

GOALS CAMPAIGN 2005

MACDC
Growing Opportunities, Assets, and Leaders across the Commonwealth

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, Massachusetts CDCs have developed over twenty-one thousand homes, helped to create or preserve thousands of jobs, and helped thousands of locally owned businesses. CDCs have achieved these results in communities across the state, from Pittsfield to Worcester to Boston to Cape Cod.

To further expand our impact, in November 2002, MACDC and our 60 CDC members launched a collective effort to revitalize communities across the state. The MACDC GOALS Campaign—Growing Opportunities, Assets, and Leaders across the Commonwealth—set specific numeric targets that CDCs hoped to achieve in six areas of community development during 2003 and 2004. This report documents our results. Despite the challenging political and economic climate over the past two years, Massachusetts CDCs achieved the following:

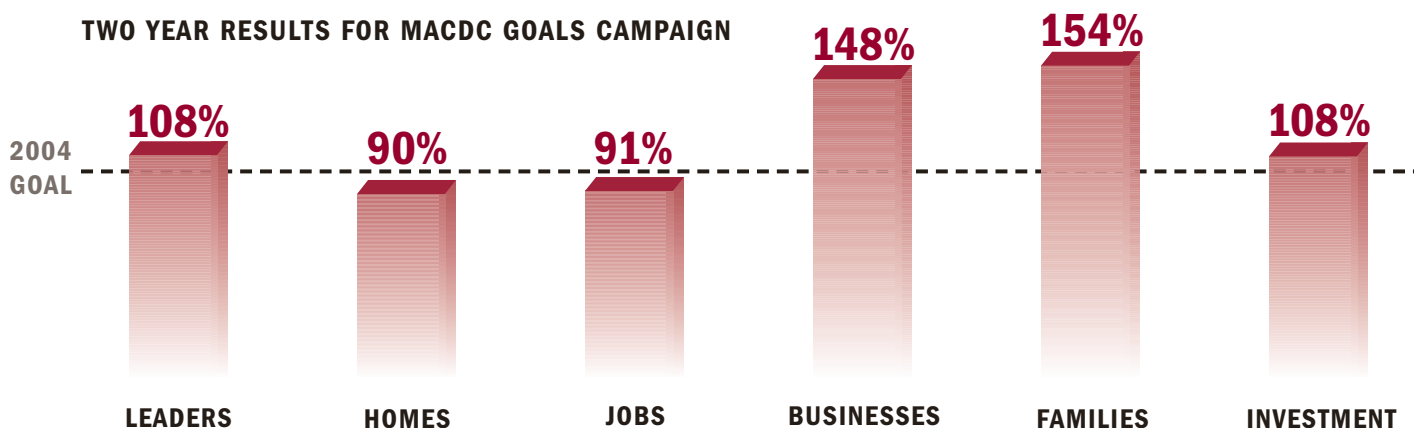
- **2,150 volunteer community leaders were engaged in CDC activities;**
- **2,675 homes were built or preserved;**
- **4,386 job opportunities were created or preserved;**
- **2,214 locally-owned businesses received technical and financial support;**
- **27,524 families received housing, jobs, training, or other services; and**
- **\$431 million in private and public funding was invested in our communities.**



The chart below shows that we reached four of our six goals and came very close in the other two categories. The balance of this report summarizes our results in each of the six areas and announces our new goals for the coming two years. A more detailed appendix, with specific results for each CDC, will be published separately.

While we are proud of our accomplishments, we are frustrated that funding cuts at the state and federal level and from the private sector have prevented us from achieving even more. Therefore, we plan to redouble our efforts to win the policy and funding support that CDCs need to revitalize communities, build affordable housing, create jobs, and develop the next generation of community leaders. By working together and with allies, MACDC and its members will build the power we need to be a force for change across the state.

