



## Community Investment Plan (CIP)

### **SECTION 1: COMMUNITY TO BE SERVED BY THE ORGANIZATION**

Founded in 1965 in Framingham, MA SMOC is a nonprofit corporation with a 501 (C)(3) federal tax designation; a federally designated Community Action Agency (CAA) for the MetroWest and Blackstone Valley regions; a statewide provider of low-income housing; a Community Housing Development Organization (CHDO); a Regional Administrative Agency (RAA); a part of the Regional Housing Network (RHN) and, a certified Ch.40H statewide Community Development Corporation (CDC). SMOC administers over 60 programs through a staff of 705 dedicated community development staff members and human service workers and 110 volunteers and college interns. In FY14, SMOC served 54,576 residents, including 33,027 families in 200 communities across the Commonwealth. SMOC's FY15 projected budget is \$88,152,844.

SMOC's mission is to improve the quality of life of low-income and disadvantaged individuals and families by advocating for their needs and rights; providing services; educating the community; building a community of support; participating in coalitions with other advocates and searching for new resources and community development partnerships. Central to our mission is working with individuals and families to maximize self-sufficiency and economic independence, especially for the most vulnerable in our society including those with disabilities and the homeless.

As a CAA, SMOC provides social services support and subsidized housing programs to low-income individuals and families. These programs include Head Start and Child Care, Fuel Assistance, HEARTWAP, First-time Home Buyer, Rental Assistance, Individual and Family Shelter and Housing, High School Equivalency Diploma (HiSET) (Formerly GED), English as a Second Language (ESL), Workforce Development, WIC nutrition services, Behavioral Health, Substance Abuse Treatment, and Domestic Violence treatment services.

SMOC created a wholly-owned subsidiary, the South Middlesex Non-Profit Housing Corporation (Housing Corporation) in 1987. The chief mission of the Housing Corporation is to preserve and improve existing affordable housing and to develop and manage much needed new low-income housing stock throughout the Commonwealth. The Housing Corporation addresses the acute need for safe, decent and affordable housing for low-income families, individuals and disabled adults, statewide. The Housing Corporation focuses investing in redeveloping substandard and distressed properties to create housing opportunities for low-income people and improve neighborhoods. SMOC's Housing Corporation has created a unique and successful approach to serving the needs of low-income households by integrating case management and connections to community based wrap around support with rental units in host communities, with the goal of sustaining stable housing and supporting self-sufficiency. Currently, SMOC owns and manages 149 properties including 1,701 units of low-income housing statewide, with a concentration of properties located in the MetroWest, Worcester, Springfield and Lowell regions of Massachusetts. There are currently a total of 6 active development projects that will result in the production of 127 new units of housing. Please see the attached summary of SMOC's real estate portfolio as well as a summary of properties in development.

SMOC is considered a mid-size business and is a major employer of low-income and disadvantaged individuals. SMOC prioritizes employing its housing residents and program participants. This is made possible through the Ready, Willing & Able (RWA) program. SMOC created RWA in 2004, as a social enterprise to provide homeless and chronically unemployed individuals with job readiness training through employment opportunities, with support, in

day-labor jobs statewide for private employers and within SMOC's office and residential property maintenance departments, for building repair and refurbishing projects and administration positions, in lieu of contracting these services out.

**MetroWest and Blackstone Valley – Primary Service Area**

SMOC's primary service area reflects the 10 towns of its origin as a CAP Agency: Ashland, Bellingham, Framingham, Holliston, Hopkinton, Marlborough, Natick, Northbridge, Southborough and Wayland with a total population of 227,313. The total number of people in poverty is 13,746 or 6% of the population.

The following chart depicts some economic indicators within SMOC's primary service area:

Economic Indicators within SMOC's Primary Service Area					
City/Town	Population	Unemploy ment Rate	Poverty Rate	Median Household Income	% w/Food Stamps/SNAP Benefits in past 12 months
Ashland	16,593	4.9%	4.4%	\$95,296	2.8%
Bellingham	16,332	5.2%	3.2%	\$82,859	5.6%
Framingham	68,318	4.5%	9.6%	\$66,658	8.9%
Holliston	13,547	4.7%	4.3%	\$107,192	2.4%
Hopkinton	2,550	4.3%	2.2%	\$67,794	6.9%
Marlborough	38,499	4.7%	7.5%	\$70,849	6.5%
Natick	33,006	3.4%	4.1%	\$95,059	3.1%
Northbridge	15,707	6.7%	4.2%	\$66,784	7.8%
Southborough	9,767	4.7%	1.7%	\$135,603	1.7%
Wayland	12,994	4.2%	2.7%	\$124,702	1.8%

Source: U.S. Census, 2012 American Community Survey

Framingham is a town with strong ethnic and racial diversity. The U.S. Census 2010 American Fact Finder indicates Framingham's race/ethnicity at 73.9% White, 8.3% Black, 7.6% Asian and 13.3% Hispanic. 28.8% of the population is foreign born. Framingham is home to substantial and growing communities of Brazilian and Portuguese immigrants. The overall poverty rate in Framingham is 9.6%, although some of the city's neighborhoods have much higher concentrations of poverty such as Precinct 17, where SMOC's headquarters are located. The U.S. Census 2008-2012 American Community Survey indicates that 37.3% of households have income below \$50,000. Framingham's median household income is \$66,658. Framingham is classified as an "Economic Target Area," defined by the Commonwealth of Massachusetts Economic Assistance Coordinating Council, as a municipality with 3 or more contiguous census tracts that overall meet certain criteria for economic need, including unemployment.

SMOC's primary service area also includes a large region of 57 cities and towns in Central MA that are served by SMOC's energy assistance and rental assistance programs. The fuel (LIHEAP) and weatherization programs assist households in home heating and weatherization costs. The Rental Assistance Program utilizes the MA Rental Voucher Program and Federal Section 8 subsidies to provide direct housing assistance for eligible households by paying landlords directly. Low- to moderate-income residents of the original 10 towns and the larger service region have full access to SMOC Workforce Development, housing and microbusiness development services.

**Worcester County, Springfield (Western MA) and Lowell – Secondary Service Areas**

As determined by SMOC's Community Services Block Grant Community Action Plan (CAP), SMOC's service area has expanded into other regions of need, with a "secondary service" area encompassing a variety of cities and towns throughout Central (Worcester), Western (Springfield), and Northeastern (Lowell) Massachusetts. These areas are served mainly with respect to housing and community and economic development activities.

Worcester is the largest of the three Gateway Cities, with a population of 181,045. Springfield has a population of 153,060 and Lowell has a population of 106,519 people. The US Census 2008-2012 American Community Survey 5-Year Estimates (The Survey) indicates that all three Gateway Cities reflect strong racial/ethnic diversity; Worcester's race/ethnicity is 75.8% White, 11.3% Black, 5.6% Asian, and 20% Latino. The Survey indicates Springfield's race/ethnicity is 51.5% White, 21.6% Black, 2.3% Asian and 39.5% Hispanic. Lowell's race/ethnicity is 59.3% White, 7% Black, 20.1% Asian and 16.3% Hispanic. Of the three Gateway Cities, Lowell has the highest median household income at \$51,714, followed by Worcester with a median household income of \$45,679, with Springfield having the lowest median income at \$35,163. All three communities have pockets of higher concentrations of poverty within various neighborhoods. The city of Springfield has the highest poverty rate at 28.7%, followed by Worcester at 20.1% and Lowell at 17.3%. Springfield was designated by the Department of Labor as a Labor Surplus Area in FY14, a classification given to cities and towns when their unemployment rate is 20% above the national average for a full year. Worcester and Lowell did not reach this condition, but both have unfortunately high numbers of unemployed or under employed residents.

