designed to create the enabling conditions inside the Embers Project for several visions and projects to germinate and take root simultaneously.

Given the varied interests of the groups (see above for 8 Potential Development Priorities), we’ve since structured the Stockton Community Team into 4 subgroups to help them craft distinct priorities. Instead of asking the community to pursue a singular project, we’re now designing a process where distinct subgroup priorities can flourish under a shared result. We anticipate that the need for decision-making and governance will still be essential to figure out but maybe more relevant to determine inside of each subgroup. The Embers Project still aims to support this objective as we move into the subsequent phases of development.

As the subgroups continue to develop their priorities (based on the above recommendations), they are considering a diverse range of strategies, including:



- The creation of a community land trust to support entrepreneurs and creatives in the preservation of underutilized property;
- The production of new housing units to support pathways into homeownership;
- The development of a pooled fund for housing services (including the cost of utilities) that could support housing and homeownership services across the county;
- The acquisition of vacant or abandoned property to undertaken brownfield redevelopment;
- Strengthening the small business ecosystem by supporting entrepreneurs and small businesses of color (specifically African American entrepreneurs)

Project Timeline

Phase I: Feasibility Phase (completed)

Phase II: Seed Phase (currently underway)

The Embers Project began the second phase in May 2021. The community started seeding the ground for implementation by setting development and investment priorities to advance by September 2021. To move forward, the community needed to address the following milestones:

- Validate the feasibility report (this document)
- Identify priority issue areas
- Determine the geographic scope of this work and the populations who will benefit
- Decide if new or existing organizations should house projects that emerge

Phase III: Implementation Phase

Once the community aligns on priorities, the third phase should focus on implementation. From December of 2021 to July of 2022, some of the primary milestones include:

- Solidify a shared result centered on advancing economic mobility
- Identify organizational champions to advance subgroup goals
- Clarify what type(s) of CDE will be the most effective vessel to move various projects forward
- Establish networks of community, technical and political support
- Create a one-year funding plan, including the provision of planning capacity dollars
- Determine implementation timeline

Budget

Since the community is still nailing down their collective priorities and strategies, the Embers Project team is not proposing a budget for potential CDEs at this time. However, CCEDA graciously provided a general operational budget for establishing a CDC (see Appendix 9) for a future proposal.

CCEDA also provided a detailed [funding manual](#) for community development practitioners with public and private sector funding sources in Stockton. The funding sources include federal, state, and local community development sources; financial institutions; philanthropy; and other private sector resources.

A1. Project Partners and Consultants

- The Edge Collaborative is a civic incubator; its team is responsible for incubating the Embers Project to help generate community wealth building.
- Jairius Matthews, the project co-lead, acts as the primary liaison between the community, various stakeholders, and consultants -- establishing clear project milestones and deliverables.
- The Community Foundation of San Joaquin (CFOSJ) acts as the fiscal sponsor and institutional steward of this community development effort, in partnership with the Edge Collaborative team.
- The Reinvent South Stockton Coalition (RSSC) is a collective impact organization in Stockton and serves as our community partner and liaison in this effort.
- Ground Works Consulting works with community and organizational leaders to reimagine and rewire our housing and community development systems to advance health equity, climate resilience, and shared prosperity. As project consultants, they advise the Embers Project team, and facilitated a community development workshop series designed to allow local leaders to learn from a range of practitioners and researchers.
- California Community Economic Development Association (CCEDA) is nonprofit statewide membership association that advances the field of community economic development through training and continuing education, technical assistance, and advocacy on public policy on behalf of its membership - who are actively engaged in revitalizing low and moderate income neighborhoods in California and across the nation. **CCEDA completed this study with the support of its lead consultant, Robert Zdenek.**

A2. A Closer Look at CDCs, CDFIs and CLTs

Community Development Corporations (CDC)

The major characteristics of a CDC are:

- A community-based board composed of residents and professionals committed to revitalizing their community leads CDCs. The CDC board provides governance, leadership, strategic direction and oversees the fiduciary responsibilities of the organization.
- CDCs have professional staff with expertise in community and economic development, finance, and project management and implementation.
- The CDC legal structure is a 501 (c 3) non-profit umbrella under which several programs and subsidiaries operate to the benefit of the organization.
- CDCs have to be disciplined; they cannot do every project at once, especially when they are young and emerging organizations.
- Community development is a comprehensive strategy, so CDCs develop both specialized skills (finance, real estate, small business lending, workforce development, etc.) and partner with organizations that have the other skills they need.

