Community Development Corporations (CDCs) are community-controlled, nonprofit organizations that work throughout the Commonwealth to build more inclusive, vibrant, and productive communities. Since their inception more than thirty years ago, CDCs have developed over twenty thousand homes, helped to create or preserve thousands of jobs, and helped thousands of locally owned businesses. But the current economy and an enduring housing crisis demand that more be done.

In response to these challenges, MACDC and its members launched a collective effort in November 2002 to revitalize communities across the state. The MACDC GOALs Campaign—Growing Opportunities, Assets, and Leaders across the Commonwealth—sets specific numeric targets that CDCs plan to achieve in six areas of community development during 2003 and 2004. In early 2004, MACDC surveyed our members to measure our progress. We learned that, in 2003, Massachusetts CDCs:

- Engaged 1,745 volunteer community leaders in CDC activities;
- Built or preserved 1,076 homes;
- Created or preserved 2,394 job opportunities;
- Started or grew 1,217 locally owned businesses;
- Supported 14,708 families with a variety of programs and services; and
- Attracted $179 million in private and public investment to revitalize our communities.

The chart at right shows our progress relative to our two-year goals. Despite the political and economic climate, which grows more challenging every day, by the end of 2004 MACDC expects to reach or exceed our goals in at least five of the six areas.

The GOALs Campaign demonstrates the power of collective action at both local and state levels. By working together rather than retreating in the face of budget cuts and a slow economy, CDCs are building their power to be a major force for change across the state. This report details the track record of CDC successes and lays out what it will take for our communities to reach their goals in 2004 and beyond.
Effective long-term economic development and community change depend on the leadership and commitment of community residents, local officials, business owners, and other stakeholders at the local level. As community-controlled organizations, CDCs contribute to this process by providing a vehicle for traditionally disadvantaged community members, in particular lower-income people and people of color, to build the power and skills they need to create positive change. Every day, one community at a time, CDC board members and volunteer leaders organize for positive change by:

- Setting organizational priorities and strategies and influencing the priorities in their communities;
- Building support for CDC initiatives among local and state officials;
- Conducting research;
- Recruiting others to participate;
- Leading and participating in statewide advocacy campaigns led by MACDC; and
- Taking on leadership roles such as public speaking, fundraising, and/or negotiating with public and private partners.

**2003 RESULTS**

- CDCs engaged 1,745 leaders across the commonwealth, including 754 board members and 991 other community residents who played a leadership role in their CDCs.
- CDCs represented approximately 17,000 members.
- Twenty-two CDCs actively participated in the Ricanne Hadrian Initiative for Community Organizing (RHICO), a program sponsored by MACDC and LISC that strengthens CDC organizing and leadership-development efforts.

**2004 AND BEYOND**

- MACDC fully expects that CDCs will recruit well over 300 more leaders during 2004 to meet or exceed the original goal of 2,000 leaders over two years.
- To reach this goal, CDCs will need continued funding for their community-organizing and leadership-development work.
The already high and increasing cost of housing in Massachusetts continues to challenge low-, moderate-, and middle-income households that cannot access affordable, high-quality housing. Many people are being displaced by gentrification, others are being forced to live in unsafe housing, while others are forced to live long distances from their jobs or even from the public transit that could take them to their jobs. CDCs are responding to these needs by creating and improving rental and home-ownership opportunities in their communities.

CDCs develop the types of housing that state leaders agree is critically needed: affordable and mixed-income housing that is sited and developed in smart-growth locations. CDC developments range in size from small projects with two to four units to large-scale developments with over one hundred units. CDCs work in areas that are often difficult to develop, including low-income neighborhoods and rural areas. They tackle tough projects, such as those involving small infill lots, contaminated land, and historic preservation.

2003 RESULTS

- CDCs developed 580 units of housing and helped to renovate an additional 496 units;
- 23 percent of the units are homeownership and 78 percent are rental.
- A total of 33 projects were completed in locations as diverse as the Hilltowns, Cape Cod, Boston, and Lawrence.
- 73 percent of CDC construction projects incorporated at least some “green” development strategies designed to make homes safer, healthier, and better for the environment.
- Since their inception, Massachusetts CDCs have produced more than 20,000 homes across the state.
- MACDC supported these housing efforts by fighting to preserve level funding for the state’s affordable-housing trust fund, working with Boston’s Mayor Thomas M. Menino to help him launch a new housing-production initiative, and advocating for other critically needed housing resources.

2004 AND BEYOND

- Since January 1, 2004, CDCs have completed another 133 units and have 920 units under construction, so MACDC expects the 2004 totals to be much higher than those for 2003.
- Continued expansion of housing production will depend on increased public funding, continued private investment, and promotion of smart-growth development policies.

