

## PROJECT GOALS

ADAMS - MORGAN CDC INTERNSHIP

Prepared by: Cheryl Spann-Edwards

Instructor: Michael Swack

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## BACKGROUND

The Adams Morgan/Mt. Pleasant Community Development Corporation (AM/MP CDC) is a nine year old CDC currently facing serious problems, ranging from financial difficulties to lack of board and community involvement. After nine years of existence, the CDC has approximately \$5,000 of fixed assets, including a computer and a variety of office furniture, but no equity in real estate or business ventures. Except for a CDBG loan service agreement that nets the CDC approximately \$700 per month, the organization is completely dependent on NISP funding through the D.C. Office of Business and Economic Development (OBED).

Planning for projects has also been a problem. Board members and the Executive Director have pushed projects based on personal preference and political power within the CDC, without establishing criteria for evaluating proposed projects or long-range economic development strategies. Most board members have lacked the technical expertise to challenge the technical merits of specific projects. As a result of political conflicts and the lack of criteria/technical expertise to evaluate proposals, the CDC has repeatedly attempted projects for beyond its technical capacity, projects with sound social goals but significant financial/technical errors, or projects with private developers who used the CDC as a political tool to gain approval for projects and then excluded the CDC from financial benefits of the projects.

Because the board has not effectively determined policy for the organization, power has become concentrated in the hands of a small number of board members. Likewise, community participation in the CDC has been minimal.

The concentration of power and fierce political battles within the CDC came to a head in February, 1988, when the power players of the board, the chair and Vice President, decided to oust the Executive Director, for reasons that are not completely clear. Amidst vague references of financial improprieties and open allegations of incompetence from all three players (probably accurate on all counts), the chair and Vice President chose a political approach to firing the Executive Director, opting to "de-fund" his position, rather than establish criteria for his performance and firing him as a result of a poor evaluation. For the most part, board members went along with the "de-funding" of the Executive Director position based on financial reasons (although overall funding for the CDC rose from \$60,000 to \$100,000 over the previous fiscal year). One board member questioned the financial and administrative feasibility of hiring consultants to complete projects, as opposed to a salaried Executive Director. In response, the chair and Vice President asserted that this was the only option, and that it was viable -- the survival of the CDC depended on the full board's acceptance of it. Eventually board members were silenced, and because there was no quorum, the proposal was officially neither accepted nor rejected, and the chair and Vice President continued to implement their plan.

## SERVICE AREA DESCRIPTION

### **Adams Morgan**

Adams Morgan is a 70 square block community located above Dupont circle in the near northwest portion of the District of Columbia. Its location 20 blocks north of The Ellipse places Adams Morgan within a short distance of the business and cultural heart of the District of Columbia.

Adams Morgan actually encompasses several neighborhoods. Adams Morgan proper is a vibrant locale of shops, restaurants, houses and apartments in the Columbia Road/Florida Avenue/18th Street vicinity. The Kalorama, Lanier Heights and North Dupont Circle neighborhoods surround central Adams Morgan. Lanier Heights, in the north has a mix of apartment buildings and single-family houses near Rock Creek Park. To the west is Kalorama, a neighborhood known for its luxury dwellings and Connecticut Avenue address. North Dupont Circle lies to the south. It is an area undergoing much change as the affluent office/embassy/young singles atmosphere of Dupont circle spreads northward.

Sixteenth Street provides the eastern boundary of the Adams Morgan study area. It is one of the more vibrant thoroughfares in the District and has gone through many cycles from the era of fine homes and embassies to the succession of urban working class neighborhoods. Across 16th Street, north and east of Adams Morgan, is the Columbia Heights community, a lower and moderate income community of apartments and row homes.

The Northern boundary of Adams Morgan is Harvard Street; Rock Creek Park is the boundary to the northwest. Above Harvard Street is the Mount Pleasant community, an area much like Adams Morgan, but less dense and compact. West of Rock Creek Park is the affluent neighborhood of Woodley Park.

