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The Unity Council at 40: A Pioneering Community Development and Service Organization (1967–2007)

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The Spanish Speaking Unity Council (Unity Council) is a community development nonprofit organization that was established in 1964, during the civil rights movement, by a group of community members who wanted to ensure the political representation of the Latino community. Over its 45-year history, the Unity Council has grown into a $12 million community development organization that delivers a range of programming, including social services and employment training as well as facilitating the development and support of local businesses, low-income housing, and neighborhood improvement activities. The history of the agency presents the multiple challenges and rewards associated with development in an underserved community and an example of the important role that leadership plays in the growth of a nonprofit.

KEYWORDS Organizational history, nonprofit, community development, Latino community

INTRODUCTION TO THE SPANISH SPEAKING UNITY COUNCIL

The Unity Council is one of the oldest community development corporations in the country and is committed to enriching the quality of life of families primarily located in the Fruitvale District of Oakland, California. It aims
to create healthier communities by implementing and managing integrated programs addressing economic, social, and physical development. In 2007, the Unity Council operated on a budget of $12 million, employed 140 people and supervised hundreds of volunteers. Over its 44 year history, the Unity Council has had many accomplishments, including its early advocacy efforts on behalf of Oakland’s underrepresented Latino community, the delivery of social services and employment training, the development of low-income housing for families and seniors, and the support of hundreds of businesses. The agency transformed the blighted Fruitvale neighborhood through the rehabilitation of open space, commercial businesses, and the development of the Fruitvale Transit Village (a project that has become a national model for sustainable transit-oriented development). Since its earliest years the Unity Council was, and continues to be, a catalyst for Latino leadership development and community development.

BACKGROUND AND THE BEGINNINGS OF THE UNITY COUNCIL (1950s AND 1960s)

The Fruitvale district of Oakland is located about three miles east of downtown Oakland and makes up 4.5% of Oakland’s total land area. Along with cities across the country, Oakland was affected by the major post-World War II economic trends that reflected the loss of manufacturing and the slow transition to a service-based economy. At the same time, freeway construction and redevelopment in the West Oakland area of the city displaced many African-American and Latino families who moved to East Oakland. Concurrently, many poor and hardworking immigrants began arriving in East Oakland from Latin America, mostly from Mexico.

The canneries and factories located in the Fruitvale began leaving the area, accompanied by the white, middle-class, and affluent residents who were able to move to the suburbs as a result of government-sponsored freeway construction and subsidized mortgages. During the 1950s affordable housing declined, businesses suffered, and the temporary war-time housing was dismantled. These changes forced many families to share crowded accommodations. Older houses were either torn down or divided into flats and larger buildings were constructed, changing the character of the neighborhood. Fruitvale’s retail stores suffered from a decline of customers and many went out of business. The canneries and factories remaining after the war gradually shut down and the city of Oakland began an economic decline. By the 1960s, the Fruitvale had become a distressed neighborhood, plagued by joblessness, inadequate housing, and other problems characteristic of low-income, inner-city communities.

Throughout the 1950s and 1960s, Oakland’s Latino population was strongly concentrated in the Fruitvale district. Latinos faced discrimination in
jobs, housing, and education. Although there were links between Latino and African-American activists, Latinos remained a “minority among minorities” and experienced great difficulty in getting the attention of government and business leaders. As a consequence, it was important for Latino activists to communicate and work closely with each other.

In the 1960s Oakland played an important role in the civil rights movement with the founding of the Black Panther Party in 1966 as a reaction to police brutality in the city. While the Panthers gained national attention for their philosophy and programs, African-Americans were not the only residents to respond to Oakland’s troubled economy and racial discrimination. There were several active Latino groups and, in 1964, a group of Latino activists formed the Spanish Speaking Unity Council to bring those groups together in order to strengthen their impact.

With the launching of the federal War on Poverty in 1964, local activists were concerned that Latinos would not be able to benefit from this pioneering legislation. The concern transferred into efforts to build a local movement. The Unity Council was designed to bring together Latino activists to develop a cohesive agenda in order to coordinate their work in a meaningful way. Given the small population of Latinos in Oakland, they had little political clout.

Arabella Martinez (first Executive Director of the Unity Council) had become involved in the local Community Service Organization (CSO) at the urging of Herman Gallegos. Through her involvement, she got to know other important CSO leaders including Cesar Chavez and Jimmy Delgadillo, who suggested that she set up a meeting of the various Latino groups in Oakland. Given the limited amount of communications between Latino organizations (e.g., CSO, League of United Latin American Citizens, etc.), Martinez seized the idea and convened a meeting at La Cueva (a Mexican restaurant in the Fruitvale) in 1964 (at the time she was a first year Masters of Social Work student in the new Community Organizing and Administration specialization at the University of California School of Social Welfare). The core group of volunteers came from CSO and other organizations (Guadalajara soccer club and Hijos de Puerto Rico) and began meeting regularly at a house offered by Father Oliver Lynch, a priest at Saint Elizabeth Church at the time. Arabella Martinez became the first chair and Alex Zermenio the co-chair. Drawing upon lessons from the civil rights movement, their strategies involved organizing meetings, mobilizing community members on legislative issues, hosting voter registration drives, and other activities that helped to increase the visibility of Latino issues.