TWO YEAR RESULTS FOR MACDC GOALS CAMPAIGN



BETTY GREEN URBAN EDGE



Since 1964, when Betty Green and her family moved into Academy Homes I in the Roxbury neighborhood of Boston, she has been organizing her neighbors around community issues, ranging from rent hikes to a proposed highway through her neighborhood. In the late 1990s, when the owners of Academy Homes sought a major rent increase, Green and the Tenant Council went to HUD arguing that the owners had done little to deserve the increase. HUD's response was to tell the Council that the private owner could raise the rents — unless the Tenants bought the building!

Even with 200 families pooling their resources, sole ownership was out of the question. So, Green and the Council approached Urban Edge, a local CDC in their neighborhood. Together, they convinced the owner to sell the property and now Urban Edge and the Academy Homes Tenant Council are joint owners. With the rents remaining affordable and the community stabilized, Ms. Green continues to work to improve her community as a leader in both the Council and Urban Edge.

2,150 LEADERS ENGAGED

2003/2004 GOAL: CDCs will engage the leadership of 2,000 community residents to direct and achieve community-development goals.

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;
- 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.

2003/2004 RESULTS:

- CDCs engaged 2,150 leaders across the commonwealth, including 851 board members and 1,299 other community residents who played leadership roles in their CDCs.
- CDCs represented approximately 34,000 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.
- Hundreds of CDC staff and leaders are now actively participating in MACDC's statewide policy campaigns.



Asian CDC staff conduct a leadership-development training for Chinatown residents.

2005/2006 GOAL: Our goal is to engage 1,700 community resident leaders each year during 2005 and 2006.

To reach this goal, CDCs will need continued funding for their community-organizing and leadership-development work. Toward this end, MACDC will continue to support CDCs through the RHICO program.

2,675 HOMES COMPLETED

2003/2004 GOAL: CDCs will create or improve 3,000 homes for residents across the state.

High and increasing housing costs in Massachusetts continue to challenge low-, moderate-, and middle-income households that cannot access affordable, high-quality housing. Many people are displaced by gentrification, others are forced to live in unsafe housing, while others must live long distances from their jobs or even from public transit. CDCs are responding to these needs by creating and improving rental and home-ownership opportunities. CDCs develop the types of housing that state leaders agree is critically needed: affordable and mixed-income housing sited and developed in smart-growth locations. CDC developments range from two units to those with over 100 units. CDCs work in areas that are often difficult to develop, including low-income neighborhoods and rural areas. They tackle tough projects involving small infill lots, contaminated land, and historic preservation.

Unfortunately, we did not meet our two-year goal during 2003 and 2004. Cuts and delays in the Federal Section 8 housing program and inadequate state housing subsidies forced many CDCs to slow or delay their projects considerably.

2003/2004 RESULTS:

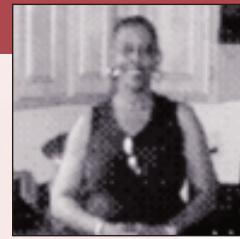
- CDCs developed 1,604 units of housing and helped to renovate an additional 1,071 units;
- CDC housing development increased by 77 percent from 2003 to 2004.
- Twenty-six percent of the units developed are homeownership and 74 percent are rental.
- A total of 65 projects were completed in the Hilltowns, Cape Cod, Boston, and Lawrence.
- Seventy-one percent of CDC construction projects incorporated at least some “green” development strategies designed to make homes safer, healthier, and better for the environment.
- Since inception, CDCs have produced more than 21,000 homes across Massachusetts .

MACDC supported these housing efforts by fighting for a 10 percent funding increase for the state’s affordable-housing trust fund and working with Boston’s Mayor Menino to help launch a housing-production initiative.

2005/2006 GOAL: Our goal is to build or preserve 2,700 units of housing during 2005 and 2006.

MACDC is helping to expand the CDC housing pipeline by advocating with the Massachusetts Housing Partnership to provide \$3 million in production capacity grants during 2005-2007. We are also expanding resources for predevelopment through our Green Production Network program and by working with BankNorth on a \$250,000 grant program for nonprofit housing production. Continued expansion of housing production will depend on increased local, state, and federal funding for housing subsidies, continued private investment, and promotion of smart-growth development policies. Current state and federal policies will not be adequate.