Major projects and programs that CDCs implement include:

- Affordable housing (rental and homeownership): CDCs have developed over 1 million housing units as of 2010, which was the last national survey of community development accomplishments.
- Commercial revitalization, including mixed-use and community facilities: CDCs have expanded their real estate development expertise to renovate and/or construct millions of square feet of new space. This includes an incubator, retail, office, childcare, and charter schools.
- Small business lending: CDCs have developed specialized expertise in lending and supporting small businesses in their community. CDCs operate loan funds, provide direct technical assistance to businesses, and invest in business growth.
- Workforce development: CDCs are often a bridge between employers and residents seeking employment and/or skill upgrade. Some CDCs offer specialized workforce development programs, and other CDCs partner with employment and training organizations specializing in employment and training.

Funding Sources

CDCs raise funds for operational and project development from an array of sources. Public funding sources tend to be Community Development Block Grants (CDBG) and HOME Investment Partnerships Program (HOME). Financial institutions are an essential source of funding since they can receive Community Reinvestment Act (CRA) credit for investing and lending with CDC projects, philanthropic and corporate support.

Community Development Financial Institutions (CDFI)

The six types of CDFIs:

- 1) **Non-profit community development loan funds:** The most common type of CDFI. They provide housing and community development lending.
- 2) **Community development credit unions:** These provide financial services such as savings accounts and personal loans to communities that are underserved by traditional financial service providers.
- 3) **Community development venture capital funds:** These funds provide equity and debt financing and focus on supporting entrepreneurs.

A2. A Closer Look at CDCs, CDFIs and CLTs (continued)

4) **Community development corporation lenders:** A few CDCs have lending and investments as their primary priority, mostly rural CDCs who serve a large geographic area.

5) **Community development banks:** These are federally regulated organizations that invest capital in community revitalization. There are few community development banks in the U.S.

6) **Microenterprise development loan funds:** Microloan funds offer financial and technical support as small loans (often less than \$50,000 to the entrepreneur). Technical assistance and peer lending are critical elements of the microloan program.

CDFIs accumulate their capital from many sources, including banks, government, insurance companies, religious institutions, foundations, and individuals. CDFIs support CDCs, land trusts, and community-based organizations.

The Community Reinvestment Act (CRA) is one of the primary motivators for banks to invest in CDFIs. CDFIs differ from traditional financial institutions in that they are often willing to make loans that the private sector will not. To meet the financial needs of underserved individuals, organizations, and communities, CDFIs must understand the communities that they serve and form relationships with multiple stakeholders.

The Community Development Financial Institution (CDFI) Fund, part of the U.S. Department of Treasury, certifies CDFIs whose missions are investing in community development. The fund provides both financial and educational services and serves one or more defined markets. Only certified CDFIs can apply for funding from the CDFI Fund. CDFIs accumulate their capital from many sources, including banks, government, insurance companies, religious institutions, foundations, and individuals. Financial institutions prefer working with CDFIs because they get immediate Community Reinvestment Act credit and spread community development credit risk among the CDFIs they support. The nearly 1100 CDFIs in the United States have combined net assets of \$222 billion.

Community Land Trusts

CLTs are governed by a board of directors composed of CLT residents, other community residents, and public representatives.

Homeownership is the predominant CLT activity. Once the CLT acquires the land, families then purchase the house on that land, not the land itself. The CLT owns the land, and the land is conveyed to the homeowner through a 99-year ground lease. The homeowner can only sell back to the CLT and can capture some of the home improvements in addition to the purchase price. The CLT will then resell the home to a new, prospective homebuyer at a low cost, ensuring affordability.

While homeownership is the predominant CLT activity, there are also CLTs for rural and urban agriculture projects and commercial spaces. A related strategy to CLTs is shared equity strategies where the homeowner receives a higher percentage of equity when they sell. Grounded Solutions is the trade association of CLTs and shared equity models. They have an array of resources to share with practitioners, advocates, and policy leaders.

Community Development Corporations can establish Community Land Trusts (CLT) as part of their affordable housing strategy.

