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Exploring the Potential for a Community Development Corporation in Beltsville, Maryland

COURSE

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**Partnership for
Action Learning
in Sustainability**

Prince George's County, MD

**PRINCE GEORGE'S COUNTY
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ABOUT PALS

The Partnership for Action Learning in Sustainability (PALS) is administered by the National Center for Smart Growth at the University of Maryland, College Park (UMD). It is a campus-wide initiative that harnesses the expertise of UMD faculty and the energy and ingenuity of UMD students to help Maryland communities become more environmentally, economically, and socially sustainable. PALS is designed to provide innovative, low-cost assistance to local governments while creating real-world problem-solving experiences for University of Maryland graduate and undergraduate students.

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Abstract

This paper examines how Beltsville, Maryland could create a community development corporation (CDC) to pursue development opportunities. Effective CDCs blend strong community engagement and service provision, secure funding from diverse sources, operate with robust governance, and employ local leaders and staff. This report's findings are a result of combining several research methods including interviews, reports, and a site visit. We recommend that Beltsville establish a CDC to facilitate the community's development.

Introduction

Beltsville, Maryland, along the Route 1 Corridor, is a diverse community of approximately 20,000 residents. But those residents are excluded from decision-making processes related to local development. Beltsville's status as an unincorporated community within Prince George's County limits its ability to fund community improvement and development initiatives because the area lacks municipal tax revenue.

Residents are concerned with a range of local challenges, including outdated infrastructure, limited economic opportunities, and complex regulatory barriers. The community wants to address these issues locally; however, community leaders can't form coordinated responses without a centralized governance structure or formal development organization. Beltsville can't implement meaningful solutions without strategic planning capacity and sustained investment.

This report investigates the key barriers to Beltsville's development by examining issues of infrastructure, economic opportunity, and the lack of centralized leadership. The literature review outlines best practices for launching and sustaining community development corporations (CDCs), successful community engagement strategies, and funding sources to support the work. The data collection includes a site visit to Beltsville, a review of successful CDCs, interviews with community liaisons about attitudes toward development, and conversations with CDC leaders about viable funding pathways.

Based on this research, we propose establishing a CDC in Beltsville. A CDC would be a coordinating body to facilitate investment, improve infrastructure, and ensure that residents have a voice in shaping their community's future.

Research

Literature Review

Launching and Sustaining a CDC

In his work, Joongsub Kim identified elements of an effective community development system through observations, interviews, and site visits in four American cities with community development corporations and comparing his findings to a literature review on success in community development. He determined seven elements that support success: governance, system capitalization, data and evaluation, city engagement, capacity-building, neighborhood voice, and career pipelines.

Governance refers to developing legitimacy through interpersonal relationships and shared development narratives. System capitalization means finding diverse and dependable funding sources. Success in data and evaluation and in city engagement relies on tracking progress through data and local stakeholders who are actively engaged in shaping and assessing development efforts. CDCs successfully build capacity when they collaborate with other organizations to work together on joint initiatives or exchange ideas. There is broad support from the literature that achieving community development goals necessitates developing a broad coalition and building consensus among neighborhood voices (Kim 2024). Finally, to prepare and train staff for community development initiatives, organizations should involve youth by engaging them as leaders and collaborating with educational institutions to encourage students to pursue careers in community development.

Honesty, transparency, and collaboration are essential to successful community development (Kim 2024). The most common theme in successful community development is

crafting a narrative around the development goals by engaging with community members, key stakeholders, and public agencies (Kim 2024).

Community Engagement

Successful community engagement is essential for any community development corporation. However, as reflected in the literature, community engagement strategies are widespread and vary with the context of the specific challenge. Robert Silverson discusses several CDC's struggles with community engagement in his 2005 paper, "Caught in the Middle: Community Development Corporations (CDCs) and the Conflict between Grassroots and Instrumental Forms of Citizen Participation."