Housing costs are highest in Lowell, where the median cost for renters is \$952 as compared with costs for Worcester at \$900 and Springfield at \$780. However, all three areas have significant numbers of renters spending 30% or more of their income on housing with Springfield at 61.4%, Lowell at 49.5% and Worcester at 48%. This is a clear indicator that more affordable housing is necessary in order to prevent or eliminate homelessness. The 3 cities are all classified as Economic Target Areas and Gateway Cities.

## **SECTION 2: INVOLVEMENT OF COMMUNITY RESIDENTS & STAKEHOLDERS**

SMOC was founded through the efforts of community activists in the Town of Framingham, almost 50 years ago under the Title II of the Economic Opportunity Act of 1964. Since its founding, SMOC operates and is governed through: 1) the direct involvement of residents in the communities that it serves; 2) as part of a consortium of local, regional and statewide service providers, with whom SMOC shares a common constituency of clients; and 3) engagement with municipal and statewide advocacy groups, planning commissions and state and federal agencies, charged to represent, fully or in-part, the needs of low-income, disadvantage and disabled populations.

Essential to SMOC's planning, operations, effectiveness and accountability is the involvement of a broad cross section of the community in its governing, policy, decision-making and accountability process, SMOC's Board of Directors is composed of 27 members that bring tremendous diversity of experience to program and policy development and implementation. (See Part III: SMOC Board List) One third of the members are representatives of the low-income population who are the recipients of many of our services. Another third are public representatives recommended from SMOC's service communities, and the remaining third are representatives of private business, philanthropic, faith-based, financial, advocacy and other organizations such as the NAACP, the Chamber of Commerce and the Clergy Associations. This diversity is essential in ensuring SMOC programs are sensitive and responsive to the basic human needs of the communities it serves. Being drawn from the ranks of public and private community leadership, the Board members provide critically important input, advice and direction to the senior management team, including direction regarding the goals, activities, and funding strategies outlined in this CIP. The Board meets monthly for 10 months per year, with a summer recess for the months of July and August.

As a Community Action Agency, SMOC prioritizes implements and operates programs for low-income single adults and families through the development of a *Community Action Plan* (CAP). The CAP is a component of the (DHCD) Community Services Block Grant funding. SMOC's Board has recently adopted the 2015-2017 CAP. This CIP is largely formulated based on SMOC's most current CAP process. The CAP is the outcome of a comprehensive, collaborative and inclusive process that engages an extensive and diverse array of stakeholders from within and outside the agency, the local communities that we serve and the state as a whole. Bringing stakeholders to the table and participating on boards at the municipal and state level is the only effective way to wage the War On Poverty. Poverty is a multidimensional phenomenon which calls for a comprehensive, integrated holistic approach and

solution for its ultimate eradication.

The CAP identifies and prioritizes community needs through a discovery process utilizing three survey tools to effectively engage the community at large: a Community Needs Survey, a Community Organizations Survey, and an Internal Needs Assessment. The Community Needs Survey targets clients and residents and assesses existing services and gaps. This survey is administered in two forms, electronically through Survey Monkey and in paper form. This insures that we meet low-barrier participation requirements for clients. Surveys are distributed to Program Managers for dissemination to their clients. The majority of surveys are self-administered but any clients needing assistance were assisted by program staff. In order to obtain the participation of other low-income populations in the service areas, the surveys are distributed to our various community partners. These include Department of Transitional Assistance offices, Department of Human Services Office and the Salvation Army, among others. The survey includes 44 questions covering demographics, housing, health care, employment, income, safety, childcare and assessment of SMOC services. It is translated into Spanish and Portuguese to reflect the language diversity present in our service area. Hand written responses to the survey are entered in Survey Monkey.

The *Community Organization Survey* targets federal, state, local and private agencies that partner with us to serve the needs of low-income populations. Organizations are requested to describe the populations they serve, identify their geographic service area and classify the nature of the services provided. In terms of community needs, they were asked to rank the need in various sectors such as housing, healthcare, financial and economic concerns, child care, nutrition, domestic violence and transportation. Over 33 organizations are included in the polling.

The *Internal Needs Assessment* consists of an internal *Staff Survey* and *Board Survey* which identifies community needs, organization strengths, weaknesses/threats and opportunities for the agency. This survey is administered through Survey Monkey. All data entry and analysis is completed through Survey Monkey.

The ultimate goal of SMOC's DHCD Community Services Block Grant CAP and this CIP is to move low-income, disadvantaged people toward greater economic and social self-sufficiency. To monitor and evaluate SMOC's goal achievement with the CAP, goals and objectives are entered in to Results Oriented Management and Accountability (ROMA) Next Generation data base system, DHCD's performance based agency data base system. In order to ensure monitoring for progress, outcome measurements are reviewed and evaluated every 6 months. This presents the opportunity for program revision and improvements to further enhance outcomes. Every 3 years, the CAP plan process is repeated, in its entirety. This repeated timely cycle of client and community input and surveying provides information on current community needs, program usage and emerging community needs.

The CAP and CIP plan requires review and adoption by the SMOC Executive Committee and full Board of Directors. The Board makes final approval of all agency goals, priorities and budgets; and ensures compliance with all conditions of all grants the agency receives. This CIP will come before SMOC's Board for a vote and adoption November 18, 2014. Pursuant to the process of the CAP, this CIP will parallel the same process of development, adoption and monitoring as the CAP. Every 3 years the CIP will be re executed in its entirety.

In addition to the CAP planning process, SMOC engages community residents and stakeholders in a wide range of capacities for their input and guidance regarding SMOC's activities. Some examples follow:

- The Lowell Transitional Living Center (LTLC) and Open Pantry Community Services (OPCS) Advisory Committees: As affiliates of SMOC, LTLC and OPCS fall under the same Board leadership as the rest of the organization. However, both programs maintain separate Advisory Committees that meet monthly and are made up of former clients, residents, stakeholders from their respective communities. These Advisory Committees report to managers and the Board of Directors and provide guidance on programmatic, fiscal and administrative activities.

- Head Start Policy Council: Made up of Head Start parents and community members, the Head Start Policy Council meets monthly and is charged with providing oversight and management of the Head Start Program.
- SMOC Financial Services (SFS) Advisory Board: The SFS Advisory Board will oversee and manage SMOC's new microlending initiative that will provide start-up funding, technical assistance and educational workshops for low-income microbusinesses in the Worcester and MetroWest regions. The SFS Advisory Board is made up of two Board Members who represents the low-income community's interests, two small business owners, two financial partners and two community leaders.
- Triage and Assessment Center: During the planning phase of the SMOC's new Triage and Assessment Center in Worcester, SMOC convened a series of community meetings specifically to seek input from local residents on the plans for the buildings. The building was sited in a quiet, residential neighborhood rather than in a commercial or retail district, as a result of the input received from these meetings. While the location is within walking distance of public transportation and services, it is also set back, away from the previous downtown location.
- 201 Middlesex Street, Lowell: SMOC and the Lowell Transitional Living Center are currently developing 49 units of affordable, supported housing in the building adjacent to LTLC. During the development process, SMOC and LTLC have been working closely on the project with the Lowell Downtown Neighborhood Association, a group made up of local residents and business owners, to ensure that the needs of the neighborhood are being met by the project.
- Housing Peer Support Model: Through dozens of property locations throughout the Commonwealth, SMOC receives input from tenants as to the living conditions and activities offered by the properties. SMOC's supportive housing model incorporates the Peer Support Model, whereby the residents at each location meet monthly to discuss and shape their environment. The meeting is run by the Resident Manager, employed by SMOC, and a resident of the property, who relays feedback directly to the appropriate SMOC staff. This creates an ongoing dialogue between SMOC and its tenants allowing SMOC to incorporate tenant feedback into its activities.
- Transition Aged Youth Program (TAY): This is a newly funded, Worcester-based program that is in the start-up phase at SMOC. The focus will be on providing housing and wrap-around support services to the growing population of young people experiencing homelessness in greater Worcester. TAY is the direct result of feedback and input from community stakeholders and clients of the Worcester Triage and Assessment Center who let us know, through resident meetings as well as the intake process, that there is a need for targeted services for this vulnerable population of 18-24 year old at-risk and homeless individuals.
- Client feedback: Focus Groups, Peer Groups and Satisfaction Surveys are institutionalized in the development and review of all our programs. Routinely, SMOC conducts Focus Groups to obtain feedback from program participants and stakeholders regarding program quality, process and performance. Many of our programs, including computer literacy workshops, adult basic education and SMOC Behavioral Healthcare regularly conduct surveys and exit interviews with clients that have accessed these services. This vital feedback helps to shape the programs moving forward.