JACQUELINE HARRIS
CODMAN SQUARE CDC



A couple of
years ago,
Jacqueline

Harris, a devoted public school teacher and owner of a three family home in the Codman Square neighborhood of Dorchester, faced a daunting list of home repairs. A leaky roof damaged one of her rental units, interrupting this vital source of income and preventing her from being the good landlord that she is to her tenants.

Ms. Harris applied for bank financing to deal with debt consolidation and pay for the urgently needed repairs, but her credit rating was not good enough to qualify. Rather than sign on with a predatory lender and make matters worse, Ms. Harris sought technical assistance from the Codman Square NDC on credit repair as well as guidance on repairs and how to work with contractors. Working as a team, the NDC’s Housing Services Loan Officer and Financial Fitness Specialist worked with Ms. Harris to help her create a home repair financing package, a household budget, a financial management plan, as well as a strategy to fix her home and her credit.

Now that the repairs and upgrades the NDC financed are finished, Ms. Harris once again has a steady source of rental income. Her property meets not only the city’s standards, but more importantly her own high standards. Her home shines, reflecting her happiness and peace of mind. This is what community stabilization is all about.

NAKIEA SANTOS
FENWAY CDC



Nakiea Santos, a resident of the Fenway neighborhood in Boston, recently graduated from the Medical Office Administration Training Program at the Boston Healthcare and Research Training Institute and promptly secured a position at the Dana Farber Cancer Institute as a Facilitator. Ms. Santos will be on track for promotion to become a New Patient Coordinator. "I am so excited for the opportunity," says Nakiea. "I have always wanted to work in health care." Nakiea is optimistic about her future and stated, "I am very thankful for the opportunities that have been presented to me through the [Training Institute] program."

The Institute is a collaborative program sponsored by the Jamaica Plain NDC and the Fenway CDC and several other organizations. Last year, the Institute helped 37 participants find positions within the Longwood Medical and Academic Area (LMAA) and with other Boston employers.

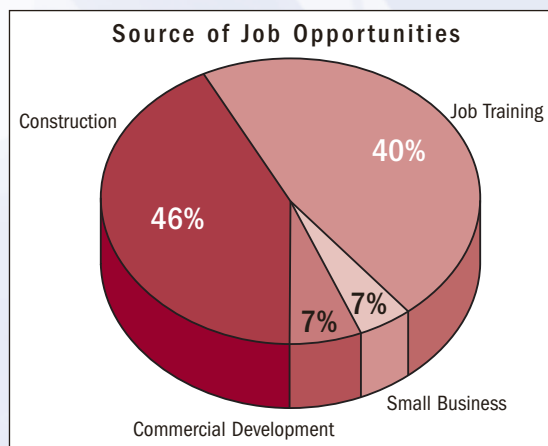
4,572 JOB OPPORTUNITIES CREATED

2003/2004 GOAL: CDCs will create or preserve 5,000 job opportunities throughout Massachusetts.

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 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 2004, twenty 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 healthcare field.

Unfortunately, we did not achieve our goals during 2003/2004. In part, this is related to the slow-down in housing development and the related reduction in construction jobs. Also, many CDCs had to eliminate or reduce their workforce training programs due to funding cuts in the public and private sectors, in particular the elimination of the state's CEED program.



2003/2004 RESULTS:

- CDCs created 2,102 construction jobs.
- Through their job-training programs, CDCs helped place 1,823 people in new or better jobs.
- CDCs provided new commercial space for 32 businesses employing a total of 341 people.
- CDCs helped locally owned businesses create 306 jobs.
- MACDC supported such efforts by helping to win passage of a new \$6 million job-training fund at the state level.

2005/2006 GOAL: Our goal is to create 4,500 job opportunities in 2005 and 2006.

MACDC will support continued CDC success in the job training field by advocating for public and private sector policies that direct flexible funding to community-based organizations serving lower income and lower skilled individuals at the community level. Without these policy changes, CDCs will not be able to meet the needs of their communities.