Although the Unity Council started as a political action group, it soon realized that it also needed to advocate for needed services in the Fruitvale area. In the 1960s there were few services for Latinos in the Fruitvale. The first step, provided by the Department of Employment, was the placement of a Spanish-speaking counselor at the Unity Council. In the late 1960s the
Unity Council received a grant from the City of Oakland to develop a job training program, which was eliminated one year later when the City decided to place their funds elsewhere. Despite its short tenure, the Unity Council job training program was its first service program and marked its first departure from its original focus on advocacy.

In 1965, recognizing the need for Latino-specific services, the Unity Council established a separate 501(c)(3) nonprofit, the East Bay Spanish Speaking Citizens Foundation (EBSSCF), as a service provider agency. EBSSCF remains one of the Unity Council’s many legacies by providing information and referral, citizenship services, youth education, and leadership and employment training programs to the residents of the Fruitvale. The Unity Council officially became a nonprofit on June 8, 1967. Aside from the grant from the City, it would be some time until the agency became a service provider. For its first few years, the agency was largely an advocacy group made up of various member organizations. Bringing these groups together increased the visibility and power of the underserved and marginalized Latino community of Oakland.

FROM ADVOCACY TO COMMUNITY DEVELOPMENT

In 1968 Jimmy Delgadillo recruited Arabella Martinez to help write a grant proposal to the Southwest Council of La Raza (SWCLR) to fund leadership development. Martinez became the agency’s first executive director in January 1969, marking the Unity Council’s move from being an all-volunteer advocacy agency to becoming a service provider.

Martinez developed the SWCLR proposal and put out a request for Latino organizations to apply for $1000 mini-grants. This enabled the Unity Council to offer grants to several local organizations including a Latino newspaper and a Latino student organization at the University of California at Berkeley. After observing the progress of the grantees, Martinez was convinced that there was a need for formal leadership development training. The Unity Council hired an organization from Los Angeles to provide workshops. Unfortunately, community members were not interested in attending classes so the trainings were cancelled. From this experience, Martinez concluded that it was through on-the-ground practice that individuals learn leadership skills; therefore, the Unity Council would have to develop and operate programs.

In order to build an agency that would be able to serve the larger community, the Unity Council needed to raise money. Most of the available funding in Oakland was through the anti-poverty program; however, this money was primarily allocated to the service needs of the African-American community. At the time, foundations provided only minimal funding to support organizations in communities of color. In an effort to address the
imbalance of fund availability, the Unity Council began lobbying existing funders to support organizations that they had historically excluded.

In 1969, the Unity Council worked with the Mission Development Council to lobby the United Way who, at the time, had only one minority organization grantee in the Bay Area. The executive director of the United Way wrote an internal memo that used inflammatory and racist language and sent it to the ten largest United Ways in the country. A United Way clerk sent the memo to the Unity Council, who confronted the United Way again. After receiving a similar response, the Unity Council turned to the media and had the letter published in the San Francisco Chronicle. Demonstrations were organized to picket the United Way, providing the Unity Council with widespread support in the press and among organizations that had been excluded by United Way. United Way gave into the pressure and by 1970 they were supporting 10 Latino organizations (having supported none in 1969) as well as other minority organizations.

The Unity Council itself did not opt to apply for United Way funds. Based on the local political realities related to the allocation of the War on Poverty funds to the African-American community, Martinez decided to pursue other revenue sources as well as to build a diverse base of funders. One of these funders was the U.S. Department of Labor. The Tax Reform Act of 1969 required that foundations restrict their funding of what Congress identified as political advocacy. This change influenced the Ford Foundation’s decision to focus on “hard programs,” which emphasized economic and physical development along with the delivery of social services. This had immediate consequences for the Unity Council as one of its first grants came from the Ford Foundation. The Unity Council viewed the change as positive and one that helped them move from being a charitable organization to being able to influence the allocation of economic resources. Martinez believed that the Unity Council needed to create job opportunities to help Latinos build leadership skills and benefit economically and these “hard” programs would help the agency carry out this part of its mission.

In 1970 the agency received Ford Foundation funds for housing development. Since there was a need for affordable housing among Latinos in Oakland and the agency had limited experience with housing, they hired an expert and pursued several housing development projects. The first was Las Casitas, a 61-unit complex in built in Hayward because the Unity Council could not find a suitable site in Oakland. Construction on Las Casitas began in 1972 and by the fall of 1974 it was fully rented. Las Casitas was one of the first major housing developments for Latino families in the country. To ensure affordable rent, the project made use of subsidies from the U.S. Department of Housing and Urban Development (HUD). Las Casitas demonstrated that the Unity Council could manage housing projects on schedule and within budget. It was the first of such projects completed by the Ford-supported
Latino Community Development Corporations and was instrumental in convincing the Foundation to continue supporting the Unity Council.