There are two major approaches to community engagement by CDCs. The first is a task-oriented approach focused on service delivery and administration. The second is a bottom-up, grassroots-oriented approach that allows for greater community participation. Most CDCs fall on a spectrum between these two approaches. However, the service delivery and grassroots approaches are not opposites nor mutually exclusive (Silverman 2005). CDCs need to balance community engagement and appropriate service administration depending on community context. For example, a CDC focused on providing activities, such as a local sports club, won't have the same needs as one intended to act as a community advocate (Silverman 2005). However, every community development corporation should have a community engagement strategy, even if it uses a task-oriented approach (Silverman 2005).

In their 2007 book, *Reframing Public Participation: Strategies for the 21st Century*, Judith Innes and David Booher discuss the state of public participation in the US. Many nonprofit organizations and state and local governments take on public participation projects;

however, most have failed to solve the problems they want to address (Innes and Booher, 2007). Most public participation efforts occur at public hearings where one side speaks in favor of a policy and the other speaks against it (Innes and Booher, 2007). In theory, public hearings allow all sides to speak on an issue. However, this type of engagement pits citizens against each other by grouping them into camps for or against an issue. Divisions contribute to political polarization at the local level (Innes and Booher, 2007). Instead, the authors argue that organizations should engage in public dialogue where opposing sides can engage directly (Innes and Booher, 2007). Dialogues allow for greater community collaboration, decrease polarization, and establish networks and communication channels between community members and policymakers (Innes and Booher, 2007).

Frances Bowen, Aloysius Newenham-Kalhindi, and Irene Herreemans further develop community engagement strategies in their 2010 paper, “When Suits Meet Roots: The Antecedents and Consequences of Community Engagement Strategy.” The authors identify three major approaches policymakers can take toward community engagement: transactional, transitional, and transformational. Transactional engagement focuses on giving back or one-way transactions, such as investment programs or charities. Transitional engagement focuses on building connections or communicating directly with community members and other stakeholders. There is open, two-way communication between both parties, and stakeholders are regularly engaged through dialogues or town hall meetings. Finally, transformational engagement occurs in projects designed to “change society” (Bowen, et al., 2010). Projects are jointly owned and managed with community members. Community stakeholders make decisions jointly and have a direct say in the project’s operations. (Bowen, et al., 2010). However, this type of community engagement is best for smaller groups.

For Beltsville's CDC to be effective, strategies must be prioritized to facilitate stakeholder collaboration and consensus-building. "The Role of Community Engagement in Urban Innovation Towards the Co-Creation of Smart Sustainable Cities," published in the *Journal of the Knowledge Economy*, presents a conceptual model of factors influencing effective community engagement in urban planning. The authors argue that successful urban redevelopment requires active participation from diverse stakeholders to establish solutions that align with local needs. Without structured and inclusive community engagement efforts, development initiatives are inefficient or fail to address community needs. Different stakeholders have conflicting perspectives on how the area should be developed, making it difficult to coordinate efforts and move forward as a unified community. Leaders should engage in a participatory decision-making process, regular community forums, and transparent communication channels to remediate any conflicts. The development process will be undermined if the CDC doesn't foster cooperation and align stakeholder visions (Anthony 2024).

Funding Sources

An analysis of financial sustainability for economic development will be relevant for any CDC in Beltsville. The Brookings Institution article, "Financing Transformation," examines how to maintain place-based economic development after federal funding ends. The authors point out a critical issue with expanding economic development: these initiatives aren't sustainable once federal funds are exhausted. The report explores the sustainability and development issues that many economic development initiatives face. The authors emphasize the necessity of planning for long-term financial sustainability from the outset of any place-based economic development project. They suggest that reliance on one funding source such as federal funding is insufficient.

Instead, the authors argue that a diversified funding stream is essential. Their approach includes leveraging more federal funding opportunities, and seeking state and local contributions, private sector investments, and philanthropic support.

Undoubtedly, obtaining multiple revenue streams may be a significant challenge since Beltsville is unincorporated and doesn't receive municipal tax revenue, which could be used to fund local redevelopment projects. Nevertheless, the proposed CDC must focus on alternative funding strategies while ensuring Beltsville transforms into a community that appeals to multiple funding sources.

