PARTNERSHIP FOR STRONG COMMUNITIES

Local Solutions, Local Impact:

The Role of Community Development Corporations in Addressing the Affordable Housing Crisis in Connecticut.

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INTRODUCTION

In recent years, government agencies and private funders have increasingly focused on Community Development Corporations (CDCs) as a promising strategy for revitalizing urban neighborhoods and enhancing the well-being of their residents.[1] CDCs are non-profit, community-based organizations that provide resources and programs to promote community development in a particular geographical area. These entities emerged in the late 1960s to combat poverty and disinvestment in minority communities across the United States.[2] CDCs are notable for their ability to capitalize on private, public, and community resources, serving as a non-traditional form of community governance that prioritizes community residents and local stakeholders.[3]

According to The People's Law Library of Maryland, CDCs are generally defined by their "community-based leadership and community-based goals."[4] Formally, a majority of CDCs in the United States are classified as 501(c)(3) non-profits; however, it is important to note that the term "CDC" is not an official government term and that no discrete tax classification exists for them.[5] However, several information qualifications for CDCs are used by several government agencies to determine CDC eligibility. The Connecticut Department of Economic and Community Development (DECD) establishes several criteria for grant eligibility in its Community Investment Fund 2030, a recent, wide-scale initiative focused on promoting economic and community development in Connecticut communities.

These criteria establish a general set of characteristics common throughout CDCs in Connecticut. These criteria are (1) "focusing their efforts on serving one or more targeted geographic areas" (2) to "engage local residents and businesses to collaborate on community development programs, projects, and activities that

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[1] Community Development Corporations and their Changing Support Systems

[2] Robert Mark Silverman, Neighborhood characteristics, community development corporations and the community development industry system: a case study of the American Deep South, *Community Development Journal*, Volume 36, Issue 3, 1 July 2001, Pages 234–245, https://doi.org/10.1093/cdj/36.3.234

[3] Flaminio Squazzoni, Local economic development initiatives from the bottom-up: the role of community development corporations, *Community Development Journal*, Volume 44, Issue 4, October 2009, Pages 500–514, https://doi.org/10.1093/cdj/bsn009

[4] https://www.peoples-law.org/community-development-corporations-cdcs-maryland

[5] https://www.buildhealthyplaces.org/sharing-knowledge/jargon/cdc-community-development-corporation/

sustainability enhance urban communities and create economic opportunities for low and moderate-income individuals" (3) representation of their respective leadership boards based on residents of the targeted area, low to moderate income individuals, accurate racial and ethnic makeup of the targeted area, and the utilization of committees and public meetings to ensure residents of the targeted area possess proper representation of the CDC.[6] These criteria have precedence in other CDC classification criteria used in other states, such as those employed by the Massachusetts Department of Housing and Community Development (DHCD).[7] CDCs often utilize a blend of state, municipal, and private funding to operate effectively, leveraging this diversified funding to achieve their goals. Some CDCs also use other non-traditional funding sources, such as university partnerships, to perform work in communities.

In Connecticut, CDCs have had a significant and growing impact on community development. The state is home to an estimated 169 community development corporations, which collectively employ nearly 1,400 people and generate over $120 million in annual revenue, with assets totaling $99 million.[8] Affordable housing in Connecticut is defined as housing that costs no more than 30% of a household's income.[9] Despite the recognized importance of affordable housing options, as noted by the Connecticut Department of Housing, many communities across the state continue to face significant challenges in securing affordable, high-quality housing options.[10] It is estimated that Connecticut will need approximately 92,560 more affordable housing units in the coming years in order to meet demand.[11] Recent studies have highlighted persistent gaps in both affordable and accessible housing, particularly for low-income and underserved populations.[12] While national research has examined the successes of CDCs in expanding housing equity and economic development, there is a lack of literature specifically addressing the strategies and impacts of CDCs in Connecticut's affordable housing sector.

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[6] https://portal.ct.gov/decd/content/community-development/oceda/oceda

[7] https://commons.clarku.edu/cgi/viewcontent.cgi?article=1069&context=sps_masters_papers

[8] https://www.causeiq.com/directory/community-improvement-organizations-list/connecticut-state/

[9] https://www.cga.ct.gov/PS94/rpt/olr/htm/94-R-0735.htm

[10] https://portal.ct.gov/-/media/doh/ahpp-guidebook_rpa_120120.pdf

[11] https://ctproject.org/housing-community-development

[12] https://www.urban.org/sites/default/files/publication/103553/housing-connecticuts-future_1.pdf

This paper aims to fill that gap by examining the impact of CDCs on the creation, management, and promotion of affordable housing in Connecticut. This paper will focus on three CDCs: Greater Dwight Development Corporation (GDDC), Norwich Community Development Corporation (NCDC), and Local Initiatives Support Corporation (LISC) Connecticut, which is both a CDC and a Community Development Financial Institution (CDFI). Focusing on these three organizations operating in diverse urban contexts, I will use a combination of quantitative and qualitative data to assess how CDCs use state and private resources to address affordable housing needs in their respective communities. These findings aim to inform policymakers, practitioners, and advocates seeking to provide affordable housing in Connecticut and similar environments.