In 1971, the Ford Foundation approached the Unity Council to implement an economic development program. Again, since they had limited experience in this area, they hired an expert and began to provide business assistance and loan packaging to small Latino businesses throughout the Bay Area. By the end of the program’s first five years, it had provided technical assistance to over 204 entrepreneurs. During this time, the Unity Council developed a business advisory committee that included representatives from large corporations (Clorox, Safeway, and Pacific Bell) that provided significant support to the Unity Council.

The Unity Council’s programs and budget grew rapidly in the 1970s. Although they continued their advocacy work, the agency focused on community development programs and real estate ventures. The first real estate development project involved the acquisition and renovation of a building in the Fruitvale area to house its English-as-a-Second-Language Program for non-English speaking Latinos (Education Para Adelantar, EPA). The Unity Council was also approached by the Federal Economic Development Administration (EDA) to build a Fruitvale community resource center; so they bought a site in the Fruitvale and began to build the center. In 1970 they launched a Neighborhood Youth Corps Program (NYC) to serve Latino youth (funded by the U.S. Department of Labor). By its fifth year, the program served over 1000 youth of all ethnic groups. For each success, the Unity Council was able to obtain more grants, expand services, and become more effective at building a leadership base.


In 1974 Arabella Martinez resigned as executive director. The Unity Council’s annual operating budget was $550,000 with assets of $1.5 million. The leadership transition went smoothly, as Martinez had been mentoring her deputy director and successor, Henry Mestre, for several years. Under Mestre’s tenure the Community Resource Center was completed in 1976 and the Unity Council built its first elderly apartment complex (Posada de Colores) of 100 units located in Oakland and funded through HUD. As with the agency’s earlier housing project, this one also met a critical community need and provided visible proof of the agency’s capacity to deliver.

In 1974, the Unity Council was awarded a grant for the Peralta Service Corporation—a subsidiary of the Unity Council that was established to provide employment and job placement services to clients facing multiple barriers. The funds came from the Manpower Development Research Corporation (MDRC) in New York (created in 1974 by the Ford Foundation) and a group of federal agencies. In addition to serving hard-to-serve clients
with on-the-job training and employment, the program built relationships with local employers. The supported work model provided trainees with close supervision, peer support, salaries at or slightly above the minimum wage, and a disciplined work environment. The Peralta Service Corporation continued to grow, expanding to own and operate several businesses such as a gas station and a childcare center.

At the same time, the Unity Council was launching its own supported-work program and expanded its operations to provide pre-employment training for private sector businesses. The Unity Council also expanded its NYC and played a key leadership role in forming the Fruitvale Community Development District (FCDD), one of five neighborhood-based groups that provided input to City Council on community development programs. The FCDD and the Unity Council were instrumental in securing millions of dollars for local development projects and increasing the profile of the Fruitvale and the Latino community.

Throughout the 1970s and 1980s the Unity Council operated as a membership agency, with constituent organizations naming two representatives to the general membership. The Board was elected from among the representatives and was responsible for defining membership criteria to ensure that the Unity Council remained firmly rooted in the community. As the agency moved into the 1980s, this structure became problematic because board members were not necessarily selected based on their expertise. Instead representatives from local agencies often lacked the knowledge and skills needed to understand and oversee complicated financial and real estate dealings.

The demise of the War on Poverty began in the late 1960s and, by the mid-1970s, nonprofits began to compete for funds. In the increasingly competitive environment, the Unity Council was able to acquire funds until Henry Mestre stepped down as executive director in 1980. When Mestre left the Unity Council, the agency was in a healthy financial position with a positive fund balance of $857,000 and thriving programs.

**DECLINE AND CRISIS (THE 1980s)**

In the early 1980s, California entered a period of economic expansion; however, Oakland benefitted little from the technology boom. Between 1981–1986, Oakland was the only major Bay Area city to lose jobs. Its economic difficulties increased as the state entered a recession in the second half of the decade. Although Fruitvale suffered from expanding poverty, it had forged a strong identity as a working-class Latino neighborhood with sizable Asian and African-American communities. Although Oakland’s population was stagnant in the 1980s, the Fruitvale population continued to grow as more immigrants and refugees settled in the area.
Upon Henry Mestre’s departure, Robert Macias was promoted to the interim director position, where he remained for a year. During his brief tenure, the agency’s finances continued to improve on paper; however, some investment decisions made under his leadership would later prove to have been unwise. Using the Title VII grant, the agency built a child care center that was designed to both provide a needed community service and also generate revenue. In 1981 they purchased a Thrifty car rental franchise with offices in San Francisco and the airport.

There was considerable dissatisfaction with Macias’ leadership and his relationships with agency funders. Macias left the agency and the Board selected Tony Enriquez as the interim executive director in July 1981, with a permanent appointment made in February 1982. Enriquez had been teaching in the University of California Berkeley Department of Architecture and worked on a Unity Council housing project before joining the staff in 1980 as the economic development coordinator.

