

**Testimony**

**By**

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Lawrence Community Works  
And co-chair, Massachusetts Association of CDCs, Public Policy Committee**

**Before the**

**Joint Committee on Revenue**

**July 8, 2009**

**In support of**

**An Act to create the community development partnership program (S. 1239)**

Thank you Chairmen and members of the committee. I am Tamar Kotelchuck and I am the Director of Policy and Planning for Lawrence CommunityWorks (LCW) in Lawrence, MA. I am also the co-chair of the Massachusetts Association of CDC's Public Policy Committee. I appreciate the opportunity to speak to you today in support for Senate Number 1239, *An Act to create the community development partnership program*. Senate 1239 will help LCW and other Community Development Corporations around the Commonwealth expand our work to preserve and revitalize the low and moderate-income communities we serve.

Lawrence CommunityWorks is a community development corporation dedicated to revitalizing Lawrence neighborhoods, and like other CDCs our work is designed to address the unique needs of our community and the priorities of the community residents who are our members. Lawrence CommunityWorks' revitalization strategies are based on the particular circumstances of Lawrence and the input we have gotten from the nearly 5,000 residents who are LCW members. One of the wonderful things about the CDC model is that it allows communities to have strategies tailored to their particular needs – but, unfortunately, we do not have adequate support to respond with the range of services that would truly transform low-income communities. Senate 1239 could be an important way of addressing this lack of resources.

For example, in our largely-immigrant community most people work low-paying and low-skilled jobs, and residents feel a great need for educational opportunity as a way to improve their economic horizons. The statistics back up the need for these services: in Lawrence, only 10% of adults have a college degree, and more than 50% have not completed high school. In response, we have developed a wide range of adult education opportunities, including job training, English as a Second Language, computer training, and more. Each year, more than 250 people receive these important opportunities through LCW.

In Lawrence, families are also eager to participate in the American dream of homeownership. And it is good for our neighborhoods when they achieve this dream, because only 10% of homes in our community are owner occupied. To help them reach this goal, LCW provides homeowner education, as well as post-purchase education and training in managing multi-family properties for the many owners who buy two or three family dwellings. And, we have a wonderful matched savings and financial literacy program called the Individual Development Account program that helps people save to buy homes, invest in education and start businesses. Unfortunately, this year we have also had to add a foreclosure counseling and negotiation center, to protect our neighborhoods by keeping families in their homes. But, it is wonderful that we have the flexibility to add this important service.

These programs respond to community need, and they are also truly effective – and cost effective -- ways to rebuild struggling cities. Through our education and homeownership efforts, hundreds of families have learned about homeownership before buying their first home – and only one has defaulted on their mortgage. Through our efforts, families are reaching agreements to avoid foreclosure, and the instability that brings to the neighborhood. And, through our work, low income families have saved hundreds of thousands of dollars which they have invested in homes in Lawrence that are worth many millions of dollars.

Currently, we pay for the vast majority of this work through privately raised funds, and there are a number of corporate partners across the Merrimack Valley that are stepping up to help. But, we could do so much more if there were a tool that encouraged more and additional

private investment in efforts to revitalize struggling neighborhoods, such as the community development partnership program.

Senate 1239 will help us to:

- provide job training and placement that increases the income and labor force participation of low- and moderate-income Lawrence residents;
- increase the financial assets of LMI households through financial literacy programs, Individual Development Accounts, and other programs;
- continue and expand our community based planning activities that help Lawrence residents develop strategies for community improvement;

And the legislation will support other types of community improvement that will dramatically impact other struggling communities through the planning and provision of affordable housing, the creation of small businesses, efforts to combat crime, build parks and run youth programs.

## **Conclusion**

We need a long term strategy for helping community based non profits address local challenges and build long term sustainable economic opportunity. This program will promote excellence in community development by ensuring long term stable funding and fostering partnerships between the private sector and local community groups.

Thank you for the opportunity to testify before the committee.