A3. Core Competencies

Community development relies on several community engagement skills and technical expertise referred to as core competencies. The book *Navigating Community Development* (Zdenek and Walsh) refers to twelve core competencies that community development organizations need to master. The major core competencies that a CDC or CDFI needs for implementation include:

- **Organizational development and management:** Building a solid organization with representative governance and capable leadership is key to launching a new CDO. Human capital is also a critical element of organizational effectiveness both in recruiting talented staff that reflects the community and having strong training in place so that staff can acquire the necessary skills to succeed. Financial management and systems also need to be put in place.
- **Community engagement and public policy:** CDCs and CDFIs are unique institutions that blend community and technical knowledge. Community development engages individuals and communities in developing their vision of a healthy and sustainable future while considering the larger context of the metropolitan and/or regional conditions and needs.
- **Planning:** Community engagement helps set the stage for planning through better understanding the priorities and opportunities of community residents and their numerous partners. There are three types of planning for community development: strategic planning, community planning, and project planning. Project planning is contingent upon strategic and community planning. It is essential to understand the community's economic and social dynamics when embarking on these planning efforts.
- **Resource Development, Capital Aggregation, and Fundraising:** Community development requires capital from a wide variety of sources. Community development organizations generally need money for core operations, as well as specific projects and lines of business. Pursuing new funding sources provides an essential opportunity for partnership strategies among diverse community development organizations.
- **Collaboration and Partnership:** Community development encompasses a breadth of issues and sectors that need to be engaged. All community development organizations need to work well with others, no matter their size or aptitude. Shared vision, leadership and decision making, participation, innovation, and resources are characteristics needed for effective collaboration. One of the major reasons that organizations collaborate is to share knowledge and develop innovative strategies that are beyond the capabilities of one organization.
- **Performance Management and Evaluation:** Community development organizations are under great scrutiny to use limited funds to achieve significant change within their community. In evaluating community development work, organizations need to track their outputs, outcomes, and impact.

A4. Community Development Effective Practices

CCEDA draws effective practices from over 30 years of observing and assisting CDEs that have achieved impact, whether they feature CDCs, CDFIs, affordable housing developers and other community development organizations. Effective practices have evolved over the past five decades and there is a growing consensus that some of the major practices include:

- **Comprehensive approach:** Community development represents a comprehensive approach to community revitalization. Low-income communities need more safe and affordable housing, employment, commercial and retail, basic services, and community facilities including health, education, and early childcare. CDEs cannot do everything, but they can partner with other organizations and businesses to revitalize their neighborhood.
- **Community engagement:** Effective CDCs engage community residents, stakeholders, and leaders through their board of directors, partnerships and development projects that benefit the local community. Diverse stakeholders will bring ideas, support, resources, and new partners to enable a CDC to grow and thrive. CDCs are developing initiatives that do not create displacement or lead to gentrification in the neighborhood.
- **Catalytic:** Effective CDEs are catalysts in revitalizing neighborhoods. They launch visible and important projects that encourage others to invest and revitalize their community. It is important to select projects that will lead to additional projects and strengthen local markets.
- **Leverage:** Effective CDEs, especially CDFIs, leverage significant financial resources from public and private sources. Federal resources have declined over the past two decades, so a CDC needs to utilize other resources. It is not unusual for a CDC to have at least seven funding sources in a sizeable affordable housing development project and at least five sources in a commercial revitalization project. Projects with multiple funding sources often take longer to develop due to the challenge of layering many funding sources. However, projects with various funding sources have more significant support from diverse stakeholders.
- **Development capacity:** The development process involves design, acquisition, environmental remediation, pre-development, construction, completion, and managing assets and residents. This capacity can be both within the CDC and with other partners. Smaller CDCs will need to find capable partners, notably in financing and to manage the project once it is complete.
- **Strong financial position:** The more effective development projects a CDC can start, the stronger their financial status. CDCs can develop significant revenues from their development projects that will make them more financially independent. CDEs need to be adept at diversifying their resources. The CCEDA fundraising formula of 1/3 public, 1/3 private, and 1/3 philanthropic is an excellent initial framework. Development projects lead to revenue and assets for a CDC, making the organization more independent and sustainable.
- **Collaborative:** CDOs partner with other organizations as it is difficult to achieve comprehensive development independently. CDCs can bridge the public and private sector through collaborative strategies and partnerships from health care to education institutions to private sector developers.
- **Core competencies:** Community development requires various competencies that are often beyond one organization's ability, especially a relatively young CDE. Core competencies grow over time as the CDC tackles more complex initiatives. For instance, a CDE that has developed several real estate projects does not need a property management capacity internally. Instead, they can hire a property management firm to manage the property.