### **SECTION 3: PLAN GOALS**

**Goal 1: Sustain and create more opportunities for low-income people to become self-sufficient and economically independent.** Unemployment has disproportionately affected Gateway Cities. According to US Census ACS 3-year estimates, the unemployment rate for the City of Worcester it is 7.2%., for Lowell it is 7.7% and for Springfield it is 9.5%, as compared to the state 6.2% and the US 6.5%. Unemployment has disproportionately affected minorities. For example, analyzed by race, in Worcester 10.5% of the unemployed are Asian, 10.5% are

Black and 19.3% are Hispanic or Latino origin. For Framingham unemployment is 5.7%, however the unemployed population in the Metro South/West, where Framingham is located, over the age of 45 has grown to 50.1%, as compared to the state, 36.1% and the nation, 31.5%. MA Rapid Response Fiscal year FY14 data indicates plant closings/company layoffs in the Commonwealth have affected a total of 274 companies, eliminating 16,113 jobs. Within the last 2 ½ years, 6,108 refugees have resettled in Massachusetts. **BENEFITS:** SMOC's employment readiness, training, assistance and placement programs and microbusiness development services decrease community unemployment, grow jobs, expand local economies and provide opportunities for employment for foreign born populations. Program participants acquire the requisite skills to compete effectively in the job market, acquire relevant education, become gainfully employed, and obtain and maintain safe, affordable, stable housing.

**Goal 2: Sustain and create more opportunities in which low-income, disadvantaged and disabled populations living conditions are improved.** The number of people experiencing homelessness is continuing to rise. According to numbers from the U.S. Department of Housing and Urban Development's (HUD) 2013 Annual Homeless Assessment Report to Congress, there were 19,029 people in Massachusetts counted as experiencing homelessness during the January 2013 Point-in-Time (PIT) Count. The DHCD EA Report, FY11-15, indicates that as of July 2015 there were 4,733 homeless families sheltered in Massachusetts motels. This number is up drastically from the 3,386 families living in motels in 2013. Sober housing is very limited and the demand for it continues to increase. **BENEFITS:** SMOC seeks to decrease homelessness among individuals and families statewide, through dual activities a) the expansion of homeless prevention services, rapid rehousing and housing first programs and b) preserving existing affordable housing stock and developing new low-income housing options for low-income and disadvantaged population, including those in recovery. Thus, homeless individuals and families will be housed within their communities and can focus on finding employment to support a permanent housing placement for themselves and their families. The children can enroll in school each family member can access much needed health care, including behavioral healthcare. Increased sober housing helps facilitate long-term sobriety for residents.

**Goal 3: Sustain and create more opportunities for low income people to own a stake in their communities.** Low-income, disadvantaged and newcomer populations are often disenfranchised from the mainstream community, planning and government. **BENEFITS:** When given the opportunity to participate, these populations are empowered, enhance self-sufficiency and contribute to the development of their communities as productive community members. With SMOC services assisting low-income people to attain decent housing, livable wages, adult education, child and family development and more, these families and individuals become more engaged in their communities, have involvement with local school systems, become part of the area workforce and thus better integrate and become more ingrained in civic life and activities. In turn, this enhances the overall well-being of the community at large. SMOC also provides opportunities through client empowerment programs including participation on SMOC Board of Directors, Advisory Boards, and the Peer Support Model embedded in our housing programs.

**Goal 4: Sustain and increase partnerships among community providers and supporters of low income people.** SMOC has built a comprehensive network of housing and support programs to meet the needs of low-income people. SMOC does so in partnership with community-based organizations, employers, private, for-profit companies and federal, state, and local governments, within the communities that we serve. **BENEFITS:** Strategically, this allows SMOC to leverage and link low income people to existing community services and then create new programs to fill gaps in services within a community to improve community based services to effectively provide services to this target population, especially the homeless. Moreover, this reduces duplication of services, decreases program operation costs and strengthens the agency's fiscal capacity.

**Goal 5: Sustain and increase SMOC's capacity to achieve results.** With continued contraction in state and government funding it is imperative for nonprofit organizations to operate efficiently, seek alternative sources of revenue and in many cases affiliate to decrease overhead and continue to provide much needed services to the community. **BENEFITS:** By implementing best practice financial accounting and Internet Technology (IT), SMOC has

demonstrated strong administration and programmatic goal attainment, enabling SMOC to continue to be awarded state and federal contracts. Investing in staff enrichment programs improves the quality of service delivery to clients. As SMOC has implemented social enterprises, such as Ready Willing and Able, our low-income clients benefit through employment opportunities. Lastly, in many cases SMOC has preserved and improved community services by affiliating with organizations that were struggling.

**Goal 6: Sustain and create opportunities for low income people to achieve their potential.** The MA Economic Independence Index, 2003, prepared by Crittenden Women's Union documents the income required by individual and families to achieve a fair standard of housing, health, care nutrition and child care. For the state as a whole it is \$28,880. For Middlesex County, where Framingham and Lowell are located it is \$31,416. For Hamden County where Springfield is located it is \$21,540. For Worcester County it is \$22,464. According to the US Census ACA 3-Year Survey, over 19.9% of individuals in Framingham earn less than this amount, annually. In Lowell it is 26.2%. In Worcester it is 31.3% and in Springfield it is 39.7%. **BENEFITS:** SMOC directly provides connections to public entitlement, private supports, emergency services, asset development, workforce development and child care programs. These connections allow low-income individuals and families to stretch their budgets, weather financial crises, retain and maintain stable housing particularly in communities of higher priced housing, thus, decreasing community issues of homelessness. Connecting low-income individuals and families to Behavioral Health services, provides the support and resources to help this population succeed at work and at home and decreases the cycle of poverty and domestic violence.

**Goal 7: Sustain and create food security opportunities for low-income people.** Project Bread's 2013 Status Report on Hunger estimates that 11.4% of all households in Massachusetts, or 700,000 people are still struggling with food insecurity. Food insecurity is up nearly 40% from before the recession began and almost an 80% increase from the start of the last decade. 200,000 children in Massachusetts have a parent who makes less than \$11 an hour. 16.5% of Massachusetts children live in food insecure households. **BENEFITS:** SMOC operates food recovery programs, which repurpose food from community supermarkets and restaurants providing nutritious meals at emergency shelters and community kitchens, instead of placing this food stuff in a community's waste system. SMOC's food pantry and community meals programs provide for the nutritional needs of low-income people, particularly the homeless. Also, SMOC partners and provides case management assistance to our community partner, the United Way of Tri-County, which provides meals and food pantry services to several thousand MetroWest households.

#### **SECTION 4: ACTIVITIES TO BE UNDERTAKEN**

SMOC's pursues its goals through the implementation of a variety of programs that are multidimensional and multi-sectoral. Through SMOC's current finance strategy and an allotment of CITC, SMOC seeks to maintain and expand its existing community and economic development programs and services. These programs and new projects are as follows, although existing programs are described by name alone, due to space limitations. Attached, please find a listing of SMOC's programs with descriptions.

**Goal 1: Sustain and create more opportunities for low-income people to become self-sufficient and economically independent.** SMOC accomplishes this goal through the following existing programs:

**Employment Programs:** HiSet, Adult Basic Education for the Workplace, English as a Second Language, Serenity Vocational, Green Jobs Academy, Mobile Resource Team, Summer Jobs for Youth, MetroWest Career Center, Women's Transition Program, Ready Willing and Able (RWA), Mobile Resource Team, Joan Brack Adult Learning Center, and Individual Placement and Support. **Microbusiness Development Services:** Business Incubation and Business Technical Assistance and Training.