GEOGRAPHIC CONTEXT

New Haven is a city located in the state of Connecticut, approximately 39 miles from Hartford, Connecticut, the state's capital. According to the United States Census Bureau, as of 2020, New Haven has a racially diverse population of 134,023.[13] New Haven is home to Yale University, an Ivy League university that has operated in the city for over three centuries and functions as the city's largest private employer. More than 5,000 New Haven residents are Yale employees.[14]

According to DataHaven, even housing designated as affordable is "unaffordable for many New Haveners."[15] About half of New Haven's families are identified as "very-low income" by the United States Department of Housing and Urban Development[16]." In 2015, however, only 12% of the city's owner-occupied housing met HUD's affordability criteria."[17] The Dwight neighborhood is approximately 0.6 miles away (a walking distance) from Yale University, with a total population of 6,815 as of 2024.[18] Of these residents, the low-income population is 3,268, with a

[13] https://data.census.gov/profile/New_Haven_city,_Connecticut?g=160XX00US0952000#race-and-ethnicity

[14] https://your.yale.edu/work-yale/careers/new-haven-hiring-initiative

[15] https://ctdatahaven.org/reports/ct-data-story-housing-segregation-greater-new-haven

[16] https://ctdatahaven.org/reports/ct-data-story-housing-segregation-greater-new-haven

[17] https://ctdatahaven.org/reports/ct-data-story-housing-segregation-greater-new-haven

[18] https://ctdatahaven.org/data-resources/connecticut-city-neighborhood-profiles

low-income rate of 59%.[19] Of the 3,080 households in Dwight, 1,805 or 61% are designated as "cost-burdened", a term used to describe households that "spend more than 30% of their income on rent, mortgage payments, and other housing costs."[20] [21]

Norwich is located in New London County, Connecticut, and has a racially diverse population of 40,125 as of 2023.[22] Of the 16,923 households in Norwich, only 53% percent are homeowner households, and 39% of Norwich's households are also classified as "cost-burdened."[23]According to DataHaven, in Norwich, "purchasing a home is more attainable for advantaged groups because the process of purchasing a home has a long history of racially discriminatory practices that continue to restrict access to homeownership today."[24] Municipal zoning laws in the town also highly prioritize single-family homes, further contributing to "de facto racial and economic segregation seen throughout Connecticut."[25]

METHODOLOGY

This study employs several methods to examine the role of CDCs in promoting the creation and proliferation of affordable housing in Connecticut. The research focuses on three case study organizations: the Greater Dwight Development Corporation, the Norwich Community Development Corporation, and the Local Initiatives Support Corporation (LISC) Connecticut. Quantitative data were gathered from publicly available reports, financial statements, and state databases to assess each CDC's housing production, funding sources, and organizational scale. Qualitative data was collected through a review of organizational publications, news articles, and policy documents.

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[19] https://ctdatahaven.org/data-resources/connecticut-city-neighborhood-profiles

[20] https://ctdatahaven.org/data-resources/connecticut-city-neighborhood-profiles

[21] https://www.census.gov/newsroom/press-releases/2024/renter-households-cost-burdened-race.html

[22] https://www.ctdatahaven.org/sites/ctdatahaven/files/norwich_equity_2023.pdf

[23] https://www.ctdatahaven.org/sites/ctdatahaven/files/norwich_equity_2023.pdf

[24] https://www.ctdatahaven.org/sites/ctdatahaven/files/norwich_equity_2023.pdf

[25] https://www.ctdatahaven.org/sites/ctdatahaven/files/norwich_equity_2023.pdf

ORGANIZATIONAL PROFILES

Greater Dwight Development Corporation

The Greater Dwight Development Corporation (GDDC) was established in 1994 by a group of Dwight neighborhood residents in response to persistent and widespread issues of drugs, crime, and gangs in the Dwight neighborhood of New Haven.[26] GDDC's mission is to enhance the socio-economic well-being of Dwight residents by creating and implementing a comprehensive Neighborhood Plan, increasing access to educational and child-development activities, revitalizing housing, and encouraging economic development.[27]