The report underscores the importance of building local capacity and governance structures that can adapt and sustain its efforts. Given the lack of a centralized organization to coordinate such efforts, establishing a CDC with a governance model will be critical to maintaining long-term investment and continued community development.

In the article, "The Role of Community Development Corporations in Affordable Housing," Yael Krigman provides an overview of how nonprofit organizations create and maintain affordable housing and discusses housing development funding sources. The Community Development Block Grant program, the Low-Income Housing Tax Credit program, and the HOME Investment Partnerships program provide direct government funding to CDCs. Also, nonprofit organizations such as the Local Initiatives Support Corporation (LISC) and Enterprise Community Partners, Inc. distribute government funding and grants from the federal government and generally promote CDCs.

One pitfall CDCs should avoid is becoming separated from the communities they serve and losing their community character. Some CDCs become so focused on the mission to

develop affordable housing or economic opportunities that they become less engaged with community stakeholders.

Krigman also advocates for more structured, state-level legal frameworks and certification processes to improve the efficacy of CDCs. The article's discussion of the CDC's role in affordable housing will inform Beltsville's CDC strategy since affordability is a concern in Route 1 Corridor redevelopment.

Route 1 Corridor Site Visit

A site visit to the Route 1 Corridor in Beltsville allowed first-hand observations of the area between Sunnyside Avenue and Quimby Road, which was examined in M-NCPPC's *Route 1 Land Redevelopment Study*. Findings confirmed much of the information from initial research—poor road conditions, including potholes, uneven pavement, and generally unsafe and inefficient traffic patterns. Beltsville's undesirable road conditions stand out due to the area's auto-centric road design.

Beltsville also lacks pedestrian infrastructure, with few safe options for those walking or using public transportation. Frequent entrances and exits to commercial businesses interrupt the sidewalks so extensively that in some places they feel nonexistent, while the MARC Commuter Rail line on the other side of the road further limits walkability. The inconsistent sidewalks leave no safe routes for pedestrians.

Businesses and food establishments line the road, with industrial lots, development projects, and seemingly abandoned properties scattered throughout. We noted several areas where general beautification projects would improve the overall appearance, making the Corridor a more visually appealing destination. While Beltsville shows clear potential for

significant improvements, the site visit highlighted the area's current challenges, including poor infrastructure, limited pedestrian access, and a lack of visual appeal along the Route 1 Corridor.

Interview: Mary Cook

To better understand local attitudes surrounding development initiatives, we interviewed Mary Cook, Constituent Services Specialist to District One Councilmember, Thomas E. Dernoga. Cook attended all the community stakeholder meetings for the *Route 1 Land Redevelopment Study* conducted by the M-NCPPC. She shared her assessment of Beltsville's current development and infrastructure, its ongoing challenges, and residents' attitudes toward community development. Cook highlighted that the area needs significant improvement, and noted funding is the biggest challenge. Residents want general beautification, safer roads, and stronger community engagement. However, the lack of funding and coordinated planning hinders these improvements. Cook recalled that in previous development projects residents felt excluded from the decision-making process, highlighting the importance of transparency in future initiatives. She agreed with our central recommendation that a CDC would greatly benefit the area.

Interview: Marcus Monroe

We interviewed Marcus Monroe, Councilmember for Brentwood, and Chief-of-Staff to Chair of the Prince George's County Planning Board, Peter A. Shapiro. An architect by training, Monroe has extensive experience in community development and placemaking and has been involved in large- and small-scale projects. While not directly engaged with community development in Beltsville, Monroe emphasized that the Route 1 Corridor is a priority for the Planning Board.

He noted two main challenges—a lack of walkability and pedestrian infrastructure along Route 1, the division of Beltsville into halves by Route 1—and main opportunities, such as current positive commercial activity and potential for connecting green spaces.