**New Projects Underway or Scheduled for Implementation:**

- Microbusiness Technical Assistance and Skills Training: Based in Worcester, MLKJ-OC is a U.S. Small Business Administration (SBA) designated Business Resource Center hosting a computer equipped business library

occupying 450 square feet. The Center offers low cost 1:1 business education and technical assistance as well as no cost group workshops to assist clients start, operate and grow a successful business or revitalize an existing struggling business. Local businessmen volunteer as teachers and also provide technical assistance at no cost or at discount rates to clients. Technical assistance services and workshops will soon be offered in MetroWest.

- Secure Jobs: This program targets homeless or formerly homeless heads of household to receive skills training and support that will result in living wage jobs. The program can help participants obtain child care, enroll in training and prepare to obtain a better paying job. This program is described further in Section 5. It is funded by the Firemen Foundation
- Professional Sales & Customer Service Training: Provides WIA eligible youth ages 16-21 classroom training, on-the-job training and job placement for entry-level in-demand jobs in sales with a career ladder.
- Commercial Driver's License Training Program: Partnership with the MetroWest Regional Transit Authority to provide eligible SMOC clients with commercial driver's license training.

Since its founding in 1995, MLKJ-OC has assisted the start-up of 369 businesses, incubated 72 businesses, and helped 25 businesses restructure for profitability. In FY15, employment programs are targeted to support 500 people in obtaining jobs (Mobile Resource Team, Secure Jobs Initiative, Summer Jobs for Youth, IPS, RWA, GJA, Professional Sales and Customer Service, Youth Program), graduate 20 students within the HiSET program, link 50 individuals with post-secondary education, and train 150 individuals with job skills training that will lead to living wage employment.

**Goal 2: Sustain and create more opportunities in which low-income, disadvantaged and disabled populations living conditions are improved.** *SMOC accomplishes this goal through the following existing programs:*

**Community Improvement and Revitalization Programs:** Family Shelter, Recovery Housing, Housing for People with Aids, First Step Supportive Housing, Family Self-Sufficiency Program, Home Modification Loan Program, Housing and Consumer Education Center, Housing Services Center, Common Ground Resource Center, Emergency Single Adult Shelter, Emergency Single Adult Sober Shelter, Weatherization & Heating System Assistance, South Middlesex Non-profit Housing Corporation, Lowell Transitional Living Center/Emergency Shelter, Greater Worcester Housing Connection/Emergency Shelter and Young Adult Supported Case Management and Housing Program.

**Projects in Development or Scheduled for Implementation:**

- 7 Bishop St, Framingham: SMOC is in the final stages of moving its home offices in Framingham to a refurbished brick mill building at 7 Bishop Street.
- 237 Chandler St., Worcester: SMOC will substantially rehabilitate MLKJ-OC partially renovated (1800) 42,224 square foot brick manufacturing building, to full use. The project includes the build-out of 15 new incubator spaces for microbusinesses and renovations to make the second floor accessible, meeting ADA requirements; and, improvements to improve energy efficiency. The project will support, on an ongoing basis, 15 early-stage microbusinesses.
- 201 Middlesex St., Lowell: SMOC will rehabilitate and replace the roof on this 6 floor brick building. SMOC refurbished the 1<sup>st</sup> floor to house the offices of Lowell Transitional Living Center (LTLC), a multi-service homeless program, its Community Meals program. The remaining 5 floors are to be rehabilitated for 49 units of SRO housing dedicated for a Housing First program. The project estimate is \$69,375.00. Charles Bank Homes is reviewing SMOC's grant application to supplement SMOC's existing funding.
- 19 Bixby Road, Spencer: The state recently approved this project that will create 42 units of affordable housing for families and 12 units dedicated to homeless families. Project partners include DHCD, CEDAC and the Federal Home loan Bank
- Transitional Age Youth (TAY): A pilot program for up to 40 homeless young adults (18-24 yr. olds) in Worcester County in partnership with the Health Foundation of Central Massachusetts, DHCD and MHSA.



Since its founding 49 years ago, SMOC has grown to be one of the largest nonprofit providers of shelter, service supported and low-income housing in the state. Housing services occur in conjunction with providing integrated case management and wrap around social support programs. The real estate holdings includes 6 office/commercial buildings, 16 permanent affordable housing facilities, 9 single family buildings, 18 group residences/emergency housing/shelters, and 49 service enriched housing properties. The capacity to develop low-income property requires an effective best practices development model with grants and low interest rates to keep housing affordable for individuals, at or below 30% of the area median income. In FY14 permanent housing was provided for 1,164 households.

Energy Conservation Services weatherized 425 homes, delivered 8,600 refrigerators, repaired 400 heating systems, and trained 80 energy auditors. The Home Modification Loan Program initiated and closed 42 loans in the Southeast region and 30 loans in the MetroWest region, with an aggregate lending of \$1,500,000.

In FY15, the Family System of Care will manage 72 units of congregate family shelters in six locations. We will operate 129 scattered sites shelter units throughout the region. We will manage and provide support services to approximately 130 families in hotels and motels throughout the region. We expect to assist a minimum of 600 families experiencing housing crisis through our Housing Consumer Education Center.

**Goal 3: Sustain and create more opportunities for low income people to own a stake in their communities.** *SMOC accomplishes this goal through these existing Client Empowerment Programs:* Positions on SMOC Board of Directors, Head Start Advisory Board, Peer Support Housing Model, Lowell Transitional Living Center Advisory Board and Springfield Open Pantry Community Service Center Advisory Board. SMOC housing programs are embedded with the "Peer Support Model." The Peer Support Model is explained in Section 5.

**New Projects Scheduled for Implementation:**

- Advisory Board Microfinance Loan Committee: This Board will consist of representation from 2 banking institutions, 2 Worcester Board Members representing the low-income community and two low-moderate income small business owners.

**Goal 4: Sustain and increase partnerships among community providers and supporters of low income people.** SMOC has partnered with an extensive assortment of agencies and providers throughout the state during our almost 50 years of existence. The agency has collaborated with other subject matter experts in the field to develop and deliver an integrated system of services to low-income and disadvantaged populations. We anticipate expanding and a strengthening in these relations in FY15. Attached, please find a listing of community partners.

**Goal 5: Sustain and increase SMOC's capacity to achieve results.** SMOC accomplishes this goal through these existing efforts: **Sound Fiscal Practices:** For a briefing, please see Section 9. **Staff Continuing Education:** Tuition Reimbursement and an internal Continuing Education web platform "Essential Learning". **Social Enterprise Programs:** Green Jobs Academy and Ready Willing and Able. **Program and Client Data and Outcome Collection:** Please see Section 5 for a full list of data collection methods and tools. **Resource Development:** SMOC employs a staff of 2 full-time development professionals. The Resource Development Director works with SMOC's Board Fundraising Committee and coordinates with each of SMOC's six Division Managers to execute grant writing, charitable events, and annual appeal activities.

**New Projects Underway or Scheduled for Implementation:**

- Social Impact Financing (SIF): SMOC will Partner with MHSA and DHCD to implement the SIF program in the Metro West, Greater Lowell and Worcester County, which will move 135 shelter guests to permanent housing.
- Expand the Social Security Disability Insurance Representative Payee program to MetroWest and Worcester County by replicating the program utilized by the Lowell Transitional Living Center.
- Ready Willing and Able (RWA): SMOC continues to advance RWA as an alternative staffing agency that provides homeless and chronically unemployed individuals with job readiness training through pre-employment

education and employment opportunities with support in day-labor jobs within SMOC and in contracted positions with local businesses. RWA revenue is a source of operational income to sustain RWA.