Historically, the Dwight neighborhood has been a multicultural urban area shaped by New Haven's industrial expansion in the 19th century, attracting a diverse working population.[28] Over time, the area faced urban decline, but the 1990s saw a resurgence driven by local activism and partnerships with institutions like Yale University and the City of New Haven.[29] GDDC has played a pivotal role in this resurgence, leading projects such as the Dwight Place Shopping Center, the Montessori School on Edgewood Avenue, and the renovation of the Augusta Lewis Troup School. A partnership since 1996 with the Yale Urban Design Workshop has resulted in several comprehensive neighborhood plans aimed at addressing "new community facilities, such as schools, retail, and affordable housing."[30] The organization has also supported over 300 home repairs through its Homeowner Assistance Program and launched first-time homebuyer initiatives.[31]

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26 https://onha.yale.edu/sites/default/files/files/2025%20Greater%20Dwight%20Development%20Corporation.pdf

27 https://onha.yale.edu/sites/default/files/files/2025%20Greater%20Dwight%20Development%20Corporation.pdf

28 https://nhpt.org/dwight-street

29 http://gddcnh.org/

30 https://udw.architecture.yale.edu/projects/dwightAQM

31 https://onha.yale.edu/sites/default/files/files/2025%20Greater%20Dwight%20Development%20Corporation.pdf

A major goal of the GDDC has also been to increase the number of owner-occupied homes in the Dwight neighborhood. Through partnerships with other housing organizations, such as Neighborhood Housing Services of New Haven and the Neighborhood Housing Institute, as well as several New Haven banks that owned foreclosed and vacant properties, GDDC worked to renovate housing on Kensington Street in the Dwight neighborhood to sell to new homebuyers.[32]

Norwich Community Development Corporation

The Norwich Community Development Corporation (NCDC) was founded in 1963 and serves as the "leading agency for economic development in the City of Norwich."[33] In its fifty-five years of existence, NCDC has estimated that it has brought over $ 300 million in "new or improved real-estate development" to the city of Norwich.[34] According to their 2024 Annual Report, their goal is to "further the economic development of the Norwich community through business, retention, expansion, attraction, and development (BREAD).[35] NCDC has been a significant beneficiary of the grants from the Department of Economic and Community Development, the Office of Brownfield Remediation Division (OBRD), and the Community Investment Fund 2030.[36] These grants have been used to implement large-scale real-estate projects throughout the City of Norwich.

As an established organization, NCDC has diversified its projects into several fields to have a positive impact on the Norwich community. These include transit-based developments, the creation of affordable housing units, infrastructure renovations, and small business support.[37]

Local Initiatives Support Corporation (LISC) Connecticut

The Local Initiatives Support Corporation (LISC) Connecticut describes itself as a "national organization with a community focus.[38] Working with local partners (one

[32] Accomplishments — Greater Dwight Development Corporation
[33] https://askncdc.com/

[34] https://askncdc.com/

[35] https://askncdc.com/wp-content/uploads/2025/03/NCDC-Annual-Report-24-15Feb25.pdf

[36] https://askncdc.com/wp-content/uploads/2025/03/NCDC-Annual-Report-24-15Feb25.pdf

[37] https://askncdc.com/wp-content/uploads/2025/03/NCDC-Annual-Report-24-15Feb25.pdf

[38] https://www.lisc.org/connecticut-statewide/who-we-are/mission/

of which is the GDDC), as of 2023, LISC Connecticut has developed over 8,359 affordable homes and apartments in Connecticut since 1984.[39] LISC Connecticut has invested over $578 million in loans and grants in Connecticut, with a specific focus on the cities of New Haven, Bridgeport, Hartford, New Britain, and Waterbury.[40] LISC Connecticut currently has established five main program areas: Affordable Housing and Community Development, Career Development, Child Care and Early Learning Facilities, Community Engagement, Financial Stability, and Policy and Advocacy.[41] The official LISC Connecticut website states that the organization aims to work "in Connecticut's cities to promote urban neighborhood revitalization and in suburbs and small towns to support resident-led efforts to expand affordable housing."[42]

