

OPINION

Invest more intelligently in underserved communities

By Blondel A. Pinnock

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Last week, Vice President Kamala Harris paid a visit to the nation's first community-economic development entity, the Bedford-Stuyvesant Restoration Corp., to [announce](#) alongside Mayor Adams the Biden administration's historic commitment to investments in underserved communities across the United States.

The administration's new [Economic Opportunity Coalition](#) will bring together 21 corporations and three foundations to invest tens of billions in communities of color, low-income communities, rural areas, and other historically underserved communities.

The announcement comes at a crucial time — when it is clear we need the partnership of the public and private sector to take on the scale of the challenges we face in underserved areas. That is especially true in Black and Brown neighborhoods like Bedford-Stuyvesant that have [borne the brunt](#) of the COVID-19 economic and public health crisis.

Allocating \$3 billion for entities that provide financial resources for wealth creation such as community development financial institutions (CDFIs) and minority depository institutions (MDIs) is a commitment that addresses an urgent, though too often overlooked, crisis: the exploding U.S. racial wealth gap, which stands as a barrier to inclusive economic growth.

In Brooklyn alone, the [wealth gap](#) is between \$40 and \$50 billion. It has only continued widening during the pandemic. Over the past decade, the rapid growth of the city's tech industry has left many residents behind — particularly people of color.



Vice President Kamala Harris speaks at the Billie Holiday Theatre in Restoration Plaza on July 28, 2022 in the Bedford-Stuyvesant neighborhood of Brooklyn. (Michael M Santiago/Getty Images/Getty Images)

The Biden administration's actions on behalf of equitable community development will support the organizations and resources that we need to fuel growth in lower to middle-income communities.

However, it is critical that, following through on this announcement, funders' resources actually reach the frontline organizations providing direct services.

I have spent decades supporting economic development in communities of color in both the public and private sector. It is too often we hear promising rhetoric that does not ultimately serve residents on the ground.

Community-based nonprofits addressing the full range of social determinants from finance to food and housing have been the backbone of a healthy recovery in New York. Their work is essential at this moment as we continue to face heightened needs across the state.

Harris spoke from the steps of the amphitheater of the Billie Holiday Theatre at Restoration Plaza, the former industrial milk bottling plant that Restoration and its partners transformed into the 300,000-square foot commercial mixed-use space we know today.



Mayor Eric Adams speaks at the Billie Holiday Theatre in Restoration Plaza on July 28, 2022 in the Bedford-Stuyvesant neighborhood of Brooklyn. (Michael M Santiago/GettyImages/Getty Images)

At its inception in 1971, the plaza was an innovative public-private project that attracted investment to the community and supported economic development after a late 1960s marked by riots and poverty.

More than 50 years later, today the site is again on the precipice of reinvention, as Restoration redevelops and repositions the plaza as a technology hub that will help to close the racial wealth gap by establishing an ecosystem of educational and employment opportunities for residents in Central Brooklyn. The new site will be renamed the Restoration Innovation Campus and will consist of economic mobility programs alongside major industry anchors and community and cultural organizations.

The Biden administration's leadership in bringing together the public and private sector sets an important example for city and state policymakers in New York as communities look to get transformative projects like these off the ground.

Nonprofits on the front lines cannot do it alone — and as Restoration continues to seek the support of government and corporate partners to realize what promises to be the largest community development in the history of Brooklyn, it is one example among countless local organizations nationally that would benefit from greater integration of resources to support underserved communities.

To realize a more inclusive innovation corridor in Central Brooklyn, the city will need to emulate its example of convening partners across sectors. We must align the resources of both sectors to take our urgent economic development priorities, from investing in small minority businesses and creating workforce pipelines within populations of concentrated poverty to increasing personal wealth asset acquisition and minority home ownership.

Bold leadership at the federal level, executing strong financial inclusion policy, benefits our work and that of the hundreds of community development corporations that proliferated to improve quality of life in lower-income neighborhoods.

The gains that community-based financial services groups and community development nonprofits have made must not be lost during a pandemic recovery that we know has already left many underserved communities behind. Now let's make sure the transformative resources behind this federal initiative reach the underserved communities it is meant to serve.

Pinnock is president and CEO of Bedford-Stuyvesant Restoration Corp.