- Green Jobs Academy (GJA): Provides market rate Quality Control Inspection training to Energy Auditors in the Department of Energy, through contracts from the DHCD.

**Goal 6: Sustain and create opportunities for low income people to achieve their potential.** *SMOC accomplishes this goal through the following existing programs.* **Asset Development Programs:** Volunteer Income Tax Assistance (VITA), Individual Development Accounts (IDA's) **Emergency Assistance Programs:** Voices Against Violence, Foreclosure Prevention, Fuel Assistance (LIHEAP), Marlboro Resource Center and Open Pantry Community Services. **Child and Family Development Programs:** Head Start and Child Care, **Behavioral Health Programs:** Sage House, Serenity House, New Beginnings, Rhodes Street House, Community Support Program, Family and Child Counseling Services, Behavioral Health Outpatient Services.

In FY14, the Fuel Assistance program provided heating assistance to 6,500 households. The Rental Assistance Program kept 1,700 families housed.

In FY15, SMOC Behavioral Healthcare outpatient clinics expect to help more than 3,200 people with behavioral health issues. The Child & Family program expects to help approximately 700 families. Voices Against Violence expects to help 2,500 people. Substance Abuse Residential programs expect to help 190 households address their recovery. In FY15, the Childcare program expects to educate and nurture 625 children. The Head Start program expects to educate and nurture 458 preschool children and their families.

**Goal 7: Sustain and create food security opportunities for low-income people.** *SMOC accomplishes this goal through the following existing programs:* **Food Recovery Programs:** MetroWest Harvest. **Nutrition, Food Pantry and Community Meals Programs:** Women Infants, and Children (WIC), Loaves and Fishes in Springfield, Supplemental Nutrition Assistance Program (SNAP, Emergency Food Pantry, Springfield, Community Meals, Lowell, and Head Start Family Nutrition.

In FY 14 SMOC MetroWest Harvest collected 40,000 pounds of food from local restaurants and supermarkets and delivered this product to 12 emergency shelters and food kitchens in the area benefiting 1,300 individuals. WIC provided 7,916 people with access to healthy meals and nutrition education. Loaves and Fishes in Springfield provided groceries to 1,000 individuals. SMOC's Common Ground Resource Center enrolled 98 individuals in SNAP. Community Meals Program in Lowell served 108,000 meals. Head Start/Child Care Family Nutrition provided 68,608 lunches to the children that it serves.

## **SECTION 5: HOW SUCCESS WILL BE MEASURED AND EVALUATED**

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SMOC is an outcome based performance management agency and implements tools to evaluate agency, program and individual client performance. Agency wide, SMOC completed its first ever joint DHCD/Northeast Institute for Quality Community Action (NIQCA) in May 2013. SMOC fully met the NIQCA organizational management and governance Best Practice Operating Standards. SMOC utilizes the nationally recognized Results Oriented Management Accountability (ROMA) methodology, as articulated by DHCD, to set standards for projecting, measuring and reporting outcomes. All SMOC program directors utilize ROMA methodology in their six month and annual progress reports to DHCD.

On a programmatic and individual client level, SMOC utilizes qualitative and quantitative processes to evaluate program performance. Quantitatively, SMOC utilizes web based data collection tools required by federal state or foundation funders and in combination with SMOC's internal data base Octopia™. For all programs, through a formal intake and data collection process, SMOC collects baseline, progress and outcome information and data for program participants. Data count is unduplicated and is compiled for the duration of the clients' participation in a SMOC

program. Depending on program model or funder, for clients, data is collected from 3 months to 2 years, upon exit of the program.

### **Quantitative Processes**

Data Bases utilized: Efforts to Outcomes (ETO): Utilized by SMOC family homeless programs, required by MA DHCD. Timberline: Utilized by SMOC housing programs to track property management functions. Tracker: Utilized by SMOC rental assistance programs to calculate and record payment. Empowerdb™: Utilized by SMOC Voices Against Violence program. Rocket: Utilized by SMOC Behavioral Health programs for scheduling and billing. Child Outcome Planning and Administration (COPA): Utilized by Head Start and Child Care. Virtual Gateway: Utilized by SMOC programs funded by the MA Rehabilitation Commission.

Some of SMOC's programs do not require or utilize specific data base collection tools. For these programs SMOC uses an internal database collection tool, Octopia™, a multi-program web-based software product that enables staff to collect, track, report and share data amongst all its affiliates. Octopia™ captures client intake, referral, service participation, outcome, and case management information. Octopia™ provides aggregate and individual client reports which assist in assessing program and client performance. Furthermore, to insure universal unduplicated data collection on all SMOC program participants, data from all the aforementioned data base systems is entered into Octopia™. Octopia™ qualifies and filters data to record accurate program participation and progress collected and measured for unduplicated individuals.

### **Qualitative Processes**

Focus groups, peer groups and satisfaction surveys are institutionalized in the development and review of all our programs. Routinely, SMOC conducts focus groups to obtain feedback from program participants and stakeholders regarding program quality, process and performance. Recently, in the early stages of the Secure Jobs Program, SMOC brought together homeless or formerly homeless heads of household clients, town officials and representatives from Mass Bay Community College, United Way of Tri County, Natick Social Services Council and the Firemen Foundation to evaluate the program rollout. The Peer Support Model is embedded in SMOC low-income and supported housing programs. This model fosters a culture of community input, support and accountability. Residents of the houses pay an affordable rent, sign a lease, help maintain the cleanliness within the houses, hold weekly residents' meetings, and participate in substance-abuse programs such as Alcoholics Anonymous and Narcotics Anonymous (AA/NA). One resident serves as Resident Manager and serves a coordinator of house activities and as a liaison for two-way communication with the Housing Coordinator on matters such as maintenance, landscaping, house rules, behavioral matters. All of SMOC's education programs utilize post-class completion satisfaction surveys to obtain feedback from class participants regarding class content and quality, including the GJA skills training and Job Readiness Workshops. Client feedback is very critical in shaping and evaluating our classes. All data is entered in to Octopia™.

## **SECTION 6: COLLABORATIVE EFFORTS TO SUPPORT IMPLEMENTATION**

SMOC's collaborative relationships, programs and efforts are many. SMOC presents three examples of such to illustrate SMOC's reach, breadth and extent of our partnerships in the planning, execution, evaluation and funding of our programs.

**1. Greater Worcester Housing Connection:** In March of 2004, at the request of City officials, SMOC affiliated with the Worcester People in Peril Program, Inc. (PIP) emergency shelter located at 701 Main Street. At the time the PIP provided programs and services to the homeless, including those with active substance abuse and the mentally ill. This was the beginning of the partnership between SMOC and the City which focuses on a shared goal of ending homelessness in the City of Worcester. Through its role in managing the shelter, SMOC was delegated to participate on the then City Manager, Michael O'Brien's Task Force on Homelessness, along with city officials and community based organizations. The goal of the task-force was to examine the current system and improve homeless services.

The findings were published in the Three-Year Plan to End Homelessness in Worcester, (2007). The recommendations directed the city to convert its homeless services from emergency shelter to a Housing First model. The priorities and action plan to implement a Housing First program were articulated city's "5-Year Consolidated Plan" (2010). In 2010 the PIP emergency shelter was shuttered and replaced with the Greater Worcester Housing Connection (GWHC). GWHC is a "Housing First" program consisting of three integrated programs including a newly built Triage/Assessment Center located at 25 Queen Street which provides short-term emergency housing and daily meals for 40 homeless individuals. The second component is 515 newly developed low-income housing units located in and around the City of Worcester. GWHC rapidly rehuses homeless single adults as quickly as possible, immediately provides case management services as well as linkages to wrap around support services to facilitate stabilization and support self-sufficiency. The third component is a Workforce Development Academy located at 237 Chandler Street, in the Martin Luther King, Jr. Opportunity Center (MLKJ-OC) building. SMOC partnered with the City, the United Way of Central Massachusetts, MA Department of Housing and Community Development (DHCD), Stoddard Foundation, Health Foundation of Central MA, Country Bank for Savings, MassHousing, MA Department Public Health to fund Greater Worcester Housing Connection. The Triage Center itself is a \$3.5 million dollar building. SMOC owns and operates the programs and facilities that comprise the Greater Worcester Housing Connection. In FY14 GWHC provided emergency shelter for 1,015 homeless single adults; placed over 500 adults in permanent housing, and continues to support those housed in maintaining tenancy.