Connecticut Avenue is a prestige address in Washington, and the apartments and condominiums along this stretch of the southwestern boundary of the Adams Morgan study area are no exception. Also in this vicinity are office towers, luxury hotels, and many fine shops and restaurants. To the west of Connecticut Avenue lies the Kalorama Heights neighborhood, a high income residential community.

R Street, between Connecticut Avenue and 16th Street, is the southern border of the Adams Morgan study area. The Dupont Circle area south of R Street is now an important office and retail center. In recent years, it has also become a "trendy" area for artists and young professionals, as well as a fashionable residence for business executives and government officials.

## **Mt. Pleasant**

The area known as Mt. Pleasant traditionally was a rural community centered in the vicinity of today's 14th Street and Park Road and stretched across the entire hillside. This central area became the Village of Mt. Pleasant. As new neighborhood grew particularly Columbia Heights (13th Street east to Georgia Avenue), the new development of Mt. Pleasant was pushed to the west. In 1901, the widening of 16th Street redefined Mt. Pleasant for the 20th century. The area is cradled within an arm of Rock Creek Park, its north and west boundaries. To the east, the wide avenue of 16th Street separates terrain and further distinguishes this district. From the highest grade along the fall line at Park Road, the land slopes downward, breaking into a severe drop to the north and west. The wooded acreage of Rock Creek Park and the National Zoological Park serve to accentuate the district even more. The natural boundaries of the district are easily distinguishable when walking through Mt. Pleasant where steep gradestone retaining walls and high steps abound.

## INTERNSHIP

My first experience as an intern/Employee in the area of Community Economic Development began in Washington, D.C. December 1987 with a small struggling Community Development Corporation known as The Adams Morgan/Mt. Pleasant Community Development Corporation (AMMPCDC), located in the northwest area in the District of Columbia. At the time this organization had been under funded and under staffed. Due to the lack of finances and having to rely one level for the entire FY 88-90 on funding i.e. The Office of Business and Economic Development (OBED). The Adams Morgan/Mt. Pleasant Community Development Corporation had a very high turnover in staff. This made it very difficult to carry out the day to day tasks that were expected of the organization. It was also very difficult to provide the kinds of services to the community that were expected from the community such as: maintaining a balance of low and middle income housing in the Adams Morgan neighborhood and advancing the efforts of tenants to become first time homeowners.

The AMMPCDC has by no means in any condition professionally or organizations to advise clients of the Adams Morgan/Mt. Pleasant Neighborhood around Housing issues and concerns. We certainly had the capabilities like most but we didn't have the necessary resources or qualified manpower to get the work done.

The Adams Morgan neighborhood is one of the most integrated neighborhoods in the District -- a mix of black, white, and Hispanic families; 5000 people in all. Middle and lower income wage earners live on the same streets as young professionals and retirees. Some residents have lived there 30-50 years, others are newly arrived. There are homeowners and tenants singles, families, and homosexual communities; Protestant, Catholic, Jew, Muslim, and B'hai. It's a great combination....and it works!

The Adams Morgan/Mt. Pleasant Community Development was founded to ensure residential quality and to prevent the incursion of bars, restaurants, and discos into the residential side streets of Adams Morgan. Continuing efforts by the AMMPCDC to prevent the negative image of the CDC within the community in order to help maintain the services that are provided and needed in this community.

In doing so, we as members of the Board and the CDC, staff, and volunteers will have to come together once again and redefine the "Mission Statement" of the organization. But before that had actually taken place, I can remember my very first "REAL" assignment. And that was to get all of the paperwork in standing order so that we could begin operate in a more consistent and efficient manner.

I began with all of the correspondence that had come in and that had gone out of the CDC over the past several months. After having devised an "ad hoc" filing system I then moved onto the office documents i.e. The Articles of Incorporation, By-laws, and our Lease Agreement with the owner of the building at that time.

That's when I noticed for the very first time that the AMMPCDC had been operating with three different sets of By-laws. The Secretary, and other concerned members of the Board and the CDC was notified by me immediately after this incredible discovery had been made.

After several hours of careful scrutiny and careful checking we also found the minutes from a previous Board meeting reflecting the most current set of By-laws to be used while the CDC is still in a 501(c)(3) status and operating as business.