When Enriquez was promoted to executive director, the Unity Council was undergoing considerable upheaval with the relatively sudden departure of Mestre followed by the brief tenure of Macias. The Board thought that offering the job to an existing employee would promote organizational stability and continue the Unity Council’s tradition of leadership development among its staff. Unfortunately, Enriquez’s promotion was a surprise to a number of staff, many of whom felt that he lacked the experience to run the agency. Within less than two years of his appointment, the financial decline of the agency had started to become apparent (see Appendix A).

Much of the funding for the enterprises established by the Unity Council in the early 1980s came from the Title VII funds secured under Mestre. These funds were to establish income-generating businesses for the Unity Council and the Peralta Service Corporation and to provide employment opportunities for residents. A portion of the funds were used to establish a subsidiary, Capital Development Group, Inc. (CDG) to invest in several real estate and business ventures (most of which failed to generate income). In 1982, when the Unity Council invested $400,000 in Unity Car Rental (UCR), there were concerns among the Board about the wisdom of the investment. Despite these reservations, the venture got off to a fast start and revenues increased 50% in one year to $1.2 million and the business expanded from 60 cars rented in two locations to 800 cars being rented in five locations. However, expenses outran revenues and in its first five years, UCR showed net losses of $350,000. This venture resulted in a total write-off of the Unity Council’s investment and the Unity Council declared bankruptcy for UCR, with a final loss realized by the Unity Council as more than $1 million.

By the mid-1980s, the financial condition of the Unity Council led to serious concerns and prompted the executive director and the Board to examine expenses. However, the Board was reluctant to cut programs that were not self-supporting or supported by outside funds. For example, in
1986, after changes in funding for the Peralta Service Corporation left it without its supported work program, the agency decided to merge Peralta with the Unity Council. This added $400,000 to the Unity Council’s own budget (without enough offsetting revenues) and raised the costs of the agency’s central administration. At the same time, the Unity Council was losing money on many of its other programs.

Despite the fact that the Unity Council’s balance sheets looked unhealthy, they embarked on two major development projects in the mid-1980s. The first was the Esperanza Center, a community resource center in Hayward completed in 1988 and financed with grants and a loan from the National Cooperative Bank Development Corporation (NCBDC). The second development was a long-term care facility for the elderly, Villa Alegre, which was purchased for more than $3 million in late 1987 using 100% debt financing.

In 1988 the Chrysler Credit Corporation filed a $1.2 million lawsuit against the Unity Council claiming that it was owed payment on 85 cars bought by the now-bankrupt UCR. By this point, the Board realized that something was seriously wrong with the way that the Unity Council was being run. At the time the agency had only two programs: the children and families program (consisting of federal Head Start funds and private pay childcare) and a senior program that consisted of two independent housing facilities (Posada de Colores and Casa de Las Flores funded by HUD). All of the other programs had closed. The ongoing depletion of funds meant that, without a change in direction, the Unity Council faced disaster.

In an effort to bring new leadership to the organization, the Board recruited and elected several new members, including Jimmy Delgadillo (an original founder), Henry Mestre (former Executive Director), Camilla Johnson and Jose Deunas. In October 1988 Mestre became Board Treasurer and began to examine the agency’s finances. He discovered that Enriquez had not used the loan proceeds from NCBDC to pay the contractor for the construction of the Esperanza Center and had instead used the money to cover operating expenses. Since the contractor had not been paid, the Unity Council had to obtain a loan of $250,000 to pay the contractor. This precipitated Enriquez’s resignation and ultimate departure in January 1989.

Henry Mestre stepped in as Interim Executive Director. The financial situation was dire and the Unity Council had a monthly negative cash flow of $28,000. Mestre engaged in a strategy of refinancing the agency’s debt to generate funds to cover operating expenses and to stave off payments that were to come due. Mestre’s strategy did not work and he resigned in September 1989, with the Unity Council in even more dire financial straits with an operating deficit of $97,000 per month, and debts of $749,000 due by December 1989 and no cash reserves to pay these debts. Rose Padilla Johnson, who had been with the Unity Council since 1984 and had worked as an accountant, then as finance director and then as development director,
was asked to step in as interim executive director. Johnson essentially continued Mestre’s course of refinancing debt, as well as beginning the process of selling some of the agency’s assets (two houses). It soon became clear that this strategy was not working and the Board began considering what seemed to be its only option: bankruptcy.


In December 1989, with the Unity Council on the verge of bankruptcy, the Board hired Arabella Martinez and Viola Gonzales as Chief Executive Officer and Chief Operations Officer respectively on a 60-day contract. Martinez and Gonzales walked into an organization in complete disarray. The Unity Council had lost almost all of their programs and those that were still in existence were operating at a loss and with staff morale at an all-time low. The agency had development projects teetering on the brink of foreclosure, short-term debt that it could not pay, and had lost its credibility with both funders and the community. Within a relatively short period of time and with the help of individuals at the City, County, and the community, Martinez and Gonzales developed the following plan to ensure the survival of the Unity Council: (a) rebuild relationships with funders and other organizations (Martinez’s reputation enabled her to gain support of several funders immediately), (b) restructure the Unity Council financially (through the reduction of expenditures and selling several properties), (c) restructure management systems (develop systems to prevent abuses, deliver up-to-date program and financial reports to funders, and create a positive working environment for employees), (d) restructure programs (improve staff morale and capacity, program content and processes, and restructure budgets), and (e) restructure the Board of Directors (change the by-laws to transform board membership from a representative board to one where members were recruited based on expertise and the agency’s needs as well as reducing the board composition from 21 to 15 members).