**2. Framingham Collaboration:** On a local level, SMOC partners with the Town or City Council, City Manager, Police Department, Mayor and Board Committees to carry out community and economic development objectives of the community. As an example, in Framingham, SMOC has a unique partnership with the town to support public safety, downtown revitalization and job creation. SMOC donates retail space on the first floor of its recovery program located downtown at 75 Hollis Street, a 100 year old structure known as the Winthrop Building. The space is occupied by a substation of the Framingham Police Department and the office of "Downtown Renaissance," Framingham's Main Street revitalization program. Downtown Renaissance is providing grass roots organization to the business community to develop new restaurants and shops in the community. SMOC's microbusiness development assistance and microloan program will be additional tools the town can access for economic development.

**3. Scattered Sites:** According to the DHCD EA Monthly Report, Statewide Summary of June 2014, there are currently 4,733 homeless families sheltered in Massachusetts motels. This number is up drastically from the 3,386 families living in motels in 2013. DHCD and Department of Transitional Assistance (DTA) who provide emergency housing vouchers concur, that following a homeless episode, the scattered sites model of delivering homeless services is less traumatic for children than emergency shelter and less costly than motel placements. Scattered Sites are temporary apartment placements in the community. SMOC has partnered with DHCD and DTA to expand its Scattered Site units, so as to decrease dependency on motel placements in the region. SMOC currently oversees 129 units of Scattered Site emergency shelter units for families in Framingham, Ashland, Marlborough, Worcester and Milford. Scattered Site placement includes a focus on the head of household finding employment to support a permanent housing placement. Recently, 35 units were added and there are plans to add more. SMOC partners with local food banks, local employers, local schools, Employment Training and Resources, One Stop Career Center, churches and volunteers to assist these families in obtaining basic needs, connecting to health care, enrolling children in school, obtaining employment and obtaining permanent housing within a year. A Case Manager coordinates all of these connections, including transportation. Through funding from the MetroWest Health Foundation, SMOC employs a bilingual Community Health Worker to connect families to medical care providers or specialty providers such as optometrists and pediatricians. SMOC has developed strong linkage and referral systems, such as the Edward M. Kennedy Community Health Center, the MetroWest Free Medical Program, Southborough Medical Group, MetroWest Medical Center, V Care Pharmacy in Framingham and SMOC Behavioral Healthcare.

## SECTION 7: INTEGRATION OF ACTIVITIES/CONSISTENCY WITH COMMUNITY STRATEGY AND VISION

As a participant on community boards, SMOC integrates and implements community and economic development priority goals developed by local, municipal, regional and statewide planning entities. Historically, and by federal mandate, SMOC has been an advocate and activist agency for low income populations.

- In 1985, SMOC convened the *MetroWest Area Homeless Task Force*, consisting of local community based organizations and town leaders to examine the growing issue of homelessness within its jurisdiction. At the time the focus was on emergency shelter. With the recognition that lack of affordable housing was the number one factor in low-income populations becoming homeless or being at-risk of homelessness, SMOC began converting its emergency homeless services to a Housing First Model.
- In 2006, Massachusetts instituted a *Special Commission Relative to Ending Homelessness in the Commonwealth*. SMOC played a significant role in its leadership. Its findings recommended a paradigm shift in homeless services statewide, away from emergency shelter-oriented to prevention-oriented, rapid-rehousing and permanent housing.
- In 2008, Governor Deval Patrick established the "Interagency Council on Housing and Homelessness" (ICHH) consisting of a cross section of state agencies and community based organization to carry out its recommendations and to overhaul the state's homeless services from emergency shelter to the "Housing First," model in ten regions of the Commonwealth. SMOC's Executive Director and administrators, then and now hold seats on the regional councils in SMOC's service regions.

On the local and regional levels SMOC has been asked by several municipalities to help solve the complicated and daunting community issue of homelessness. This assistance typically began with local officials contracting with SMOC to manage their existing emergency shelters, which were struggling. Then, as a local provider, SMOC sat on the local task forces commissioned to end Homelessness. Subsequently, the local programs affiliated with SMOC as subsidiaries.

- Beginning in 2006, SMOC has assisted the City of Worcester in coordinating the closing the People in Peril Emergency Shelter, and set in place the infrastructure and support programs to operate a Housing First program. The outgrowth of Worcester's 3-Year Plan to End Homelessness (2007). This effort is fully described in Section 6.
- In 2009, SMOC affiliated with Open Pantry Community Services of Springfield, which operates a number of social service programs including a food pantry in the Springfield area. This program supports the City's ten-year plan to end homelessness (2007).
- In 2013, SMOC affiliated with Lowell Transitional Living Center, which provides food, shelter and programs for low-income and homeless individuals in Lowell. In FY14 LTLC served 459 individuals and served 112,000 meals. Though this partnership SMOC assisted Lowell in enacting the 10-Year Plan to End Homelessness (2008) documented in the *City of Lowell Partnership for Change: Action Plan to End Homelessness*, 2008.

SMOC works with numerous planning entities that oversee, develop and prioritize community and economic development projects which benefit low-income people. These boards and specific plans are listed below.

- *Greater Worcester Area Comprehensive Economic Development Strategy* (2012) prepared by the Central Massachusetts Regional Planning Commission (CMRPC).
- *Worcester's Consolidated Submission for Community Planning and Development* (2010-2015), prepared by the City Manager's Executive Office of Economic Development
- *Strategic Plan Update 2010-2015* prepared by the Metropolitan Area Planning Council: MetroWest Growth Planning Committee
- Pioneer Valley Planning Commission: *Our Next Future: An Action Plan for Building a Smart, Sustainable and Resilient Pioneer Valley* (2014)
- Northern Middlesex County of Governments: *Greater Lowell Comprehensive Economic Development Strategy 2010-2013 Update*

These plans contain community and economic development goals, as listed below:

- ✓ Increase access and availability of affordable housing and foreclosure prevention services.
- ✓ Develop SRO units in support of local ending-homelessness initiatives.
- ✓ Increase housing rehabilitation and preservation, homeless assistance and prevention services and housing and support services.
- ✓ Expand economic opportunities for populations normally excluded from the economic mainstream.
- ✓ To provide for the gap lending and microfinancing to enable start-up companies to gain the technical assistance necessary to begin work.
- ✓ To provide incubator and business technical skills training with a focus on assisting business in the poorer neighborhoods of the region to ensure a greater rate of success.
- ✓ To provide an array of workforce development initiatives for low-income people.

## **SECTION 8: FINANCING STRATEGY**

SMOC's fiscal strength and capacity comes from the diversity of our programs, which are all mission-oriented to help meet our clients' needs in order to help them become more self-sufficient and productive members of society. In FY14 SMOC managed \$63,000,000 in federal, state and local contracts for funding. Through the Housing Corporation, SMOC incurs earned revenue from real estate development, rental property income and sub-lease income which contributes to the sustainment of our housing programs. In FY14, SMOC received over \$8,500,000 in rental revenue. Five years ago, the agency chose to prioritize and expand resource development activities. Under the leadership of an experienced Director of Resource Development, SMOC has garnered considerable new support and increased income from individual donors, foundation, corporations, events and annual appeal benefiting SMOC various programs. In FY14, SMOC received over \$1,370,000 in revenue from foundations, corporations, individual donors, special events and United Way Organizations in four regions of the state. This is an increase of approximately 34% from the previous year. Many existing corporate and individual donors would qualify for CITC Program Tax Credits. SMOC's goal is to work with and expand its solid and growing base of existing donors to utilize \$150,000 of Tax Credits, should DHCD chose to grant us this allotment and raise \$300,000 in revenue to fund new programs presented in this CIP plan, as well as to fund our existing programs.