Affordable Housing Development

Greater Dwight Development Corporation

The housing development strategy of the GDDC is primarily rooted in its neighborhood plan. Developed in collaboration with the Yale Urban Design Workshop and having several iterations, the plan offers a comprehensive set of guidelines that incorporate community issues. The organization has actively managed properties, negotiated contracts, worked with city zoning and planning officials, and applied for grants to both renovate and build affordable housing. One notable initiative involved collaborating with other housing non-profits and a consortium of local banks to renovate foreclosed vacant properties on Kensington Street, transforming them into homes for first-time buyers and supporting over 150 households in the process. GDDC also recently secured over $6 million in state bonding to create 11 new units of affordable housing and community space.[43]

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[39] Connecticut Statewide | LISC Connecticut Statewide

[40] https://www.lisc.org/connecticut-statewide/

[41] https://www.lisc.org/connecticut-statewide/

[42] https://www.lisc.org/connecticut-statewide/our-priorities/

[43] https://www.senatedems.ct.gov/new-haven-state-legislators-welcome-state-bonding-for-key-city-projects-3

Norwich Community Development Corporation

As of the publication of NCDC's 2024 Annual Report, there are several residential and mixed-use projects being undertaken to address the growing need for housing in the Norwich community[44]. In Downtown Norwich, approximately $ 20 million in private investment is currently underway.[45] NCDC estimates that throughout this project, there is a possibility for the development of more than 600 affordable housing units.[46] These housing units are expected to be located "less than half a mile from the Intermodal Transportation Center and SEAT bus lines"[47]. SEAT, or the Southeast Area Transit District, connects Norwich, East Lyme, Griswold, Groton, Lisbon, Montville, New London, Stonington, and Waterford.

NCDC's Ponemah Hill project, which seeks to "remediate and renovate the former Ponemah Hills Textile Complex located at 555 and 575 Norwich Avenue," received a $795,000 grant from OBRD in 2021.[48] The site currently has 314 affordable housing units, with 139 additional units to be added. As of 2024, considerable progress has been made in "mechanical, electrical, and plumbing work."[49]

Local Initiatives Support Corporation Connecticut

LISC Connecticut's primary objective is to provide technical assistance to community-based organizations. In their focus area of "housing and community development," LISC Connecticut focuses on four Products and Services: Lending, Transit-Oriented Development Fund, Section 4 - Capacity Building Grants, and Grants and Technical Assistance.[50] Section 4 grants, in particular, are a "critical tool"

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[44] https://askncdc.com/wp-content/uploads/2025/03/NCDC-Annual-Report-24-15Feb25.pdf

[45] https://askncdc.com/wp-content/uploads/2025/03/NCDC-Annual-Report-24-15Feb25.pdf

[46] https://askncdc.com/wp-content/uploads/2025/03/NCDC-Annual-Report-24-15Feb25.pdf

[47] https://askncdc.com/wp-content/uploads/2025/03/NCDC-Annual-Report-24-15Feb25.pdf

[48] https://portal.ct.gov/governor/news/press-releases/2021/06-2021/governor-lamont-announces-funding-to-remediate-31-blighted-properties

[49] https://askncdc.com/wp-content/uploads/2025/03/NCDC-Annual-Report-24-15Feb25.pdf

[50] https://www.lisc.org/connecticut-statewide/our-priorities/affordable-housing/products-services/

for building the capacity of CDCs.[51] LISC, along with Habitat for Humanity International and Enterprise Community Partners, is one of three national administrators of the grant nationally.[52] Additionally, the Section 4 grant program is the only grant administered by HUD specifically for the benefit of CDCs, making it a crucial component in the development projects of CDCs throughout Connecticut. Since 2000, LISC has invested over $7 million in Section 4 funds across Connecticut.[53]

Although LISC Connecticut's main role in operation is to provide financial support in the form of loans and investments, it is just as focused on "supporting the neighborhood groups that have the vision and ideas to get things done."[54] LISC Connecticut offers CDCs and community organizations support with the aim of improving their administrative capabilities, financial systems, and real estate capacities.[55]

One notable initiative is their management of the Hartford Neighborhood Development Support Collaborative (HNDSC). This program impacts 1,035 low and middle-income households in Hartford through the support of Hartford-based community development corporations.[56] With support from funders such as the Bank of America Charitable Foundation, the Charles Nelson Robinson Fund, and Santander Bank, this project has provided $ 14.4 million in grant support to 10 Hartford CDCs over 30 years.[57] Hartford-based CDCs such as the Mutual Housing Association of Greater Hartford and Sheldon Oak Central have been beneficiaries of

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[51] https://www.lisc.org/connecticut-statewide/our-priorities/affordable-housing/products-services/section-4-capacity/

[52] https://www.lisc.org/connecticut-statewide/our-priorities/affordable-housing/products-services/section-4-capacity/