At this stage of the program I decided that one of the main reasons that the CDC has had such prolonged periods of growth was because there were no major upheavals during the organization's practices. There was always a constant stage of "substantial turmoil" during the life of the AMMPCDC.

A company's strategy in determining organization structure is dependant upon the management's solution on how to move forward into its next stage. The AMMPCDC never really established any one solution long enough to make an impact that really works. This was due to the high turnover in Executive Directors and lack of input from the Board of Directors.

I also believe that some of these problems had to do with the growth rate of the industry and the "market environment" within the immediate area. As mentioned earlier, City delays have allowed an unplanned commercial boom on our narrow residential side streets, and new threats to establish a new six-story mall which would house a hotel, movie theaters and restaurants. The AMMPCDC has not had one successful community project since its inception. So what you have in the community is a lot of suspicion, misrepresentation on our part, very little interest in an organization that is considered inept.

Finally, it was decided by various Board and CDC members that it was time for an honest and straightforward election. There had been four vacant slots for the Organizations/Associations for the past several months along with on At-Large seat as Chairperson which has been occupied by the same individual above and beyond her term. We also had the Vice President seat much like the Chairperson occupied over and beyond his term.

We had already notified some of the current members in the beginning on how we should proceed as a Board and as an election committee of the AMMPCDC. This was to ensure that the previous Chair and Vice Chair would no longer be able to use the CDC to launch their personal agendas or try to. The election that we were planning to schedule had already been several months overdue. But the Chair at this time had scheduled a "Board Orientation" session and encouraged everyone by phone and mail to attend.

I forgot too mention that at this time the Executive Director had been fired by the previous Board and a consultant hired at \$500 dollars a day, twice a month for the next six months. In essence the Chair was the "Acting Director" as well as Chairperson whenever the consultant was not there to do whatever it was they suggested then the Chairperson assumed those responsibilities.

So most everyone agreed in having an election take the place of Board orientation in order to vote in the new officers for the At-Large seats that had been occupied by the same group for the past year and a half. We even had some family members serving on the Board and working as an employees/or an Executive Director for one of the CDC's many unsuccessful community projects.

Once the election was over and the new officers were sworn in and congratulated the next Board meeting was scheduled three weeks from that day of the election by the presiding Chair. The minutes were taken by the new secretary to reflect an outstanding and successful project for the first time in a very long time for the Adams Morgan/Mt. Pleasant Community Development Corporation.

It all began to make sense as to why certain members on the previous Board never received notices for regularly scheduled meetings only those who felt they should be there was notified and no one else. It also explains why the "image" of the CDC was so bad and poorly reflected in the community because no one at the time made a concerted effort to do anything substantially different and productive.

The result from this method of operation for me was a great learning tool and quite an experience from the political end of it. We did manage to get some qualified and dedicated members on board and in the CDC. And from there we were able to brainstorm on ways of getting the monies that due us along with the \$100,000 CDBG form the Office of Business and Economic Development.

In doing the election we also managed to get some of the older Board members to share information about the previous ongoing about the policies and procedures that did work for the organization. We were able to turn our deficit completely around in half of the time that had been demonstrated before this time in the history of the AMMPCDC. So we were able to shire an Executive Director and an Administrator who are both more than qualified to do the job.

The Personnel Committee and the Chairperson were pretty much responsible during the selection process and rightfully so. It took seven/eight days of just going through the resumes before meetings were scheduled. Then it took another week or so to go through another batch of resumes and setting up meetings both for an Administrator and Executive Director.

I believe it took us at least a month or a month and a half before we actually narrowed it down. Simultaneously, while this was going on the plans for the uncompleted Small Business Technical Resource Center was being discussed. We have identified money, electricians, and even an architect to come and do the "blueprints" for the actual layout.

Where we stand today we are up and running and the day to day tasks are running quite methodical as ever. The Small Business Technical Resource Center is finally becoming a reality and we are now back in "good standing" with The Department of Consumer and RRegulatory Affairs. The Internal Revenue Service and the CDC have finally come to an agreement, thanks to a hardworking and dedicated Treasurer who also worked out manageable terms with the local bankers we do business with.