In February 1990, Martinez presented a strategy to the Board setting out the agency’s future priorities. She argued that to become effective again, the Unity Council would need to become a place-based institution confined to the Fruitvale area. This was a change from the policy of the late 1970s and 1980s when the Unity Council had served Latinos regardless of residence and had allocated its resources beyond Fruitvale. Martinez believed that the agency needed to have a narrower focus on a revitalization of the Fruitvale neighborhood related to the problems of poverty, crime, unemployment, urban blight, and graffiti.

Within two years following the financial crisis of 1989, the agency once again had a positive fund balance as a result of the $600,000 grant from the Ford Foundation. By 1992, the Unity Council’s revenues exceeded expenses.
by $970,000 and its fund balance continued to grow. This new financial health provided a strong foundation for the Unity Council to implement Martinez’s new place-based vision.

THE TRANSFORMATION OF THE UNITY COUNCIL

Once the Unity Council had become financially stable, it was able to expand its existing programs to address the multiple challenges faced by the Fruitvale residents. Although the organization embarked upon several housing and real estate development projects, it was through creating and operating high quality programs designed to meet the needs of local families and businesses and strategic partnerships that the Unity Council was able to rebuild its community reputation and re-establish its voice for the Latinos of the Fruitvale.

Expanding Child Development and Family Services Programs

In the 1970s the Unity Council developed a childcare program as a means to create jobs and training opportunities. In 1988 the Unity Council became a delegate agency of Oakland’s Head Start Program to provide services to Spanish speaking families. When Martinez returned to the Unity Council in 1989, the Head Start and child care programs were operating without sufficient funding. In 1991 the infant childcare program was converted to a preschool/toddler program because the cost for providing infant care was too high for the market to bear. The Head Start program was expanded and additional funding stabilized the quality of both programs. In 1992 a second Head Start program opened, called the Fruitvale Head Start, and it doubled the number of children and families served. In 1993 both programs moved from Unity Council-owned properties to leased space; however, the cost associated with renting the space made it impossible to sustain the child care center on parent fees and it closed in 1994. In the same year, Fruitvale Head Start lost their lease and closed.

In 1996 the Unity Council was asked to take over two programs serving 400 children and families, the Comprehensive Child Development Program and the Parent Child Centers serving families across Oakland. Although this expansion conflicted with the place-based focus of its revised mission, the agency decided that it made strategic sense, especially since the Parent Child Centers became the forerunner of Early Head Start programs and helped the Unity Council compete for an Early Head Start Program in 1998.

Since the mid-1990s, the Unity Council has strengthened and expanded its child development and family service programs. In 2008 the agency
served 200 children through its Early Head Start program and 313 children in its Head Start program. The Unity Council serves 32 children and families through developmental playgroups in collaboration with Children’s Hospital. Both the Head Start and Early Head Start programs have expanded family involvement services and offer evening programs including four family literacy and three diversity learning circles annually. All children receive health, developmental, hearing, vision, behavioral, and language evaluations and appropriate referrals to outside professional services as necessary.

Senior Services

Also back in the 1970s the first Fruitvale Senior Center was established by the Unity Council to meet gaps in service. By the early 1990s the program was serving about 25 seniors per day, including those living in the senior center and in the community. In addition to the senior center, approximately 20 frail residents at Posada de Colores participated in a housing support program funded by HUD. The program was costly and HUD discontinued a portion of its funding in 1998. The Fruitvale Senior Center was limited by the size of its facility and when planning for the Fruitvale Transit Village began (a project that resulted from a broad-based partnership among public, private, and non-profit organizations working together to revitalize the Fruitvale community using transit-oriented development), the Unity Council saw an opportunity to build a senior center that could accommodate 200 seniors a day. Around the same time, the Unity Council secured HUD Section 202 funding to build a new senior housing facility, which allowed the Unity Council to build Las Bougainvilleas Senior Housing adjacent to the Fruitvale BART station. In 1998, La Bougainvilleas was the first completed project in the Fruitvale Transit village.

With three senior housing facilities and the new senior center opening in 2003, local seniors began to participate in a rich array of activities and services, including educational classes, recreation, exercise, daily lunch, and support services. The Fruitvale-San Antonio Senior Center became the only multi-lingual/multi-cultural senior center in Alameda County providing services in Spanish, Cambodian, and Laotian. The center serves more than 1,000 seniors annually and the Unity Council now has 186 units of affordable housing for seniors.

The Fruitvale Community Collaborative (FCC)

After the new leadership with the Unity Council, it became apparent that the agency had lost many of its links with the local community. At the time, crime and gang violence were severely impacting the lives of Fruitvale residents. The Unity Council recognized that these were quality of life issues that needed to be addressed and, in an effort to bring the community together
to act on these problems, created the FCC. The FCC was a community organizing effort that involved churches, schools, businesses, residents, and organizations, and the University-Oakland Metropolitan Forum. Over its four years, the FCC mobilized the community to define and address issues of major concerns and provided a link between the agency and the community.