[53] https://www.lisc.org/connecticut-statewide/our-priorities/affordable-housing/products-services/section-4-capacity/

[54] https://www.lisc.org/connecticut-statewide/our-priorities/affordable-housing/products-services/technical-assistance/

[55] https://www.lisc.org/connecticut-statewide/our-priorities/affordable-housing/products-services/technical-assistance/

[56] https://www.lisc.org/connecticut-statewide/our-priorities/affordable-housing/hartford-neighborhood-development-support-collaborative/

[57] https://www.lisc.org/connecticut-statewide/our-priorities/affordable-housing/hartford-neighborhood-development-support-collaborative/

the HNDSC, utilizing the support to provide essential access to high-quality, affordable housing.[58]

Funding Models

Greater Dwight Development Corporation

GDDC's funding model can be characterized by a mix of state, municipal, and private funds. A significant recent development was the award of over $6.1 million from the Connecticut Community Investment Fund 2030 (CIF) for Phase 2 of the Greater Dwight Community Building Initiative. These CIF grants, established by the state in 2021, are designed to promote economic and community development in historically underserved areas. GDDC will use these funds to create 11 affordable housing units and a new community space in the Dwight neighborhood.[59] In addition to CIF, GDDC has historically received support from Yale University for planning and technical assistance, as well as city grants and partnerships that facilitate both capital projects and ongoing operations.[60] Through the Yale Homebuyer Program, over 1,000 Yale employees have purchased homes in New Haven since 1994. The GDDC describes this program as "a benefit to Yale and also for the rebuilding of the Dwight community."[61] This partnership with Yale is mutually beneficial and has potential opportunities for growth as the Yale Office of New Haven Affairs (ONHA) continues to assert its commitment to a positive Yale-New Haven relationship.[62]

GDDC also receives funding from fundraising and community donations. Established in 2024, the Jay Pottenger Vibrant Communities Fund is an initiative launched by GDDC to "support community-led projects."[63] The fund will be housed

[58] https://www.hfpg.org/what-we-do/new-and-noteworthy/hartford-neighborhood-development-support-collaborative-receives-440000-hartford-foundation-grant-to-support-community-developme

[59] https://patch.com/connecticut/newhaven/9m-state-cif-grants-earmarked-myriad-new-haven-organizations

[60] https://openyls.law.yale.edu/server/api/core/bitstreams/e3c7b286-b3c9-4986-9f57-b90788a85fb7/content

[61] http://gddcnh.org/accomplishments/

[62] https://news.yale.edu/2024/03/05/leaks-ragsdale-named-executive-director-center-inclusive-growth

[63] https://www.newhavenindependent.org/article/gddcs_30th_anniversary_celebration

at Dwight Hall at Yale, Yale's center for public service and social justice, further capitalizing on the extensive partnership that GDDC has with Yale University.[64]

Norwich Community Development Corporation

NCDC's funding model relies on public-private partnerships, municipal support, and access to state and federal development resources. As the main CDC for economic development in the City of Norwich, NCDC has been a primary recipient of several large-scale grants. Notably, the Community Investment Fund 2030 has been most significant. For the Community Investment Fund 2023 in particular, NCDC is unique in that it had a precedent of direct support from the City of Norwich, most notably, being directly encouraged by the city to apply for the aforementioned grant. In 2023, the City of Norwich, city council passed a resolution to have NCDC "apply for more than $10 million from Connecticut's Community Investment Fund 2030", with streetscape development being the main goal.[65] Having direct state government support has been very valuable for the NCDC, as it allows the organization to access sustainable and reliable funding sources.

NCDC has also seen support from non-governmental grants and resources. These have included $5,000 from the Connecticut Main Street Center. Additionally, the Edward and Mary Loud Foundation, whose mission is to "financially support programs and capital projects of local non-profit organizations that provide services to New London County, Connecticut," awarded a $40,000 grant.[66] This grant helped, in part, to support the NCDC's Downtown Revitalization Program's Vanilla Box Project, which is intended to revitalize formerly vacant properties in the Norwich area.