2,214 ENTREPRENEURS HELPED

2003/2004 GOAL: CDCs will help 1,500 entrepreneurs start or grow their businesses.

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.



Many Massachusetts small business owners, like these from the Quabog Valley region, benefited from technical assistance by CDCs.

2003/2004 RESULTS:

- CDCs provided direct, one-on-one technical assistance to 2,214 entrepreneurs.
- CDCs also provided classes and workshops to 2,424 businesses.
- CDCs helped 181 entrepreneurs obtain a total of more than \$6.8 million in financing.
- CDCs provided loans to 94 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.

2005/2006 GOAL: Our goal is to serve 2,000 entrepreneurs in 2005 and 2006.

MACDC is actively pushing for a new state program to provide funding to community-based organizations that serve local businesses. Such a program is critical to strengthening the state's small business sector and promoting local economic development across the Commonwealth.

GINA ZACCAGNINI AND DEBRA CUMMINGS FRANKLIN COUNTY CDC



Five years ago, Gina Zaccagnini and Debra Cummings, two single mothers living in Greenfield, were struggling to make ends meet as waitresses. The friends dreamed of owning their own diner and decided to enroll in a business planning class at the Franklin County CDC. Gina knew about customer service and supervising, but not food costing and accounting. She was sure a business class would help her turn nerves into confidence. Debra's family had owned a diner in the past and she was confident about cooking, but quickly realized the limits of her business knowledge. After the 38-hour class ended they continued through the summer working with CDC staff on their financials and planning. Once their plan was ready, the business partners applied to a bank for financing. When the bank turned them down, they once again turned to the CDC, which was able to provide a \$25,000 start-up loan to launch their enterprise.

The Eagle Ridge Diner opened last fall in time for the holidays and for six months they have been on target with their projections, monitoring food costs, balancing home and work, and creating three full-time jobs. What started out as a dream has turned into a place where you can "eat good food and come often."

DAVID AND ASHLEY LOWER CAPE COD CDC



David Nichols and Ashley Ornsby, a young couple with a small child, have experienced first hand the challenges arising from Massachusetts's extraordinary housing prices. A few years ago, when David and Ashley were expecting their first child, the young couple began searching for a stable home. David suffered a work-related back injury that forced him to lose his job. They quickly discovered how difficult it is to find affordable year-round rental housing on the Lower Cape. Thankfully, the Lower Cape Cod CDC had recently purchased some old summer cottages and converted them to year-round apartments that are affordable to working people like David and Ashley.

With their housing situation resolved, David and Ashley are now focusing on raising their son and jump-starting their careers. They schedule work and school so that one parent is always home with son Ashton. David works part time and is finishing up his technician's certificate in sleep disorder analysis, while Ashley attends Job Training and Employment Corporation (JTEC) in Hyannis so she can become a certified day care provider.

27,710 FAMILIES HELPED

2003/2004 GOAL: CDCs will help 18,000 families obtain new skills, assets, and opportunities.



Greater Gardner CDC provides families with computer classes and other opportunities.

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. CDCs often approach this work from an asset-based framework — building people's financial and educational assets so they can achieve their long-term economic dreams. As place-based organiza-

tions 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.

2003/2004 RESULTS:

- CDCs provided first time-homebuyer training and landlord-tenant mediation to 12,064 people.
- CDCs created or preserved job opportunities for 4,572 people.
- CDCs provided programs for 4,721 young people.
- CDCs provided services to 1,880 seniors.
- CDCs created or preserved housing opportunities for 2,675 families.
- CDCs provided Adult Basic Education and English as a Second Language classes to 1,404 people.
- CDCs provided individual-development accounts to 262 people.
- CDCs provided assistance on the earned income tax credit to 132 people.

2005/2006 GOAL: Our goal is to help 30,000 families obtain new skills, assets, and opportunities.

To offer these creative, flexible, and responsive programs and services, CDCs will need access to flexible funding from the public and private sectors.