The Fruitvale Open Space Initiative

Fruitvale is one of the most densely populated districts in Oakland with one of the highest concentrations of children, but with the least amount of parks and open space. During the FCC community engagement process, families voiced concern about not having safe places for children to play. In an effort to respond to this, the Unity Council applied for and received a grant from the Lila Wallace Foundation to fund an open space initiative designed to engage community stakeholders as stewards of the local parks by revitalizing inner-city parks, addressing maintenance issues, and developing more recreation and open space.

In 1998 the California Coastal Conservancy participated in a partnership with the Unity Council, Port of Oakland, City of Oakland and the Trust for Public Land to lead a community design process to create a plan for Union Point Park along the Fruitvale waterfront. The plan was developed through an extensive design process that involved over 1,000 residents and 50 organizations that resulted in a new park in 2005. In 2002 the Unity Council secured funding from the State of California’s Governor’s Office of Service and Learning to implement several park beautification projects in the Foothill Meadows Park that had been overtaken by gangs. During the process, some gang members participated in the tile project that reflected the 10 values of Cesar Chavez.

The Fruitvale Neighborhood Sports Initiative (NSI)

A community assessment revealed that many of the recreational facilities in the Fruitvale area were underutilized by local youth. Through a partnership with the City of Oakland and local organizations, the Unity Council set out to make these facilities more accessible to youth and promote youth involvement. Established in 2004, the Fruitvale NSI engages 500–700 youth in sports and recreational activities, including a basketball league, soccer teams, volleyball, dance, dragon boating, tennis, golf, and kayaking.

Revitalizing the Fruitvale Commercial District

While the Unity Council had started playing a key role in neighborhood open space development, it also realized that any successful effort to revitalize the Fruitvale would have to include the commercial district. One of Martinez’s
primary goals as the returning executive director was the physical improvement of Fruitvale’s main thoroughfare and shopping district on International Boulevard where almost half of its storefronts were empty and covered with graffiti. In 1995 the Unity Council initiated the Façade Improvement Program (FIP) initially funded through a Community Development Block Grant (CDBG) to provide business owners with matching grants up to $10,000 to rehabilitate the exterior of their businesses. While local business owners were initially skeptical, the program flourished, and by 2005 the program had completed 120 projects.

The success of the FIP enabled the Unity Council to obtain funding to continue their revitalization efforts. In 1996, the agency was selected as the lead organization to implement a four-year pilot of an urban neighborhood Main Street program funded by the Local Initiatives Support Corporation (a national organization founded by the Ford Foundation to help communities transform distressed neighborhoods) and the National Main Street Center (a National Trust for Historical Preservation program that pioneered a Main Street Approach to commercial district revitalization). Within four years of implementation, the program resulted in the development of 133 new jobs, 51 start-ups, 8 expansions, and 110 storefront renovations. With these successes, the Unity Council launched the Fruitvale Business Improvement District Initiative in 2001 when local property owners voted to adopt a Business Improvement District to fund Main Street’s work and to provide support for cleaning sidewalks and public spaces in the commercial district.

In 1996 the Unity Council launched its Fruitvale Main Street Program with a Dia de Los Muertos festival in the Fruitvale—the first festival of its kind in the country. The 1996 event was relatively small, with approximately 2,500 people attending but increased ten-fold in 1997 to approximately 20,000 people. It has continued to grow and in 2007 the festival attracted approximately 100,000 visitors to the neighborhood.

In 2005, the Unity Council was selected by the Office of Community Services and the Project for Public Spaces as one of three projects nationwide to receive funding for the creation of a public market. The market was the first to open its doors in 2007. The 7,000 square foot indoor/outdoor market promotes economic development activity by attracting new locally-owned businesses to the Fruitvale commercial district. In 2007, 11 businesses opened in the market resulting in the creation of 29 new jobs while offering a new mix of artisan goods and services to the local community. In addition to being a shopping destination, the market offers a venue for activities and a year-round Farmer's Market on Sundays and Thursday evenings.

Workforce Development

In the early 1990s the Unity Council observed that the established workforce training programs in Oakland were failing to meet the needs of Fruitvale
residents as well as the growing immigrant communities across the city. In 1996, when welfare reform was announced, community leaders were concerned that Latinos and other residents of the Fruitvale needing assistance in the wake of this legislation would be overlooked by the existing employment training providers. The Unity Council approached Alameda County for funds to ensure that those populations with multiple barriers to employment would receive appropriate assistance in moving from welfare to work.