A5. Choosing the Location of a CDE

CDEs are often formed to serve an entire city, but they are more effective when targeting a specific geographic area or neighborhood(s). Targeting low-income neighborhoods allow the CDE to concentrate development initiatives and achieve impact in terms of housing, jobs, small business enterprise, etc. Some of the geographic criteria that can be used to determine the best locations include:

- **Income levels:** CDEs are created to benefit low- and moderate-income communities, so it is essential to select neighborhood(s) with a significant percentage of low- and moderate-income residents that can benefit from this strategy. Ideally the community has a ratio of below 80% moderate-income and below 50% median-low-income, but at least 40% of the population below 80% median income, and 20 to 25 percent below 50%.
- **Diverse population:** Communities of color have been redlined and disinvested in by the private and public sectors for decades. One of the strengths of a CDE is to help communities of color improve their economic conditions and demonstrate viable markets. These communities need to be represented in the creation of a new CDE.
- **Employment levels:** Low-income communities often have higher unemployment and underemployment. CDEs can help address those challenges through economic development activities including small business and entrepreneurship, commercial and industrial revitalization, and workforce development activities to create quality jobs for residents.
- **Homeownership rates:** Communities with a higher level of homeownership are viewed as more stable and less transient. Residents are able to build equity and they are committed to the viability of the neighborhood. A goal of many CDEs is to increase the homeownership rate in the neighborhood by encouraging local residents to become homeowners by providing them with the financial and technical tools.
- **Educational attainment:** Low-income communities usually have lower high school and college graduation rates. There is an opportunity for a CDE to partner with education and employment support initiatives to create and expand education opportunities.
- **Access to financial services:** A number of low-income communities exist in what are referred to as “banking deserts”, which means that there are no financial services within a mile of residents. CDCs and CDFIs exist in large part to help residents access mainstream financial services and products by bringing financial education, services, and products to the neighborhoods.
- **Grassroots organizations:** Neighborhoods that have a rich tradition of volunteer and grassroots organizations are a good location for a CDE. CDEs will need to draw an active level of community engagement, leadership, and commitment to social change. Community organizing can be viewed as a prerequisite for community development.
- **Infrastructure:** Infrastructure has a major impact on community development and economic development. Houses built too close to freeways will lead to respiratory problems for residents. Some businesses need access to highways and rail tracks to transport goods. Safety features such as sidewalks, street parking, public transportation, and street crossings are also important, especially for children and older adults.

A6. Community Team Membership and Participation

| Active Members | |
|---|---|
| <ul style="list-style-type: none"> ● Annette Sanchez, Visionary Homebuilders of CA ● Bobby Bivens, Stockton NAACP Branch ● Darryl Rutherford, Reinvent South Stockton Coalition (RSSC) ● CaseyAnn Carbonell, Everyday Impact Consulting ● Cheron Ames, STAND Affordable Housing ● D'Adrea Davie, Stockton NAACP Branch ● David Sengthay, Stockton Stands ● Edward Samson, CA Coalition for Rural Housing ● Elazar Abraham, HATCH Workshop ● Evai Delafosse, Stockton Arts Commission ● Jasmine Leek, Third City Coalition ● Jessica Fong, Stockton Art League; Tuleburg Press; Stockton Arts Foundation | <ul style="list-style-type: none"> ● Jesus Andrade, Sierra Pacific Mortgage (formerly City Councilmember) ● Jon Mendelson, Project Homekey ● Karlaine Francisco, Little Manila Rising ● Dr. Kathy Hart, San Joaquin Delta College ● Matt Holmes, Holmes Consulting ● Moses Zapien, Community Foundation of San Joaquin (CFOSJ) ● Nicholas Sanchez, Library and Literacy Foundation of San Joaquin (LLFSJ) ● Pandora Crowder, Conway Homes Resident Council ● Patricia Miller, Edible Schoolyard ● Peter W. Ragsdale, Housing Authority County of San Joaquin (HACSJ) ● Philip Hon, Unbound Stockton Community School ● Salvador Vargas, San Joaquin Delta College |
| Inactive/Former Members | |
| <ul style="list-style-type: none"> ● Dillon Delvo, Little Manila Rising ● Edmund Green, Stockton NAACP Branch ● Lawrence Brice, AA Athletes Hall of Fame ● Maria Alcazar, STAND Affordable Housing ● Hannah Divino, Little Manila Rising | <ul style="list-style-type: none"> ● Mariel Rodriguez, STAND Affordable Housing ● Nicholas Hatten, Non-Profit Allstars for Justice ● Samuel Nunez, Fathers and Families of San Joaquin |