SECURED \$431 MILLION

2003/2004 GOAL: CDCs will secure over \$400 million in investment to revitalize communities

From their beginnings, CDCs have worked to attract private- and public-sector investment to low- and moderate-income communities. These investments help revitalize 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. MACDC estimates that less than 10 percent of the funding comes from state sources, with the remainder coming from federal, municipal, and private sources.



Urban Edge recently renovated this multifamily home in Boston.

2003/2004 RESULTS:

- CDCs completed 68 housing, commercial, and mixed-used real estate-development projects with a total investment of almost \$405 million.
- CDCs completed six open-space projects with a total investment of almost \$2.3 million.
- CDCs secured almost \$7 million in financing for local entrepreneurs.
- CDCs provided over \$17.5 million in loans for home improvement.
- MACDC estimates that, since their inception, CDCs have attracted \$2 billion in investment to their communities.
- MACDC supported these efforts by securing a new community-investment agreement with Sovereign Bank and working with Citizens Bank and BankNorth to develop special housing initiatives for nonprofit housing developers.

2005/2006 GOAL: Our goal is to secure \$450 million in investment during 2005 and 2006.

To help the CDCs reach this goal, MACDC will advocate for adequate funding for public investment programs and partner with banks and other financial service companies to help them create and implement effective community-reinvestment programs.

JOE FLATLEY
MHIC PRESIDENT



Joe Flatley is President of the Massachusetts Housing Investment Corporation (MHIC), a private financial intermediary founded and funded by Massachusetts banks and investors. Since 1990, MHIC has invested \$1 billion dollars in over 6,000 units of housing, including \$460 million in equity investments. Joe believes that: "One of the keys to the success of MHIC's financing is the degree to which it leverages broader community impacts—serving to stabilize the community and to create wealth and opportunity for the residents. This is important to us not only because it ensures the financial success of our investment but also because it serves to fulfill our mission. When a CDC brings a project to us, we're confident of that broader community impact because we know the project emanates from the community and because the project is part of the CDC's broader vision for the community."

Moving Forward...

The results achieved over the past two years are impressive, but our work is by no means complete. There is still a tremendous need for more affordable housing, more jobs, stronger local businesses, and increased economic opportunity.

The GOALS Initiative will continue through 2005 and 2006, during which time Massachusetts CDCs will:

- Engage **1,700** community resident leaders each year to lead our efforts.
- Build or preserve **2,700** homes.
- Create or preserve **4,500** job opportunities.
- Help **2,000** locally owned businesses start, grow, or stabilize their businesses.
- Provide economic and educational opportunities to **30,000** families; and
- Attract **\$450** million in private and public investment to revitalize our communities.

These are ambitious goals, especially in light of the current funding environment. To achieve them, CDCs will need additional resources from the public and private sectors and support from all the stakeholders in the community-development field. Indeed, with adequate support, CDCs could achieve even greater results for our state. Therefore, MACDC and our members are working to build the power we need to win this support.

**WE WILL BUILD COALITIONS WITH NEW AND OLD PARTNERS TO STRENGTHEN AND AMPLIFY OUR VOICE,
WE WILL DOCUMENT OUR RESULTS TO SHOW THE VALUE OF COMMUNITY-DEVELOPMENT PROGRAMS,
WE WILL ENGAGE MORE OF OUR MEMBERS AND OUR LOCAL LEADERS TO BRING THE MESSAGE FORWARD, AND
WE WILL BE FORCEFUL ADVOCATES WITH PUBLIC AND PRIVATE DECISION MAKERS.**

We invite all those who share our goals to join us.

MACDC

MASSACHUSETTS ASSOCIATION OF
COMMUNITY DEVELOPMENT CORPORATIONS

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The Massachusetts Association of Community Development Corporations (MACDC) is the policy and capacity-building arm of the community development movement in Massachusetts. We support and advance the affordable housing, economic development, and community-building strategies of our members. We work to build the power of low- and moderate-income people to achieve greater economic, social, and racial justice.