The County made funds available through a competitive request for proposal process. This was the beginning of what became a long-term relationship between the Unity Council and Alameda County in providing workforce development services to CalWORKS (Temporary Assistance to Needy Families, known as “TANF”) clients. In 1998, the Unity Council worked with Alameda County and the East Bay Asian Local Development Corporation (EBALDC) to expand the approach used to service Spanish speaking clients with limited English language proficiency to Asian populations in the Fruitvale. The planning process led to the development of a collaborative approach to employment training between ethnically-oriented organizations and underserved TANF families. In 1999, the model was expanded to service four language groups: Spanish, Laotian, Mien and Cambodian. Alameda County committed resources to this model by funding two pilot programs to demonstrate that the partners could easily meet enrollment, placement, and retention goals. The partnership developed into the Fruitvale/San Antonio Neighborhood CIRCLES employment program and obtained a State Employment Development Department grant in 2000. CIRCLES became a comprehensive job readiness and employment program serving limited English language proficiency clients.

Having established a successful and thriving workforce program, the Unity Council became a certified affiliate of One Stop Career Center in 2002 and further extended its employment services. Because the CIRCLES employment partnership needed to administer paid work experience, the Unity Council revived the PSC to serve as the temporary employment agency. After successfully placing clients in employment through the PSC, the next step was to expand the activities of PSC by reviving it as a business entity to employ local residents in its ventures.

In 2003, the Unity Council expanded its workforce development programs when it established its groundbreaking Health Care Sector Initiative. This is a partnership with local community clinics, Merritt Community College, and the College of Alameda aimed at meeting the needs of local residents for employment in fields offering living wages and opportunities for advancement while also addressing the needs of the community clinics for training bilingual/ bicultural workers. To date, the Health Care Sector Initiative has trained three cohorts of medical assistants, two cohorts of dental assistants and two cohorts of medical interpreters.
The Unity Council’s most recent social enterprise venture is MIO (Made In Oakland), a sewing and manufacturing business that, when fully implemented, will offer high-quality, quick turnaround, locally manufactured products for the fashion and home furnishings industry. Currently in its development stages, MIO was funded by a grant from the Office of Community Services. Its mission is to create 70 living wage jobs with opportunities for advancement as well as benefits for residents of Oakland who experience multiple barriers to employment.

Another aspect of workforce development includes AmeriCorps, which is a network of local, state, and national service programs that connects more than 70,000 Americans each year to meet critical needs in education, public safety, health, and the environment. AmeriCorps approached the Unity Council in 2000 to become one of its affiliate sites, meaning that the Unity Council would recruit, train, and supervise AmeriCorps volunteers to provide services in the community. The agency saw this as an opportunity for the One Stop Center and to promote leadership development by recruiting residents of the Fruitvale to join AmeriCorps. AmeriCorps members play leadership roles in Unity Council programs through organizing events, engaging the community, and managing community building activities.

Within the context of employment barriers, Unity Council staff noted significant problems with literacy and created the Family Literacy program to promote English language skills that apply directly to everyday living and working environments. The program was expanded to include the entire family and parents are encouraged to learn literacy skills along with their children. In 2003 the Unity Council developed a partnership with Scholastic, Inc, for a Latino family literacy initiative that operates the Scholastic Literacy Caravan or bookmobile that services many Bay Area neighborhoods.

Homeownership Programs
In addition to literacy, the Unity Council created its Homeownership program in 1998 with assistance from NeighborWorks America. This program provides financial education, homeownership classes, and one-on-one counseling for prospective buyers, especially for those facing the possibility of home foreclosures in the changing economy. The program is currently (2008) in the process of incorporating a separate 501(c)(3) nonprofit under the umbrella of the Unity Council to allow it to originate loans and undertake loan adjustments.

The Fruitvale Transit Village
In 1991 Bay Area Rapid Transit (BART) announced its plans to construct a multi-level parking garage on a lot between the Fruitvale station and the neighborhood’s commercial center. As part of the legal public notification
process, BART sent the Unity Council a copy of the Environmental Impact Report. Although everyone agreed that parking was needed, Fruitvale residents and business owners were not pleased with the design and location of the facility. The Unity Council galvanized neighborhood opposition to the design and location, arguing that any development around the BART station should be guided by a broad-based community planning process. BART agreed and held a series of meetings with the Unity Council and community members, and ultimately withdrew the plan and agreed to work with the community to develop a new plan.

In 1992, the City of Oakland gave the Unity Council a CDBG of $185,000 to develop an alternative plan. Five architectural teams prepared proposals and presented them to 60 community leaders. The idea for the Transit Village emerged out of these meetings. The concept was simple: link a community’s economy to mass transit, thereby discouraging the use of cars, increasing pedestrian and bicycle traffic and helping to revitalize the neighborhood. The Federal Transit Administration (FTA) presented the Unity Council with a check for $463,000 for predevelopment planning. In 1994, the three main players formalized their relationship in the form of a Memorandum of Understanding between the Unity Council, the City of Oakland, and BART, thereby forming the Fruitvale Policy Committee.

In 1995, a series of workshops with residents met with the goal of achieving consensus on a site and design plan. Although many meetings were convened, funds were raised, and decisions were made, no actual construction began. So in 1996, the Unity Council established a nonprofit subsidiary corporation called the Fruitvale Development Corporation (FDC) to serve as the developer for the Transit Village. There were many unanticipated hurdles including the two years that it took to obtain the land.