SMOC's affiliates, Lowell Transitional Living Center and Open Pantry Community Services in Springfield are significantly reliant and successful at raising funds to support its programs from the community.

- In FY14, Open Pantry Community Services budget was \$3.1. That year, OPCS successfully raised \$556,667 from donors, grants and fundraising events to support its operations.
- In FY14, Lowell Transitional Living Center's budget was \$1.8M. That year, LTLC successfully raised over \$235,000 from donors, grants and fundraising events to support its operations.

The capacity to develop low-income property requires a development model with grants and low interest financing to keep housing affordable for individuals, at or below 30% of the area median income. For more than 20 years, SMOC's Housing Corporation has partnered with the Massachusetts Department of Housing and Community Development, the Massachusetts Community Economic Development Assistance Corporation, US Department of Housing and Urban Development, Federal Home Loan Bank as well as local banks for grants and low-interest loans.

The size of our organization helps us to leverage our costs over a larger base when compared to other nonprofits, also helping us to continue to obtain grants, contracts and attract donations from many sources. For example, our current administrative cost rate is 11%, which tends to be lower as compared to other nonprofits. In addition, even in these challenging economic times, our current budget forecast is reflecting a positive bottom line (net profit or Total Net Change in Net Assets).

As SMOC's 2013 and 2012 Audits indicate, in FY 2013, our revenues were \$73,160.663, with total liabilities and net assets/members equity of \$73,160, essentially break even. The diversified Net Assets (balance sheet) of the

Corporation consist of real estate assets comprising almost 1,600 rental units spread throughout the Commonwealth of Massachusetts (MetroWest, Worcester, and Springfield regions), various highly collectible receivables (that is, these are all expected to be collected within 30-90 days) mostly with the Commonwealth, and healthy positive cash balances.

SMOC is in good standing with the Massachusetts Department of Revenue, the Commonwealth of Massachusetts Office of the Attorney General and the Commonwealth of Massachusetts Secretary of the Commonwealth, having met all of our legal and contractual obligations in a timely manner since the inception of the Corporation.

SMOC is audited annually in accordance with generally accepted auditing standards in the United States; "Government Auditing Standards" issued by the Comptroller General of the United States; the provisions of the Single Audit Act, OMB Circular A-133 and OMB's Compliance Supplement for Audits of Institutions of Higher Education or Other Non-Profit Organizations; and provisions of the UFR Auditor's Compliance Supplement issued by the Commonwealth of Massachusetts Executive Office for Administration and Finance, Operational Services Division. Those standards, circulars, supplements or guides require that the audit be performed to obtain reasonable assurance about whether the financial statements are free of material misstatements whether caused by error, fraudulent financial reporting or misappropriation of assets. The most recent audits have resulted in unqualified opinions with no material findings noted.

In addition to reporting on South Middlesex Opportunity Council, Inc. and SMOC affiliates' financial statements, the following types of reports are issued with the same level of independent auditor responsibility as is assumed for financial statement reports:

- A supplementary report on the fairness of the presentation of the organization's Schedule of Federal Awards;
- Audit of the organization's Uniform Financial Statements and preparation of the Uniform Financial Report (UFR) for the Commonwealth of MA;
- Reports on compliance with statutory, regulatory and contractual matters that meet the requirements of the Government Auditing Standards and the requirements of the OMB Circular A-133 and the requirements of the UFR Auditor's Compliance Supplement issued by the Commonwealth of Massachusetts Executive Office for Administration and Finance, Division of Purchased Services, dated June 1994.
- A combined report on the organization's internal control structure and controls used in administering Federal award programs that meet the requirements of Government Auditing Standards and the requirements of the OMB Circular A-133.

SMOC's documented processes and procedures are reviewed and tested by our public accounting and independent auditing firm, McGladrey & Pullen, LLP, a national accounting firm with an extensive non-profit auditing and tax practice. The processes and procedures reviewed by McGladrey & Pullen include: revenue and billing system, purchasing system, payroll system, cash receipts and disbursements procedures, invoicing/payables system and IT system. McGladrey & Pullen has not noted any material or significant findings as a result of their testing.

### ***Strategies Going Forward:***

As presented, SMOC's fundraising strategies have produced a growing base of individual and corporate supporters that would qualify for Community Investment Tax Credit Program. We have presented evidence that an allocation of \$150,000 to SMOC would significantly help SMOC raise \$300,000 in revenue to fund new programs presented in this CIP plan, as well as to fund our existing programs. Furthermore, SMOC's ability to raise and utilize the tax credits is feasible.

Going forward, SMOC management team will continue to utilize a strategic budget planning process that includes all Divisions, Administration and Finance and the Senior Management Team working together to construct the agency's respective budgets and the strategic initiatives to shape the operating framework for each fiscal year. For FY15

SMOC revenue is projected at \$88,152,844 and expenses at \$87,543,179. SMOC is projecting a total positive change in net assets of \$609,665 for core operations. Attached, please find a SMOC's FY15 budget. SMOC's financing strategy is to continue to partner with federal, state and local entities for contracts to fill housing and programmatic needs in the communities we serve. The Housing Corporation will continue to add developments that have solid funding for implementation and ongoing operations. The Director of Resource Development, will continue to focus on increasing grant, foundation, corporate and individual donation levels through agency wide and program specific fundraising efforts. A few of these efforts are listed below:

- Voices Against Violence: Annual Walk to Break the Silence: Raised over \$35,000 in FY15
- Annual Charity Golf Tournament: Raised over \$50,000 in FY15
- Evening of Giving (Benefit for Roland's House in Marlborough: Raised over \$30,000 in FY14
- Serenity: Raised over \$25,000 in FY14
- Open Pantry Community Services: Raised \$84,846 through three appeals in FY14
- Lowell Transitional Living Center: Steps to Home Annual Walkathon: Raised over \$60,000 in FY14.

## **SECTION 9: HISTORY, TRACK RECORD AND SUSTAINABILITY**

In almost 50 years of operation, SMOC has grown its community and economic development programs to include 11 wholly owned subsidiaries South Middlesex Non-Profit Housing Corporation; Framingham Community Land Trust; South Middlesex Opportunity Properties, Inc.; ENSOFT Solutions, Inc.; Worcester Public Inebriate Program, Inc.; PIP Foundation, Inc.; Open Pantry Community Services, Inc.; Freedom Village, Inc.; The Martin Luther King Jr., Business Empowerment Center, Inc.; Chandler Street 237 Realty; New Market Entrepreneurial Fund, Inc. a Community Development Finance Institution (CDFI); and Lowell Transitional and Living Center.

SMOC's existing and proposed community development and economic development projects presented throughout this CIP, demonstrate our track record, past practices and approaches to financing that have been involved in the growth of our agency.

The following example illustrates in detail SMOC's consistency with the Commonwealth's Sustainable Development Principles including Concentrate Development and Mix Uses; Advance Equity; Make Efficient Decisions; Protect Land and Ecosystems; Use Natural Resources Wisely; Expand Housing Opportunities; Provide Transportation Choice; Increase Job and Business Opportunities; Promote Clean Energy; and Plan Regionally.