He spoke positively about the potential effects of a Beltsville community development corporation. He believes a CDC could create continual community engagement and clarify priorities for businesses, activists, and residents. Monroe's background in community development comes from his work with the Gateway CDC in Hyattsville, Maryland, which is also located along Route 1, and is an economic development initiative focusing on art and artists. Its work has led to creative placemaking, increased foot traffic, more small businesses, and a resurgence of local arts and culture. The Gateway CDC was also an incubator for creative entrepreneurs, further contributing to placemaking and economic development and serving as an economic base for communities within the CDC.

Monroe recommended several best practices for a Beltsville CDC. He emphasized the need to work with regional partners, including the State of Maryland, the Prince George's County Planning Board and M-NCPPC, economic development agencies like the Prince George's County Economic Development Corporation and Economic Development Incentive Fund, and regional nonprofits. As with the Gateway CDC, Monroe recommends finding an industry or area where Beltsville can encourage entrepreneurship and improve its economic base. He emphasized that a Beltsville CDC should focus on partnerships and building bridges between community stakeholders and regional institutions. He encouraged using local consultants who are familiar with the community and who understand that CDCs are about sharing prosperity, not extracting profit or wealth. Project consultants should be willing and able to build relationships with community stakeholders and regional partners.

Monroe also emphasized the importance of sustainable funding. He explained that a grant of \$100,000 can only pay one, possibly two staff members, without benefits, and that partnerships with regional institutions and organizations can help build capacity and support CDC operations. The CDC's board should comprise long-time residents and regional partners and shouldn't become unwieldy or overly powerful. This can be challenging in the D.C. metropolitan area where many residents are transient. To build trust and gain legitimacy in the community, Monroe recommends that primarily long-time residents serve on the board and reflect all ages and demographics. The board's makeup will inform the CDC's identity, which will further create or limit its legitimacy.

Finally, Monroe emphasized the need for reporting and the holistic nature of a CDC. After a year or two, community stakeholders expect results, and it will be necessary to sell short-term wins. A clear ask for community residents, a laser-focused mission, and the capacity to report progress will be instrumental for a successful community development corporation.

Online Resources

Case studies and online resources were used to complement academic research with practical, real-world examples of how CDCs are formed and created. While the literature review offered theoretical frameworks, these resources add operational insights, current best practices, and authentic community experiences.

A strong steering committee is a critical first step in creating a CDC. North Carolina State University's "How to Choose a Steering Committee" emphasizes that assembling a group of dedicated individuals with ties to various community segments is critical for building credibility and ensuring inclusive decision-making.

In LISC's "Everett Equitable TOD CDC Study," one of the core organizational designs of the Station Alliance Development Association for Everett, Washington was a board of directors that equally provides broad and balanced representation and brings in relevant expertise. This structure was crafted to support equity and legitimacy, from the outset. Leadership of successful CDCs reflects the communities they serve, is passionate about the corporation's goals, and brings essential expertise.

Even the most enthusiastic CDC efforts can falter without a coherent and realistic strategy. Both the "4-Step Strategic Planning Guide" by Cherry Bekaert, an assurance and tax firm and "Why Start a Community Development Corporation" from A Good Community offer insights into developing these critical frameworks. According to Cherry Bekaert, strategic planning should first focus on understanding the community's needs through data-driven assessment, then align the CDC's mission to tangible, prioritized goals. Strategic plans must go beyond visionary language. They require measurable goals, explicit timelines, and financial projections.

An important nuance in the LISC guide is the need to align priorities with available funding, especially when the CDC is getting started. A step-by-step guide to forming a CDC on the Rolling Out website stresses the importance of diversifying funding streams through grants, partnerships, and earned income as a safeguard against economic downturns. Similarly, the University of Texas guide points out that dependence on a single funder often leads to vulnerability and instability.

The RAIL CDC in Mesa, Arizona began with simple façade improvements for businesses along transit corridors but gradually expanded to broader commercial corridor redevelopment, public space improvements, and focused support for BIPOC and women-owned businesses. The

“Starting a Community Development Corporation” report from the University of Texas at Austin's School of Architecture recommends partnering with a nonprofit or university department to get outside expertise in planning.