LISC Connecticut

Similar to the two other CDCs in this study, LISC Connecticut utilizes a mix of private and public funding in order to operate effectively. As one of three national administrators for HUD's Section 4 Capacity Building grants, LISC Connecticut has

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[64] https://www.newhavenindependent.org/article/gddcs_30th_anniversary_celebration

[65] https://www.reliancehealthinc.org/index.php/media-room/press/179-norwich-wants-to-spend-10-million-in-state-grants-on-lower-broadway-here-s-how-and-why%20before:2023

[66] https://theedwardandmarylordfoundation.org/default.aspx

also established a reliable and sustainable relationship with the federal government that has lasted over 30 years and has persisted despite budget cuts to several federal agencies at the beginning of 2025.[67]

One of the most notable aspects of LISC Connecticut's success, however, is its ability to capitalize on foundations and philanthropic resources. LISC Connecticut has garnered over 40 supporters in this form, consisting of both national and local organizations.[68] National organizations, such as the Bank of America Charitable Foundation, JPMorgan Chase Foundation, and Capital One, represent the former, while organizations like the Community Foundation for Greater New Britain, the United Way of Western Connecticut, and the United Way of Waterbury represent the latter. Recently, a $1.3 million grant from the Connecticut Project, focused on expanding "housing development work in suburban and rural communities."[69] LISC Connecticut has emphasized its advantageous relationship with the state of Connecticut, which has directly led to a robust, statewide "lending pipeline."[70] LISC Connecticut's proven ability to capitalize on the support of these organizations represents their diversity in funding sources as well as their ability to reach across geographical areas.

Impact of Federal Budget Cuts

According to the Urban Institute, in 2025, executive orders and political actions by the current administration have created a "state of uncertainty for non-profit organizations nationwide."[71] These cuts have also been present throughout the state of Connecticut. In March 2025, Integrated Refugee and Immigrant Services (IRIS), a New Haven non-profit organization that provides case management, job training, and legal support to refugees and immigrants, closed its physical location, and now focuses on remote work. The organization's executive director, Maggie

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[67] https://www.lisc.org/our-stories/story/lisc-section-4-funding-reinstated/

[68] https://www.lisc.org/connecticut-statewide/who-we-are/supporters/

[69] https://lisc.createsend.com/campaigns/reports/viewCampaign.aspx?d=r&c=08A2FECF17DFC47F&ID=9621E080779814E92540EF23F30FEDED&temp=False&tx=0&source=CampaignOverview

[70] https://lisc.createsend.com/campaigns/reports/viewCampaign.aspx?d=r&c=08A2FECF17DFC47F&ID=9621E080779814E92540EF23F30FEDED&temp=False&tx=0&source=CampaignOverview

[71] https://www.urban.org/urban-wire/government-funding-cuts-put-nonprofits-risk-across-nation

Mitchell Salem, reported in an article published by the New Haven Independent in 2025 that "funding slashes" under the current presidential administration resulted in the non-profit losing millions of dollars in federal funding.[72] This is not a situation that is unique to IRIS. Across Connecticut, the current federal administration has terminated more than $150 million in previously allocated public health grants.[73] The possible ripple effects of these cuts have led many to be concerned about the future stability of many essential services in Connecticut.

The current administration's proposed discretionary budget blueprint for 2026 prescribes an approximate 44% decrease, or $32.3 billion, in HUD funding.[74] A further $291 million in cuts is also recommended to the Treasury Department's Community Development Financial Institution (CDFI) Fund grant funding.[75] Key housing programs, such as the Community Development Block Grant (CDBG), which provides "3.3 billion in formula grants to more than 1,200 state and local governments" for community and economic development, as well as the HOME Investment Partnerships (HOME) Program, which provides "$1.25 billion to state and local governments with funding to expand the supply of housing" are at risk of being cut in 2026 under the current federal administration.

Furthermore, it is estimated that private philanthropy will be unable to offset the nearly $1 trillion in potential budget cuts.[76] As the current federal budget cuts under the current administration are still very recent, it is difficult to quantify the direct impacts that some of these measures may have on CDCs. While there is currently little literature on the direct impact that these federal budget cuts will have on CDCs across Connecticut, their reliance on federal grants and the current dangers to these once-reliable sources of funding are important to consider.

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[72] https://www.newhavenindependent.org/article/iris_to_shutter_main_office

[73] https://portal.ct.gov/governor/news/press-releases/2025/03-2025/governor-lamont-trump-administration-cuts-will-have-sweeping-impact?utm_source=perplexity&language=en_US

[74] https://www.novoco.com/notes-from-novogradac/fy-2026-trump-budget-blueprint-proposes-163-billion-in-domestic-nondefense-cuts-including-a-43-billion-cut-for-hud-and-no-cdfi-grant-funding

[75] https://www.novoco.com/notes-from-novogradac/fy-2026-trump-budget-blueprint-proposes-163-billion-in-domestic-nondefense-cuts-including-a-43-billion-cut-for-hud-and-no-cdfi-grant-funding

[76] https://www.uwgc.org/federal-funding-cuts-would-significantly-affect-local-nonprofits-survey-shows/

Comparative Analysis

GDDC, NCDC, and LISC Connecticut share commonalities in funding sources, affordable housing development projects, and goals; however, they also differ significantly in scale and geographic location. When viewed in terms of scale and geographic location, however, GDDC, NCDC, and LISC Connecticut offer a reliable model for how CDCs can operate and build public and private relationships effectively.