A7. Community Meeting Series Details

Central Valley Community Development Learning Lab Series

The learning labs were designed and facilitated by Allison Allbee and Saneta DeVuono-powell (Ground Works Consulting). It was a series of workshops designed to unlock resources and remove equitable development barriers in three Central Valley communities. The workshops were the gathering place for participants to learn from each other and a range of California-based community development practitioners. The following is a complete list of practitioners who participated in the Central Valley Community Development Learning Lab Series:

- Sergio Carranza, Executive Director, Pueblo Unido CDC
- Steve King, Executive Director, Oakland Community Land Trust
- Valerie Jameson, Founding Executive Director, Richmond LAND
- Zachary Murray Up South/Down South Consulting
- Rudy Espinoza, Inclusive Action LA
- Thomas Yee, Center for Community Investment
- Araceli Palafox, Lift to Rise
- Alondra Williams-Vasquez, Community Vision
- Carolina Reed, Associate Professor, UC Berkeley

Community Development Case Studies

CCEDA presented four community development case studies to the community teams during joint meetings in February of 2021. They also discussed core competencies, best practices, and funding sources for each case study. The following is a summary of CCEDA's presentations:

East Bay Asian Local Development Corporation (EBALDC)

EBALDC is a 45-year-old organization serving Oakland low-income communities. EBALDC has developed nearly 2000 units of affordable housing, 300,000 square feet of commercial space, and launched the San Pablo Avenue Revitalization Corridor (SPARC) to improve health and community development outcomes for low-income residents. EBALDC has 13 partners with SPARRC, and new affordable housing has been developed, a healthy grocery store, community space, and health services in senior housing. EBALDC has built strong competencies in community engagement, organizational development, project development; fundraising and collaboration. This multi-sector partnership example is relevant for Stockton.

New Jersey Community Capital (NJCC)

NJCC is a community development financial institution (CDFI), founded in 1987. They have invested \$649 million, and have focused on affordable housing, small business development, commercial revitalization, and education, including child-care and charter schools. NJCC created a subsidiary, Community Asset Preservation Corporation (CAPC) which acquires vacant and distressed properties at a deep discount. CAPC works with CDCs to renovate and rent or sell to low- and moderate-income families. They have acquired over 1000 units and renovated over 850. Since its formation, NJCC financing has led to 10,550 new housing units, 7,155 child care slots, 25,160 charter school slots, 15,040 jobs, and 6,300,000 square feet of commercial and community space. NJCC is an excellent example of how to convert vacant property to productive use. They have strong project finance, management, fundraising, and collaborative competencies.

A7. Community Meeting Series Details (continued)

The Unity Council

The Unity Council, formerly Spanish Speaking Unity Council was founded in the mid-1960's to undertake economic revitalization of the Fruitvale Neighborhood in Oakland. The Unity Council has developed a comprehensive approach to revitalization. Their signature initiative is the Fruitvale Bart Station, which includes commercial buildings, housing, and cultural and human service activities. The Unity Council is also involved with teen programs and youth employment initiatives. They act as an anchor institution for the community connecting economic development and services. Their strong competencies are organizational development, community engagement, project development, fundraising from diverse sources, and working collaboratively with other organizations. Annually, the Unity Council provides:

- childhood early education to 700 children
- 4322 recreational hours to vulnerable seniors
- 132,778 meals to low-income people
- mentoring and academic support to 201 youths of color
- education and training for 100 youth job-seekers
- \$14 million in refinancing for the Fruitvale Bart Center project
- 194 affordable housing units in construction
- 390 small businesses supported through the Fruitvale Business Improvement District
- and 465 units in the pipeline.