The Office of Business and Economic Development have decided to refund the Adams Morgan/Mt. Pleasant Community Development Corporation based on the two successful projects that we will be providing to the community i.e. the Small Business Technical Resource Center and A minority owned laundromat also managed by the unemployed in the immediate area.



These have been identified as our two best successes now for the failures. We held another election on November 23, 1988 for the following vacancies:

Organization/Association	4 seats
Tenant Associations	2 seats
Business/Financial Members	3 seats
At-Large Members	1 seat

And instead of holding the election in the Adams Morgan area where it has been held traditionally this time we decided to have it in the Mount Pleasant neighborhood. This is a neighborhood west of the Adams Morgan community but they are both very close in proximity from one another. Both neighborhoods are in walking distance, so we decided to have it in a neutral spot.

The date was set one month before the actual meeting was scheduled beginning at 10:00 am to 1:00 pm at the Mount Pleasant Library. Well much to my surprise not one single body showed up excluding the staff, committee and officers. We had sent out memos to all of the members as early as October 21, 1988. However I must admit that we did the bare minimum on Public Relations e.g. flyers, door to door.

This could be part of the problem as to why the election was unsuccessful in numbers - lack of community support from adjoining neighborhoods. A large part of it may be that the communities that are to be served by this organization is probably looked upon as ineffective and for the most part obsolete in practice based on their lack of productivity in the community.

On April 16, 1990, the Executive Director participated in a site visit as a part of the Office of Business and Economic Developments (OBED) responsibilities related to CDBG funded projects. These reports contained a summary page noting various administrative or program deficiencies.

The Executive Director is once again, asked by the OBED to provide a written response/status report regarding the deficiency items and when and how will they be resolved and rectified by April 25, 1990.

The Office of Business and Economic Development is also in the process in sending the CDC sample documents which is suppose to help the CDC gain ideas on how to improve upon certain internal policies and procedures. These documents are: 1. Personnel policies and procedures, and 2. Procurement policies and procedures.

Supposedly once they are computed, a work shop is scheduled to answer questions regarding the contents of these sample documents.

## STRATEGY, SPRING 1988

To address the problems facing the CDC board, we thought the best strategy would be to elect competent, assertive people to the board. Several new board members were elected at the annual meeting, most without political agendas contrary to the goals of the CDC.

The second step involved talking to various board members who had become alienated from the board during the political battles of the past year. One impression of most board members was that the chair and Vice President were involved in a self-serving political struggle, possibly to launch a campaign for a City Council seat. All continuing board members admitted that meetings were unproductive and that the CDC was ineffective in facilitating community-based economic development.

The dissatisfaction of incoming and returning board members and CDC staff with the board chair's performance and her aggressive handling of board members and city officials led us to conclude that the organization would be better served under new leadership.

In order to discuss our options, we scheduled a meeting of interested board members, at which we proposed an alternative slate of candidates for the executive committee, counted votes to determine if we could assure a victory, and divvied up phone calls to board members to verify their acceptance of our slate. Then we set up a series of motions leading to election of officers. (The election of officers had mysteriously disappeared from the agenda, although it is required in the bylaws). We also made plans to form committees to review all current proposals, budgets, and contracts, and to develop financial projections for the next six months.

As the newly elected treasurer of the CDC, his primary goal will be to reorganize the Finance Committee and solicit the participation of other board members in the fiscal matters of the CDC. With the assistance of other Finance Committee members, he will seek to accomplish the following tasks:

- o establish sound bookkeeping procedures.
- o prepare monthly financial reports for our main funding source, the D.C. Office of Business and Economic Development, and the full board.
- o prepare cash flow projections to enable us to determine the financial, staff, and board resources available for projects specified in our scope of services.
- o contact District and Federal governments to determine the extent of our tax liabilities.
- o locate resources for an audit of the CDC's financial records for FY 1986, 1988.
- o establish medium-range plan to pay off all debts, with the ultimate goal of maintaining a positive fund balance. The current fund balance is approximately (\$26,000) as of FY 86-87.