Formalizing a CDC requires adherence to relevant legal and organizational frameworks. The LISC guide “Documents that Qualify a CDC” outlines the necessary foundational pieces: articles of incorporation, bylaws, proof of nonprofit status, and a board that demonstrates community accountability. Guides like A Good Community’s “Why Start a Community Development Corporation” and the Peoples’ Law Library of Maryland’s explanation of CDCs break down the steps for creating legal governance structures and completing the paperwork. The University of Texas’s guide recommends investing early in professional legal advice and training for board members to ensure the CDC is “well-incorporated” from the beginning.

Recommendations

The Right Group of People

Bringing together the right group of people is critical. Without a motivated steering committee working together, the CDC will struggle to gain momentum and take off. The steering committee should include passionate, interested leaders from the community, state and county government, faith organizations, public charities, businesses, and relevant advocacy groups. The planning department can help identify and recruit professionals with various skills, perspectives, and experience relevant to the corporation’s goal. Founding members of the board of directors will help shape the CDC moving forward. Building a steering committee with guaranteed representation from important stakeholder groups or different areas will ensure broad and balanced representation.

The Legal Backbone

Bylaws should be drafted to clearly define the CDC's governance structure. They should outline the roles and responsibilities of the board of directors, executive staff, and general membership. Key elements include the process for electing board members, term limits, rules for board meetings, and procedures for amending the bylaws. Bylaws should ensure transparency and accountability by including community-based financial oversight mechanisms and reporting requirements.

The CDC must also file with the State Department of Assessments and Taxation (SDAT) and apply for federal tax-exempt status with the Internal Revenue Service (IRS). This paperwork establishes the CDC as a legal nonprofit entity, allowing the corporation to receive tax-deductible donations and apply for grants. An IRS Employer Identification Number will allow the CDC to hire employees.

A Strategic Plan and Secure Funding

A well-crafted strategic plan serves as a growth, investment, and action roadmap and is essential for creating a meaningful impact. It must reflect the community's needs, include measurable goals, and outline a realistic path forward. The first step is to define clear short- and long-term goals based on community input, needs assessments, and previous analyses. Short-term goals might focus on quick wins, such as hosting community events, sponsoring public art, or launching a website. Long-term goals should aim for broader systemic improvements, including corridor development and support for local businesses.

Early initiatives should be achievable, mission-aligned, and visibly impact the community. Prioritizing "quick wins" will build momentum, demonstrate value, and help the

organization gain traction. Each goal should align with the CDC's mission and the Beltsville community's priorities.

A mix of public and private funding sources should be pursued, including federal, state, and county grants, partnerships with philanthropic organizations and local businesses that offer additional support, or grassroots fundraising. In May 2025, the Trump administration proposed eliminating the Community Development Block Grant (CDBG) program, the main source of federal funds for community development as part of broader budget cuts aimed at reducing federal spending (Rubin, 2025). The volatility of federal programs underscores the need to develop a flexible strategic plan that uses a diverse mix of funding sources.

The strategic plan should also include a timeline for implementing initiatives and clear metrics—ideally determined with input from the community—to evaluate progress and success. Community engagement is essential in this step; the Beltsville community should have a say in developing the strategic plan, and clear communication between CDC leaders and the community will help the CDC take off. Open forums and listening sessions can provide input and foster buy-in from residents.

Conclusion

The challenges residents face—outdated infrastructure, limited economic opportunities, and complex regulations—were confirmed by interviews. Additionally, the lack of funding and coordinated planning hinders improvements and limits positive development in Beltsville. The site visit showed several areas where beautification projects would improve the Corridor's overall appearance, making it more appealing to investors.

A CDC can maintain community engagement and define key priorities for all stakeholders, essential to making needed improvements. To effectively implement a successful CDC, we recommend bringing together the right group of people, building a strong legal backbone, developing a strategic plan, and securing ample and diverse funding streams.

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