

COMMUNITY DEVELOPMENT GLOSSARY

Citizens' Housing and Planning Association (CHAPA) – The non-profit umbrella organization for affordable housing and community development activities throughout Massachusetts. Established in 1967, CHAPA is the only statewide group, which represents all interests in the housing field, including non-profit and for-profit developers, homeowners, tenants, bankers, real estate brokers, property managers, government officials, and others.

Community-Based Organization (CBO) – A nonprofit organization that works to serve low and moderate-income people in the community in which it is based. Services provided can include healthcare, education, youth programs, and employment and training.

Community Development Block Grants (CDBG) – Flexible federal aid intended for use by cities and towns to promote neighborhood revitalization, economic development, and improved community facilities and services. Use of funds is discretionary. Funds are administered by either state or city offices of community or economic development, depending on the size of the city or town.

Community Development Corporation (CDC) – A community-based organization owned and controlled by community residents and engaged in affordable housing, business, and/or commercial development. CDCs vary in size and scope. The vast majority are nonprofit, tax-exempt 501(c)3 organizations.

Community Development Loan Fund (CDLF) – A private, nonprofit organization that channels private investment capital to community-based organizations and projects. It may operate independently or as part of a community-based organization. Lenders to the fund may have some control over the terms and rate of interest on their loans, which are generally more favorable than conventional financing, as well as the usage of their funds. CDLFs can also provide borrowers with technical assistance to reduce the chance of losses on higher risk loans. Since CDLFs are not chartered or licensed, they have flexibility in their organizational structure, although they may be subject to state laws and regulations. In most cases, CDLFs are 501(c)3 nonprofits.

Community Economic Development (CED) – A process by which a community and its institutions organize economic activity in ways that benefit the community as a whole, and leads to community and individual empowerment through strategies, which encourage cooperation and interdependence. CED creates community wealth and assets through developing and preserving affordable housing, developing viable neighborhood-serving commercial activities, creating and retaining jobs and businesses, promoting labor force development, and cultivating indigenous leadership.

Community Economic Development Assistance Corporation (CEDAC) – A quasi-public organization that provides predevelopment funding to nonprofit developers of residential and non-residential real estate. CEDAC also operates the Child care Facilities Fund and several state housing programs.

Community Housing Development Organization (CHDO) – A federal government term for CDCs and similar organizations, which are eligible for set-aside funding under the federal HOME program.

Community Reinvestment Act (CRA) – Legislation passed by the U.S. Congress in 1977, which states that all federally regulated banks and savings and loans have a continuing and affirmative obligation to help meet the credit needs of the local communities in which they are chartered, including low- and moderate-income neighborhoods. Such institutions are required to demonstrate to their regulatory agencies that their deposit facilities meet the convenience and needs of their communities.

Department of Housing and Community Development (DHCD) – A state agency that acts as an advocate for local governments and community agencies. In this role: DHCD makes state and federal funds and technical assistance available to strengthen communities and help them plan new developments, encourage economic development, revitalize older areas, improve local government management, build and manage public housing, stimulate affordable housing through the private sector and respond to the needs of low-income people. DHCD administers the state's public housing programs, coordinates its anti-poverty efforts, and allocates federal community development programs.

Department of Housing and Urban Development (HUD) – A federal agency that funds many programs designed to promote economic development and affordable housing.

Department of Neighborhood Development (DND) – The City of Boston community development agency that administers federal HOME and CDBG funds. DND plans, designs, and builds the City's public buildings; revitalizes neighborhood business districts; works with non-profit and for-profit partners to develop and preserve affordable housing and create neighborhood open spaces; manages tax-foreclosed land and buildings; and provides homeowners with financing and technical assistance to maintain and improve their homes. Through the Boston Home Center, DND provides first-time homebuyers with educational courses and financial assistance, and markets homes developed for income-eligible, first-time homebuyers. DND also assists homeowners with education and foreclosure prevention counseling.

Enterprise Foundation – One of the national intermediaries supporting community development. Enterprise works with partners to provide low-income people with affordable housing, safer streets and access to jobs and childcare by providing loans, grants and technical assistance to nonprofit organizations that are building and revitalizing local neighborhoods.

Equity – Permanent capital invested in a project.

Expiring Use Restrictions (EUR) – The contractual right of owners of low- and moderate-income rental housing to prepay their publicly assisted mortgage and convert their property to market-rate housing.