Youngstown Neighborhood Development Corporation (YNDC)

YNDC was founded in 2008 to revitalize transitional neighborhoods in Youngstown, Ohio. Youngstown lost over ½ its population and had 5000 vacant units. YNDC has focused on housing renovation and home repair, small business support, and safe schools. They have renovated over 100 housing units and dozens of families with home repair plus supporting small business development. YNC has a budget of over \$4.6 million and a fund balance of \$7 million. Their core competencies include community engagement and organizing, project development, fundraising, having raised funds from 50 different sources, and partnerships working with diverse organizations.

A8. Community Narrative Sources

1. A Look into Stockton's Past: <http://www.stocktongov.com/discover/history/hist.html>
2. Our Diversity: Native Americans first to call Stockton home, by Lori Gilbert: <https://www.recordnet.com/article/20141129/entertainmentlife/141129569>
3. Stockton's History: <https://www.visitstockton.org/about-us/stockton-history/>
4. Mapping Inequality: Redlining in New Deal America. Stockton, CA map available at: <https://dsl.richmond.edu/panorama/redlining/#loc=13/37.968/-121.299&city=stockton-ca>
5. Mapping Inequality: Redlining in New Deal America. Introduction: <https://dsl.richmond.edu/panorama/redlining/#loc=3/45.4/-114.79&text=intro>
6. The Demolition of the Rizal Social Club by Dillon Delvo: <https://www.littlemanila.org/blog/2020/10/22/the-demolition-of-the-rizal-social-club>
7. Gleason Commercial Master Development Area, 2003
8. Green Economy Analysis: Benchmark
9. Middle Skilled Jobs Analysis: Buildings Ladders to the Future
10. Workforce Development Action Plan
11. Stockton Named the Most Racially Diverse City in America, by Rich Ibarra: <https://www.capradio.org/articles/2020/01/28/stockton-named-the-most-racially-diverse-city-in-america/>

A9. First Year Operational Budget (CDC)

| | Expense Amount | Budget Comments |
|---|-----------------------|---|
| PERSONNEL - Staff + Avg. Fringe Benefit Rate (27%) | | |
| Executive Director | \$88,900 | (\$70,000 Salary * 27%) |
| Director of Resource Development and Planning | \$86,360 | (\$68,000 Salary * 27%) |
| Project Director | \$71,120 | (\$56,000 Salary * 27%) |
| | | |
| CONTRACT SERVICES | | |
| | | |
| | | |
| EQUIPMENT (Technology) | | |
| Telephone | \$ | |
| Software - Zoom Business Account | \$500 | (1 year comm. contract) |
| | | |
| SUPPLIES | | |
| Publications / Marketing (Print) Materials | \$2,400 | (\$500 / qtr. - 2 mktg pieces per quarter + 5 hrs. admin. / qtr.) |
| Office Supplies / Postage | \$1,200 | (\$300 / qtr.) |
| | | |
| TOTAL BACK-OFFICE SUPPORT | | |
| Rent | \$12,000 | |
| Administrative Support | \$45,000 | |
| | | |
| TRAVEL | | |
| Local Travel | \$2,400 | |
| Travel (4 trips) | \$3,000 | |
| | | |
| TOTAL OPERATIONAL BUDGET | \$ 314,760 | |

A10. Acknowledgements

This feasibility report was made possible with support of the Chan Zuckerberg Initiative, and the following supporters.

Report Contributors

- Jairius Matthews, Embers Project / Edge Collaborative
- Ann Rogan, Edge Collaborative
- California Community Economic Development Association (CCEDA)
- Ground Works Consulting
- Nadine Fuller, Research Consultant
- Caitlin Hamer, Community Narrative Writer

Acknowledgments

- Community Foundation of San Joaquin (CFOSJ)
- Reinvent South Stockton Coalition (RSSC)

Stockton Stakeholder Interviewees

- Faimous Harrison - California State University, Stanislaus
- Salvador Vargas – Delta College
- Lueathel Seawood – African American Chamber of Commerce of San Joaquin Valley
- Carol Ornelas – Visionary Home Builders
- Bob Gutierrez – San Joaquin Partnership
- Michael Duffy – Financial Center Credit Union
- Michael Tubbs – former Mayor of the City of Stockton
- Jeff Wingfield – Port of Stockton
- Geri Yang – Wells Fargo Bank
- Molly Byrne – University of the Pacific (UoP)
- Jeff Michael – University of the Pacific (UoP)
- Patty Virgen – SJC Work Net
- John Solis – SJC Work Net
- Agnes Ubalde – BBVA Bank