Two-year GOAL: CDCs will create or improve 3,000 homes for residents across the state.

First-year Results: CDCs completed 1,076 homes.
**Two-year GOAL:** CDCs will create or preserve 5,000 job opportunities throughout Massachusetts.

**First-year Results:** CDCs created 2,394 job opportunities.

In the face of steady unemployment in Massachusetts over the last few years, CDCs have demonstrated an ability to create a range of employment opportunities. To complete their real estate-development activities, CDCs contract with local and minority-owned construction firms that provide solid jobs for many area residents. Similarly, the businesses that lease commercial space developed by CDCs and those that obtain technical and financial assistance from CDCs also hire locally and are often able to grow stronger with CDC help. Combined, these activities help CDCs act as local economic engines that create thousands of job opportunities for area residents.

In 2003, nineteen CDCs also delivered workforce training and assistance. They helped individuals strengthen their labor skill sets from basics—such as computer literacy and speaking English—to the specialized, such as skill development for positions in the education, healthcare, and hospitality industries. CDCs also develop partnerships with local employers, for whom they provide job referrals and employee-training services.

**2003 RESULTS**

- CDCs created 1,046 construction jobs.
- Through their job-training programs, CDCs helped place 900 people in new or better jobs.
- CDCs provided new commercial space for 12 businesses employing a total of 253 people.
- CDCs helped locally owned businesses create 195 jobs.
- MACDC supported such efforts by helping to win passage of a new $6 million job-training fund at the state level.

**2004 AND BEYOND**

- In light of the larger pipeline of housing projects scheduled for this year, MACDC expects that the number of construction jobs will increase in 2004.
- Continued success in the job-training field is dependant upon public- and private-sector funding.
Community-development corporations provide aspiring entrepreneurs and owners of existing businesses with critical assistance to help them start, stabilize, and grow their businesses. CDCs work one-on-one with entrepreneurs to address business planning, marketing, financial management, regulatory compliance, human resources, and other challenges. CDCs also help entrepreneurs obtain financing from banks, SBA-loan programs, and nontraditional sources, including community-development finance institutions and internal CDC-managed loan funds. CDCs also offer group classes on how to start or grow a business as well as specialized workshops on key topics. A few CDCs have also developed incubator spaces and commercial spaces for local businesses. Other CDCs support the local business community by addressing crime, loitering, blight, infrastructure improvements, business-district marketing, and other issues that affect how businesses prosper and serve their communities.

2003 RESULTS

- CDCs provided direct, one-on-one technical assistance to 1,217 entrepreneurs.
- CDCs also provided classes and workshops to over 1,200 businesses.
- CDCs helped 113 entrepreneurs obtain a total of more than $4.6 million in financing.
- CDCs provided loans to 62 minority- or woman-owned businesses.
- MACDC won passage of state legislation that creates a new small business–development council charged with strengthening the commonwealth’s support for local entrepreneurs.

2004 AND BEYOND

- MACDC expects CDCs to serve approximately one thousand entrepreneurs in 2004, enabling us to significantly exceed our original goal. However, this number could be much higher with adequate public- and private-sector support.
- Small businesses looking for financing face significant uncertainty due to President Bush’s proposed cuts to several programs run by the U.S. Small Business Administration and due to the uncertain impact of Bank of America’s acquisition of Fleet Bank.
Building strong families is key to building strong communities. That is why, in addition to their work building the physical and economic infrastructure of local communities, CDCs work directly to empower local community residents with new skills, assets, income, and opportunities.

As place-based organizations with strong connections to their local communities, CDCs can effectively reach many families and individuals. In some cases, CDCs deliver services directly; in others, they partner with providers to bring new services and opportunities to their communities. In all cases, CDCs use their local roots, their physical presence in the community, their cultural and linguistic competence, and their commitment to excellence to ensure high-quality services for local residents.

2003 RESULTS

- CDCs provided first time-homebuyer training and landlord-tenant mediation to 7,041 people.
- CDCs created or preserved job opportunities for 2,394 people.
- CDCs provided programs for 2,198 young people.
- CDCs provided services to 1,084 seniors in our communities.
- CDCs created or preserved housing opportunities for 1,076 families.
- CDCs provided Adult Basic Education and English as a Second Language classes to 789 people.
- CDCs provided individual-development accounts to 126 people.

2004 AND BEYOND

- In coming years MACDC expects more CDCs to offer individual-development accounts to local families to help them build the assets they need to buy a home, start a business, or go back to school.
- To offer these creative, flexible, and responsive programs and services, CDCs will need access to flexible funding from the public and private sectors.