**ORGANIZATIONAL MANAGEMENT OF THE ADAMS MORGAN/  
MOUNT PLEASANT COMMUNITY DEVELOPMENT CORPORATION**

The focus of this project will be the implementation of a strategy to generate a consistent level of income for the Adams Morgan/Mt. Pleasant Community Development Corporation (CDC) over the next five months i.e. until the end of FY 90-91.

Strategy: To identify funding for the CDC, I have decided to make contact with our Project Manager at the Office of Business and Economic Develop (OBED) the CDC's sole funding source, at this time, in order to get the names of various grant programs for monies that are available here in the District of Columbia.

There are several funding sources available that are to funding partnerships here in the Washington area. The Neighborhood Initiatives Support Program for example, is sponsored by OBED, the Ford Foundation and the Community Foundation of Greater Washington.

The Neighborhood Initiatives Support Program would then be a two year administrative funding for community development corporations. The CDC the development opportunities in its neighborhood area concentration. The budget size would be determined by the delivery of the product i.e. the broader the scope of services/development the greater the number of legitimate 3 project opportunities. Redevelopment funding for specific projects showing "economic feasibility" will also be available.

Economic Development activities such as commercial, industrial, housing and mixed use real estate development are eligible. Secondly, the CDC would then concentrate its efforts on the Small Business Technical Resource Center (SBTRC) build-out. The CDC has currently had an architect of our choice come in and draw the blueprints for the SBTRC (900 Square footage) in order to determine the amount of office space that will be available for sub-leasing to the small/incubator businesses (see attachments).

The AMMPDCDC will then upon completion support and provide training, technical assistance, offering advice, and loan servicing (as money is available).

Finally, as a member of the Membership/Fundraising Committee I feel that we need an annual calendar for fundraising. During this fiscal year we are planning to hold a public forum inviting all of the local politicians along with the Mayor explaining our "mission" for the AMMPDCDC and how we expect to turn the CDC in a more positive direction unlike the past. After addressing those concerns and issues that will be raised we intend to hold a reception immediately following with moderate to above moderate donations requested.

Currently, we have only forty-nine paid members of the CDC in comparison to last years listing of two hundred members including churches, businesses, organizations, new and old members. These are the people we are planning to target as well as to keep a consistent, continuous level of income.

In addition to this I would like to also consider by the next fiscal year bringing on a full-time paid fundraiser/proposal writer so that the CDC will not have to use staff in for these particular functions within the organization. This may very well create self-sufficiency in the long run.

## METHODS/SOLUTIONS

### Financial Records

There has been many changes in the accounting system since 1987-1988. All of the data has been computerized up to date and organized. The CDC has hired a CPA that performs the day to day bookkeeping tasks. This person is also a full-time accountant that performs the accounting revenues, prepares tax statements, periodic financial statements, etc. The financial statements are generated annually and the agency is maintaining proper source documentation for expenditures.

### Program Income

The CDC has received servicing fees through October and plans fundraising activities from time to time. However the servicing fee income of the previous fiscal year has ended. There have been no additional fundraising since last September, when the CDC raised \$1,000 from a bake sale during the Adams Morgan Day Festival.

The Technical Resource Center generates some income since the first tenant moved in in January. Although the first tenant has now moved into the Technical Resource Center, there is considerable work left to do to complete the construction and it is not clear that there are funds to complete this work. Furthermore, because the CDC has been unsuccessful in its major fundraising, there is no money to bring in an operator or new staff person to provide the technical assistance services. Since this neighborhood does not qualify for OBED's NCRP funding (which would be ordinarily ideal for this type of service). It is not clear how the center will function.

The Chairman also announced that at the Banking seminar held at the Omni Sheridan a few days ago that he talked with the assistant from the office of Councilwoman Charlene Drew Gaivis (Mayoral Candidate of D.C.) she expressed great interest in the CDC, and advise the Chairman Mr. Leverett that it was thought that the CDC would just close down if left alone. However, she is now willing to get Ms. Gaivis "back in the CDC's corner" and possibly work out deals with the CDC once the in-house is taken care of.