FDC architects completed the comprehensive plan for the Fruitvale Transit Village in 1999 and groundbreaking took place later in the year. By early 2000, the Unity Council had secured public and private financing for the $90 million venture. The 2003 opening of the Village was celebrated with a press tour, a reception, and a gala dinner. The official opening revealed a mixed-use development of retail shops, 47 units of mixed-income housing, a health care clinic, the Unity Council’s new child development center, a new Cesar Chavez public library, a multipurpose senior center, and the Unity Council’s headquarters.

NEW CHALLENGES FOR NEW LEADERSHIP
(2004–PRESENT)

In the years between 1989–2004, the Unity Council expanded exponentially to operate a broad range of vibrant programs. It was now one of the oldest community development corporations in the country, boasting a
new office complex, a $10 million budget, 150 employees and hundreds of volunteers. It was at this juncture that Arabella Martinez decided to retire. The Unity Council hired a head hunting firm and conducted a national search. In September 2004, the announcement was made that Gilda Gonzales would become the CEO of the agency. Gonzalez had worked in government throughout her career (prior to coming to the Unity Council she was the City of Oakland’s Director of Intergovernmental Affairs) but had also maintained strong connections with the community-based organization in Fruitvale.

In January 2005, when Gonzales officially became the new CEO, the Oakland Tribune called the Unity Council “A heavyweight nonprofit credited with revitalizing Oakland’s Latino neighborhood of Fruitvale.” The agency had achieved remarkable outcomes and the Fruitvale Transit Village was seen as a beacon of community-led urban renewal in Oakland and had been hailed as a national model for sustainable transit-oriented development. Unfortunately, there were also problems with developing the Village, and Gonzales stepped into the agency just as they were becoming clear.

When the Unity Council became the developer of the Fruitvale Transit Village, it took on a project of a far greater scale than anything that it had done before. It took extraordinary vision and creative funding to make the Village a reality. Thirty-one different funding sources were used to finance the project, about half grant funding and half loans. This left the FDC having to make large payments on the debt. In July 2004, FDC had $24.5 million in serviceable debt. At the same time, there was still 30,000 square feet of community service and retail space that was unimproved and unoccupied in the Village and no money to pay for improvements.

In addition, the operational financial projections from the 1990s were overly optimistic when it came to projecting the revenues that the Village complex would receive from rent because planning and implementation had taken place during the area’s economic boom of the 1990s. Once the Village was complete, in 2004, the economy had declined considerably. Additional financial issues emerged for FDC/Unity Council when it became clear that many of the retailers that had moved into the Village were struggling.

Once Gonzales stepped in as CEO, she concluded that the existing financial situation was untenable. While the Fruitvale Transit Village was a beautiful addition to the neighborhood and an enormous accomplishment for the Unity Council, without immediate steps to place it on firm financial footing, it would be a huge drain on the agency and the FDC would likely head into bankruptcy. Because of these problems, Gonzales’ priority was to move the Village onto sound financial footing by finding suitable and reliable tenants for unoccupied space, renegotiating the terms of the financing with creditors, and raising funds to pay for tenant improvements in the unrented areas. In addition, Gonzalez decided that it was imperative that the Unity Council move out of the office space in the Village to save the agency...
$400,000 every year and bring the staff together with the employees still located at the other building.

By 2008, the Unity Council had managed to weather the difficulties associated with the Fruitvale Transit Village. Loans had been renegotiated with all of the major lenders, 100% of the commercial space had been rented, and the Unity Council moved its administrative offices back to its old site. The retail space was almost fully occupied and, in 2007, the newly created ARISE charter school opened its doors in its newly renovated second-floor space. When Gonzales joined the agency, the Board had been ready to embark on Phase II of the Village. At Gonzalez’s urging, however, the Board agreed to put the project on hold in order to address the more pressing financial issues. When the agency revisited Phase II, they decided that the Unity Council would not be the developer and hired an outside developer so that the agency could focus on programs and strengthening core operations.

In addition to addressing the financial difficulties arising from the Village, Gonzalez also sought to strengthen the organization. She believes that the Unity Council suffered a case of “development fatigue” in which the organization’s energy was depleted and its attention diverted away from its core programs. As part of an effort to refocus the organization, the Unity Council’s leadership clarified its mission in 2006 as follows: To assist individuals and families, especially in Fruitvale, to build wealth and assets by developing, implementing, and managing integrated and sustainable community-based programs through the three key elements of: economic, social, and physical development. Gonzalez also sees effective succession planning as key to the long-term sustainability of the Unity Council. This requires building information systems and multiple relationships so that the organization does not depend for its survival on any one person or funding source.

APPENDIX A: UNITY COUNCIL BUDGET TREND LINE
APPENDIX B: SOURCES OF INFORMATION

Interviews

Robert Apodaca
Noel Gallo
Jane Garcia
Rose Garcia
Gilda Gonzales

Viola Gonzales
Bill Lambert
Arabella Martinez
Victor Martinez
Marsha Murrington

Jeff Pace
Diane Sanchez
Alex Zermeno

Documents