In 2003, CDCs provided a wide range of programs and services for 2,198 young people across the state.
Two-year GOAL: CDCs will secure over $400 million in investment to revitalize communities

First-year Results: CDCs secured $179 million.

From their beginnings, CDCs have worked to attract private- and public-sector investment to low- and moderate-income communities. These investments help rehabilitate communities physically, bringing homes, jobs, parks, and hope to parts of the commonwealth that have suffered with inadequate amounts of each of these for too long.

CDCs also contribute to smart growth by transforming vacant properties and blighted buildings into housing, commercial offices, stores, and parks, and by completing transit oriented–development (TOD) projects. These developments are completed in accordance with community-driven planning efforts and respond to each community’s unique needs and opportunities.

CDCs leverage multiple sources of funding, large and small, to finance community-development efforts (see box). MACDC estimates that less than 10 percent of the funding comes from state sources, with the remainder coming from federal, municipal, and private sources.

2003 RESULTS

■ CDCs completed 36 housing, commercial, and mixed-used real estate–development projects with a total investment of $162 million.
■ CDCs completed six open-space projects with a total investment of $1.3 million.
■ CDCs secured $4.6 million in financing for local entrepreneurs.
■ CDCs provided $11 million in loans for home improvement.
■ MACDC estimates that, since their inception, CDCs have attracted $1.6 billion in investment to their communities.
■ MACDC supported these efforts by working intensively with the Bank of America to ensure that it will meet its community-investment obligations to the commonwealth following its acquisition of Fleet Bank.

2004 AND BEYOND

■ Total investment dollars will likely be much higher due to the large pipeline of construction projects now underway.
■ Continued community investment will depend upon adequate funding for public-investment programs and strong community-reinvestment laws for the financial services industry.

INVESTOR PARTNERS TO CDCs

Private Partners
Banks
Boston Community Capital
Federal Home Loan Bank
The LIFE Initiative
Local Initiatives Support Corporation
Mass. Housing Investment Corporation
The Property and Casualty Initiative
Private foundations

Federal Partners
US Dept. of Housing and Urban Development
(through CDBG, HOME, Section 8, tax credits, and other programs)
Neighborhood Reinvestment Corporation
Small Business Administration
Community Development Finance Institutions Fund

State Partners
CEDAC
Dept. of Housing and Community Development
MassDevelopment
MassHousing
Massachusetts Housing Partnership Fund

Municipal Partners
City and Town Planning Departments
Community Preservation Committees
(partial list of physical development partners)
Making it happen, The GOALs laid out in this report are ambitious and our progress has been significant. However, to reach our GOALs in 2004 and beyond we will need to exert a vigorous effort among many partners.

Community Development Corporations need to involve more people and engage more local leaders to direct their efforts. To be productive, they will need to find new partners at the local level and make sure that their organizations reflect the changing economic, racial, and ethnic diversity of their communities. CDCs will need to collaborate, sharing and implementing best practices, sharing staffing resources, conducting joint ventures, and implementing other creative approaches.

The private sector must meet its responsibility to invest in community development. The entire financial services industry, including banks, insurance companies, and mortgage companies, must expand their community-investment activity. Other business leaders, from manufacturing to high technology to healthcare, must join the community-development effort. In the face of tight budgets, foundations must prioritize investments in low- and moderate-income communities. Financial intermediaries need to continue providing innovative leadership by adapting to the ever-changing environment with new and/or expanded programs and products.

The public sector cannot retreat from its responsibility to support the long-term revitalization of low- and moderate-income communities. The commonwealth must fully fund the affordable-housing trust fund, the housing-bond bill, and other state housing programs, and they must increase their investment in job training and small business development. The federal government must expand funding for key programs like CDBG, HOME, CDFI, SBA, Living Cities, and WIA. Local governments need to use innovative tools like inclusionary development, linkage, and the Community Preservation Act, among others, to support community development.

MACDC adopted a new, five-year strategic plan in early 2004 to guide our efforts to support our members. We will involve more CDCs and more CDC leaders than ever before to build the power we need to win the public- and private-sector support our communities need. We will build coalitions with new and old partners to strengthen our message. Along with our members, we will be forceful advocates to private- and public-sector decision makers. We will provide training, technical assistance, and other services to our members to help them reach for excellence. Finally, we will document our members’ efforts by providing detailed reports on our progress toward each of these six GOALs.

MACDC works with CDC leaders, including those who attend our annual legislative-action day at the State House, to pursue state policies that support our local communities.