The GDDC operates in the Dwight neighborhood in New Haven. Given the organization's specific and limited geographic area, the GDDC has been able to focus on issues most relevant to residents of the Dwight neighborhood, including affordable housing development, food security, and job training.[77] This proximity to residents and local stakeholders also allows the GDDC to effectively hold many community engagements and forums within the Dwight neighborhood.

Furthermore, the GDDC's relationship with Yale University is not to be overstated. Through partnerships such as the Yale Urban Design Workshop (YUDW) and the Yale Office of New Haven Affairs (OHNA), the GDDC has been one of the main beneficiaries of Yale's ongoing commitment to supporting the local New Haven economy. It is important to note, however, that this partnership with Yale University is also a unique characteristic of the GDDC. Very few CDCs have access to institutional partners such as colleges and universities. These partnerships are important to consider and may also serve as an advantageous opportunity for new and currently expanding CDCs.

The NCDC is focused on the city of Norwich. Its geographic scope and population (40,125) serve as a stark difference to that of the GDDC's Dwight neighborhood (6,815). Essentially, comparing the two is comparing a neighborhood (Dwight) and a city (Norwich). The NCDC has a stronger and more developed relationship with the City of Norwich government, evidenced by past support from the city in terms of grant applications from the city council. The NCDC also has the benefit of longevity. With more than 60 years of operation in comparison to the GDDC's 31 years of operation, the NCDC has a longer history of successful projects and results in the City of Norwich.

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[77] http://gddcnh.org/accomplishments/

However, this smaller geographic area has also allowed the GDDC to expand at an extremely fast pace. In its 31 years of operation, the GDDC has produced several units of affordable housing, overseen the creation of a Dwight Place Shopping Plaza to address food security for Dwight residents, and established a Montessori School with the support of the New Haven School Readiness Program and the Connecticut Department of Social Services.[78] I argue that this smaller and more pointed focus on the Dwight neighborhood has been highly beneficial to the GDDC and its multiple development projects.

However, LISC Connecticut's larger, statewide focus also allows it to focus on more than affordable housing development and community development. LISC Connecticut, in particular, offers technical assistance to CDCs navigating "complex housing regulations" and "organizational practices." [79] In a way, this larger, more decentralized style of operation allows LISC Connecticut to diversify into more areas of assistance and affordable housing development.

Another interesting point of comparison between the GDDC and the NCDC is their funding sources. In several ways, their funding models are extremely similar. Both rely heavily on federal and state funding as well as the generosity of local foundations. However, philanthropic funding in particular has not moved significantly beyond the state and local levels, as seen in the GDDC and NCDC. This is in contrast to LISC, whose extensive philanthropic backing is a core component of its operation.

While the GDDC, NCDC, and LISC Connecticut differ in geography, scale, and relationships, a unifying component of their operations is clear: the ability to leverage unique local assets while developing robust public and private partnerships is crucial for success. These three organizations show that CDCs are strongest when they address both local needs and the needs of their constituents.

RECOMMENDATIONS

Based on the research gathered on the three CDCs, I want to put forth some recommendations for CDCs moving forward. I believe that these recommendations would be advantageous to consider as CDCs aim to grow in their capacity and

[78] http://gddcnh.org/accomplishments/

[79] https://www.lisc.org/connecticut-statewide/our-priorities/affordable-housing/products-services/technical-assistance/

better cater to the needs of their residents. In order to argue these recommendations, I will explain examples of where CDCs in other states across the country have succeeded in implementing these recommendations.

Establish and Support Collaborative Networks

CDCs should be encouraged and supported to form local and regional alliances, particularly with other CDCs. By pooling resources, research, and expertise, CDCs can increase their capacity to compete for funding and advocate more effectively for policy changes at the state and local levels. The Massachusetts Association of Community Development Corporations (MACDC) is an example of such an initiative, which aims to advocate for the CDC field's "shared interests at the state and federal level."[80] On the subject of affordable housing specifically, MACDC offers resources and support in the areas of "policy and resource development", "collaboration with intermediaries", "research", "professional training", "peer networks", and other services.[81]

While LISC Connecticut offers various forms of support to CDCs across Connecticut, a more formalized, statewide alliance would enable Connecticut CDCs to better coordinate their efforts, troubleshoot problems, identify shared challenges, and collectively push for government action on the local and state levels. While creating a formal organization like MACDC may take extensive time and resources, a commitment by a coalition of CDCs to support each other in these aforementioned areas could prove a highly beneficial undertaking. Furthermore, in an era of grant competitiveness, a unified network could help smaller or under-resourced CDCs gain access to resources and expertise that can better equip them to address their respective communities.