My understanding aside from the management, organizational policy development issues is the fact that I acknowledge the inter-connect of financial planning and organizational development areas. Because of some of the shortfalls of current funding it's difficult to move the CDC to a more stabilized and multi-level funding position. The Technical Resource Center in addition to generating income for CDC will be creating 21 new jobs by this project i.e. 10 professional or management positions, 7 support and blue collar positions and, 4 maintenance positions. They will assist persons who are in need of technical assistance within the community through the resource center once it's completed and operational. The Joint Economic Development and Planning Executive Committee have been meeting for the past two and a half months consistently, to discuss budget allocations for FY 89, staffing issues, and to determine the projects to be included in the OBED budget for FY 90.

The Chairman of the Board announced at the outset that FY 90 OBED proposal (Neighborhood Initiatives Support Program) is due to be submitted on July, 1990. He indicated that the budget allocation of \$100,000, needs to be increased, with the thought in mind that OBED funding must be used for administrative needs. No additional project should come to the table without an indication that people have checked into potential sources of funding in order to keep the CDC from having to amend the contract e.g. the laundromat for FY 89.

The greatest strength we have going for this organization is the commitment from the few board members, Executive Director and volunteers to adhere to the compliances of our main funder (OBED). My suggestion to the board, staff and volunteers/members would be to implement a fundraising and special events calendar in order to solicit some funds so we can begin to establish a consistent and ongoing schedule of payments towards our outstanding financial debts for example, Adams Morgan offers a variety of restaurants, discos and even churches for an evening and/or weekend fundraiser. In addition to fundraising we can start to identify skills and resources needed to meet organizational goals, identify people skills and knowledge useful to the CDC, beginning within the Adams Morgan Community.

The Community Participation Process is a mechanism, whereby the CDC would be able to identify the people who possess these skills and knowledge that would be useful. This community requires frequent opportunities to exchange information to assure that common needs, concerns, and resources are identified and addressed.

Central to the CDC's ties to the community is the fact that Board of Directors is composed entirely of residents of the Adams Morgan and Mt. Pleasant Neighborhood. Some represent specific organizations chosen at the annual elections, others were elected at large, and some were appointed by the elected members of the Board to represent specific groups (Such as youth).

The CDC needs to re-establish a community advisory committee representative of residential, commercial, and cultural interests in the community. The committee should meet quarterly to assure that community interests are represented at all stages. A newsletter would be a great means of communication, circulated bi-monthly to keep the community informed about the progress and activities.

Adams Morgan is a neighborhood located in the heart of the nation's capital. It is the District of Columbia's most densely populated, ethnically diverse, and income stratified. According to the U.S. Census tract data, the population of Adams Morgan stood at 22,390 in 1980, roughly 3.5 percent of the District's population. We have a higher percentage of "young adult" population than that of the District of Columbia as a whole, with half of the community's population in the 16 to 34 age bracket.

In the past ten years, the reed-cooke section of Adams Morgan has witnessed dramatic changes resulting from the breakdown of family structure, the absence of local leadership, and the hopelessness of poverty that has grown in this area. The sense of community that once existed has gradually eroded and residents have disengaged from their neighborhood. Some have withdrawn because of fear. Others show radical disfranchisement of members of street gangs ordering \_\_\_\_\_. In short they are experiencing a residential culture shock in which many citizens feel isolated, alienated, forgotten and powerless. In my mind the CDC's dependency on one, contract as the major source of financial support is a major liability.

The CDC's philosophy of community development acknowledges the need for a balance between economic and social progress. Its concept of neighborhood self-sufficiency relies on the establishment of an economic base necessary to develop the internal capacity to create jobs and businesses; address social and developmental needs; and provide both economic and social stability.

The CDC still operates on the premise that skills training and employment opportunities must exist, affordable business and economic investment option must be made available, leadership must be trained to mobilize, organize and work with citizens for neighborhood self-reliance. A sense of ownership and self-sufficiency are intricately tied to individual self-esteem and collective community pride.