### **Redevelopment of 237 Chandler Street, Worcester Massachusetts The Martin Luther King, Jr. Business Empowerment Center Building.**

The Martin Luther King, Jr. Opportunity Center (MLKJ-OC), formerly known as the Martin Luther King, Jr. Business Empowerment Center, became a subsidiary of SMOC almost four years ago. MLKJ-OC is a nonprofit economic development agency located inside the urban core of the City of Worcester. MLKJ-OC was created in 1993 by city officials and minority businessmen help people in the underserved community provide for themselves a better quality of life through business development and technical assistance, culturally focused pre-employment training and business incubation. The merger between MLKJ-OC and SMOC was a strategic plan set in place by the MLKJ-OC's Board of Directors to secure the viability and future of the organization. The merger furthers the MLKJ-OC mission, decreases administrative costs, strengthens its fiscal future and provides SMOC's clients in Worcester with access to MLKJ-OC's facility, workforce development, and entrepreneurial programs. SMOC purchased the MLKJ-OC building in 2012 for \$250,000. It is a partially renovated, old (1800's), 42,224 square foot brick manufacturing building, formerly owned by New England Envelope Company. SMOC has made extensive renovations to the first floor of the building, where SMOC is now a major tenant housing its Greater Worcester Housing Connection administrative staff as well as its team of case management and additional support services. SMOC moved its Weatherization Training Lab from a temporary location in Framingham, to the second floor of the MLKJ-OC building in 2013. The training lab is a U.S. Department of Energy qualified facility and program, known as Green Jobs Academy (GJA). The Greater Worcester Housing Connection is fully described in Section 6. As described SMOC created component 515 newly



developed low-income housing units for this program. The housing units are strategically placed in and around the City of Worcester.

The GJA is a statewide workforce development resource with a dual business model: to assist low-income un/under employed population in obtaining obtain jobs with a living-wage and a career ladder in the weatherization industry, and, to provide utility companies and contractors with cutting edge continuation education. The GJA was established with \$950, 000 in grants by the US DOE and the US DOL. Since 2010, 259 low-income, unemployed, underemployed individuals have graduated from Green Jobs Academy as Weatherization (Retrofit) Installers, with RRP Lead Renovator and OSHA 10 industry certifications. On-the-job-training (OJT) placements were provided to 171 trainees and 169 have obtained permanent jobs, making between \$12.00 and \$16.00 per hour. In Worcester, SMOC solicits qualified referrals from long standing relationships from the Worcester Community Action Council, Workforce Central, Central Massachusetts One Stop Career Center, The Worcester Chamber of Commerce, Central MA Regional Planning Board WCCC, Centro Las Americas, YMCA, YWCA, Catholic Charities, Worcester Interfaith, Lutheran Social Services and the Department of Transition Assistance (DTA).

The basic premise of SMOC's workforce development program is to offer job readiness and skills training combined with case management services. This is known as a "supportive educational model" designed to give chronically unemployed individuals the supports they need to fulfill the requirements of an educational program and the day-to-day demands of a job. The program provides homeless individuals with classroom instruction and one-on-one assistance that will help them build skills and a work ethic making them more employable. Employment is a key factor in their prospective sustained tenancy. Trainees complete a Participant Registration form to determine participant eligibility. Trainees participate in the formulation of a Re-Housing plan or an Individual Educational Plan (IEP) to document client employment status and prescribe training and supported services specifically based on the client's individual needs. The IEP will document program participation, training services received, outcomes, case notes, and connections to support services and new employment attained and retention date for 30 days. Additional follow-up data will be recorded. Components of the GJA program include Work Readiness Workshops, Educational Assessment and Psycho-Social Assessment.

As transportation is often a barrier, through a grant from the Amelia Peabody Charitable Foundation, SMOC has implemented an innovative transportation program dedicated to GJA trainees. GJA has two passenger cars that program participants can utilize, most often carpooling, on a daily basis to attend OJT. During the training period, trainees participate in a Money Management class with focus on saving for and financing an automobile.

In the past four years, the GJA has formed relationships with over 200 employer partners, statewide. Some employer partners have agreed to serve as advisors for the GJA program and curriculum and to teach in the classroom. Through the Memorandum of Understanding process, 74 employers have agreed to provide on-the-job training (OJT) placements and job placements. GJA employer partners depend on GJA for qualified graduates to fill available positions and to expand their businesses, thus meeting the demand for energy conservation and efficiency services and expanding the industry in the state. GJA has created market transformation in the energy conservation and efficiency industry in the Commonwealth of Massachusetts. Prior to GJA's founding in 2010, there was a shortage of qualified weatherization laborers, entry-level weatherization professionals and credentialing and continuing education providers, thus inhibiting the growth of the energy conservation and efficiency sector.

As an enterprise, GJA holds contracts with utility companies to provide their staff with current up-to-date continuing education, thus ensuring that their staff is providing quality cutting edge service. SMOC has earned this status, by obtaining accreditation through Interstate Renewable Energy Council (IREC). IREC leads national efforts to ensure that the clean energy workforce is highly skilled and trained to meet employer needs. SMOC's GJA is the only IREC accredited training facility in New England. To date 167 have been trained as Crew (Lead) Chief, 19 as Quality Control Inspectors, 218 in Combustion Safety, 106 in ASHRAE 62.2, 93 in Advanced Blower Door Diagnostics, 83 in

OSHA 30 and 271 in Lead Safe Weatherization certification, at market rate tuition. This tuition income is dedicated to the operations of the GJA and contributes to its self-sufficiency and sustainment.

SMOC is currently bring the MLKJ-OC building to full use through a rehabilitation project that will include the build-out of 15 new incubator spaces for microbusinesses on the second floor of the building; renovations to make the second floor accessible, meeting ADA requirements; and improvements to maximize energy efficiency of the building. The project will support, on an ongoing basis, 15 early-stage microbusinesses. As a result, within the first three years of the project, Worcester County will realize a private investment impact of \$4.3 million and experience an employment impact of 180 full-time equivalent jobs. MLKJ-OC support services include culturally competent entrepreneurial education and a new microloan program. Total project costs equal \$1,320,000.00. SMOC has secured \$820,000 to fund the project. SMOC has a grant request of \$500,000 before the US Economic Development Assistance Program (EDA), for consideration to finance the project.

#### *1st Floor: MLKJ-OC*

SMOC's Greater Worcester Housing Connection is an anchor tenant, with the first floor housing its offices, case management services and support services. The University of Massachusetts 4-H Program is another anchor tenant on the first floor, having leased space with MLKJ-OC for 13 years. There are two large lecture/meeting rooms with audiovisual support services. Also located on the first floor is the receptionist area for the business incubator; U.S. Small Business Administration designated Business Resource Center library and computer equipped drop-in center; business machine room (copy machine, fax) and the incubator mail room. Two of the four existing incubator spaces are located here and are occupied.

#### *2nd Floor: MLKJ-OC*

Currently, the second floor hosts offices for MLKJ-OC's incubator, technical assistance and business skills trainings and future microloan program. Two companies occupy the two incubator spaces located here. Both are minority owned businesses. The second floor has been partially built out for SMOC's Green Job Academy training laboratory. The remaining space on the second floor will be built out for the new 15 incubator spaces. The second floor currently is not handicapped accessible and the building is not energy efficient. The renovation project will involve the installation of an elevator, installation of new windows, upgrade of the heating system and expansion of the men's and women's lavatories. SMOC is currently in the process of installing a new roof and is making improvements to the parking lot, sidewalk, entry egress and landscaping.

In preparing for the MLKJ-OC development project SMOC participated and consulted with regional planning entities. The MLKJ-OC project enacts the initiatives and priorities of the City of Worcester, Executive Office of Economic Development. MLKJ-OC is located within the Pleasant/Chandler Streets Commercial Revitalization Districts (CARD). This is one of nine Commercial Revitalization Districts in the city, approved by of the Commonwealth's Department of Housing and Community Development. The project is also located within the Chandler Street Neighborhood Revitalization Strategy Areas (NRSA). This is one of five Neighborhood Revitalization Strategy Areas in the city approved by the U.S. Department of Housing and Urban Development. The MLKJ-OC building renovation project is cited on Page 105 of the *Greater Worcester Area Comprehensive Economic Development Strategy (2012)* developed through the Central Massachusetts Regional Planning Commission (CMRPC). The renovation project enacts goals and priorities of the plan.