Research Non-traditional Funding Sources

CDCs should also explore non-traditional funding sources, such as social media campaigns, crowdfunding, and merchandise sales, to enhance their financial stability. In a world where online connectivity is becoming an essential part of life, the power of social media, especially in the non-profit and social impact sector, should not be underestimated. For example, TikTok, a short-form online video-sharing platform, has implemented a Creator Fund to support content creators

[80] https://www.macdc.org/overview

[81] https://www.macdc.org/affordable-housing-program

financially. As non-profits look to expand their social media reach, monetized social media platforms such as TikTok and YouTube offer potential opportunities for CDCs to share their work and impact with audiences.

Additionally, crowdfunding platforms such as GoFundMe also offer the opportunity to expand the reach of donations. These platforms can even reach international audiences, potentially allowing CDCs to expand their scope of influence far beyond particular geographic locations, while also capitalizing on the support of people who share their goals and mission regardless of their geographic locations. This capacity to mobilize resources from a diverse and extensive audience can offer CDCs a way to reduce dependence on traditional funding pipelines while also cultivating a network of supporters and advocates. This is an advantageous option for CDCs, many of which have marketable messages that can be further emphasized through an effective social media strategy. For example, the Jay Pottenger Vibrant Communities Fund, an initiative of the GDDC focused on the legacy of past Dwight supporter Jay Pottenger, could serve as the basis for a successful crowdfunding project. GoFundMe has several examples of how similar, past crowdfunding initiatives have demonstrated success.[82]

Additionally, another potentially lucrative area of non-traditional funding could be merchandising sales. Most CDCs are rooted in specific geographic areas, where organizational leadership and residents often maintain deep connections. By producing merchandise that reflects the unique character of the neighborhoods they serve, CDCs can create products that resonate with both residents and supporters. Similar to the two aforementioned non-traditional funding sources, this strategy will not only generate revenue but can also serve as an avenue to strengthen community identity and visibility.

CONCLUSION

This examination of three Connecticut Community Development Corporations—the Greater Dwight Development Corporation, Norwich Community Development Corporation, and Local Initiatives Support Corporation Connecticut—reveals the critical and multifaceted role that CDCs play in addressing the state's affordable housing crisis. Through their diverse approaches to community development, these organizations demonstrate that CDCs serve as essential intermediaries between community needs and available resources, effectively leveraging public and private

[82] https://www.newsweek.com/biggest-gofundme-fundraisers-ever-1637765

partnerships to create tangible improvements in housing accessibility and neighborhood revitalization.

Through this research, several key findings are clear. CDCs appear to operate most effectively when they maintain strong connections and demonstrate a deep understanding of the particular geographic area that they serve. Additionally, the numerous scales of the CDCs examined in this study also demonstrate that it is possible for CDCs to operate successfully at multiple different scales and with differing capacities. This affirms that no single blueprint for the successful operations of CDCs exists and that the need for adaptive, context-sensitive approaches is extremely important.

CDCs represent a unique approach to addressing urban challenges, one that combines grassroots organizing, non-profit management, and public-private partnerships in service of community-defined goals. The three organizations examined in this study demonstrate both the potential and the limitations of this approach. They have successfully created affordable housing, supported economic development, and strengthened communities, but they also operate within larger systems of inequality and resource scarcity that constrain their impact. The work of Connecticut's CDCs in affordable housing development reveals that while these organizations cannot single-handedly solve the state's housing crisis, they serve as essential components of a broader ecosystem of housing development and community support. Their deep community connections, adaptive capacity, and commitment to holistic development approaches make them valuable partners for policymakers, funders, and other stakeholders working to address housing challenges.

As Connecticut continues to grapple with affordable housing shortages, demographic changes, and economic pressures, the role of CDCs will likely become even more critical. Supporting these organizations through policy initiatives, funding commitments, and partnership opportunities represents an investment not just in housing development but in the broader project of building more equitable and resilient communities. The experiences of GDDC, NCDC, and LISC Connecticut provide valuable guidance for this ongoing effort, demonstrating that effective community development requires both local knowledge and broader networks as a method of long-term strategic thinking.