HOME (Home Investment in Affordable Housing Program) – A program created by the Cranston-Gonzalez National Affordable Housing Act of 1990 and run by HUD. HOME provides funds to states and local governments for the acquisition, rehabilitation and new construction of affordable housing and for tenant-based rental assistance.

Housing Trust Fund – A fund established by state legislation or a city ordinance that uses public capital to finance the construction or renovation of affordable housing. The fund is designed to have an ongoing source of revenue, usually from tax or program-generated revenues, or from development ordinance requirements. Funds are usually administered by a public agency.

Human Capital Development Initiative (HCDCI) – The first large-scale investment to cultivate committed and skilled leadership - particularly people of color, community residents and women - for the community development field. HCDCI was a three-year initiative, implemented in 13 cities across the country, including Boston. The Initiative was funded by the National Community Development Initiative (NCDCI) and managed by the National Congress for Community Economic Development (NCCED).

Intermediary – An organization that mediates between grassroots organizations and large-scale sources of capital. Intermediaries function at the city, state and national levels, aggregating capital (from sources such as foundations, corporations and government), and disbursing it to grassroots groups, along with technical assistance. LISC, NRC and Enterprise are the three largest national community development intermediaries.

Local Initiatives Support Corporation (LISC) – The largest community development support organization in the US. LISC is an intermediary, founded by the Ford Foundation in 1979. LISC helps resident-led, community-based development organizations transform distressed communities and neighborhoods into healthy ones. By providing capital (pre-development, construction and permanent financing), technical expertise, training and information, LISC supports the development of local leadership and the creation of affordable housing, commercial, industrial and community facilities, businesses and jobs.

Low-Income Housing Tax Credits (LIHTC) – A provision of the Internal Revenue Code, which provides tax credits to corporations that invest in low-income housing. Eligible projects are awarded credits by state government (DHCD) through a competitive process.

Massachusetts Association of CDCs (MACDC) – The CDC trade association in Massachusetts. MACDC supports and advances the efforts of CDCs to promote economic justice, to encourage social change, and to empower poor and working class people and the communities in which they live. MACDC works to influence public policy, develop resources and programs, promote public awareness about the work of CDCs, and expand and strengthen the CDC movement.

Massachusetts Housing Partnership (MHP) – A quasi-public organization that provides permanent financing for affordable housing. MHP receives its capital primarily from banks that have acquired or merged with Mass-chartered banks.

Micro enterprise – A business with five or fewer employees and little working capital.

Micro enterprise Loan Fund – A nonprofit revolving loan fund that provides small, short-term loans for working capital and technical assistance to very small businesses. Loans may range from \$50 to several thousand. Terms are more flexible than conventional financing.

National Community Development Initiative (NCDI) – A consortium of major national foundations and corporations and HUD, which have committed over \$100 million in grants and loans to bring community development to a new level. LISC and Enterprise administer the funding.

National Congress for Community Economic Development (NCCED) – The trade association and advocate for the community-based development industry. Founded in 1970, NCCED represents over 3,600 community development corporations (CDCs). NCCED encourages and supports its members' work on behalf of the community development industry through creating awareness in critical partners about community development, public policy education, research and special projects, newsletters and other publications, training, technical assistance, and professional conferences, and fund-raising.

Neighborhood Housing Services (NHS) – A nation-wide network of neighborhood-based service organizations that are locally funded and operated. An NHS focuses on a specific community or communities to increase the supply of affordable housing and promote neighborhood stability, by providing below-market construction and rehabilitation financing, technical assistance and support for resident activism. Board members include local residents, business leaders, public officials, and community representatives. All NHSs receive assistance from, and are monitored by, the Neighborhood Reinvestment Corporation.

Neighborhood Reinvestment Corporation (NRC) – A congressionally chartered, federally funded, public nonprofit corporation, established in 1978, whose mission is to assist in the revitalization of low-income communities. NRC works mainly through NHSs, and more recently through CDCs, providing training, technical assistance, and operating grants.

Single Room Occupancy (SRO) – A residence in which tenants have private rooms but share common areas such as kitchen, dining room, and bathroom. *Also known as Congregate Housing.*

Pre-Development Financing – Funds required to bring a development project to the point that it is able to close on a construction loan and begin construction. Typically, property acquisition, consulting, legal, financing fees, appraisal, environmental analysis and project sponsor's overhead may be included.