

**VALLEY COMMUNITY DEVELOPMENT CORPORATION  
COMMUNITY INVESTMENT TAX CREDIT (CITC) PROGRAM**

**COMMUNITY INVESTMENT PLAN (CIP)  
JANUARY 2020 – DECEMBER 2022**

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***INTRODUCTION***

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Valley Community Development seeks to empower low and moderate income people and underserved populations manage and improve the quality of their lives. We accomplish this through the development of affordable housing, providing economic opportunities, and encouraging community leadership.

Since 1988, Valley Community Development has developed 279 units of affordable rental/ownership housing; currently owns/manages 189 units of rental housing in Northampton, Easthampton and Amherst including 38 SROs; provided business technical assistance to well over 1,600 local start-ups and existing businesses; assisted over 3,000 homebuyers with pre and post-purchase counseling (including foreclosure prevention); graduated more than 6,000 first time homebuyer class attendees; administered 18 different down payment and closing cost assistance programs and four (4) mortgage subsidy programs; and helped 26 low income homeowners correct health and safety code violations in their homes. All these activities help to cultivate economic self-sufficiency and promote community leadership.

Valley's Board of Directors operates under its five-year Strategic Plan for FY16-FY20 and from which the 2020-2022 three-year Community Investment Plan (CIP) continues to be based along with some expansion and new initiatives that have percolated over the past year.

The Executive Director (ED), who has been Valley's ED for 20 years, announced her retirement to the Board and staff in August, effective June 30, 2020. The Board has engaged the services of an executive search consultant to assist them in managing the transition process. A transition team of the Board has been formed to work directly with the consultant. A new hire is expected in May 2020 allowing for some overlap with the existing ED. It is expected that the Board will extend the current Strategic Plan for at least one year at the December Board meeting due to the impending retirement of, and hiring of a new ED. A new strategic plan will be planned for the period FY22-26.

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***SECTION 1: COMMUNITIES/CONSTITUENCIES TO BE SERVED***

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Valley primarily serves low and moderate income households including minority and immigrant households in the cities of Northampton and Easthampton and the Town of Amherst in Western Massachusetts. For many of its homeownership programs, Valley serves all Hampshire County cities and towns; for its Small Business Development Program, Valley serves most of the communities in Hampshire County. The following statistics are taken from the 2018 US Census Population estimates.

The 2018 Hampshire County population estimate is at 161,355 with households residing in its 20 cities and towns in Western Massachusetts. Northampton, Easthampton and Amherst are the more urbanized communities in Hampshire County with a total population of approximately 84,000.

**City of Northampton:** The City of Northampton’s population is approximately 29,000 with a median household income of \$62,838 as compared to Commonwealth’s of \$74,167. In the last CIP, Northampton’s income was 79% of the Commonwealth’s; currently it is 85% of the Commonwealth’s. The white population has decreased from 84% to 81%; Hispanics have increased from 6.8% to 8.7%; Asians increased from 4% to 5%; African Americans remained stable at 2.5%; and those who identify themselves with two or more races, increased from 2.1% to 3.3%. The poverty rate for Northampton increased from 9.9% to 15%.

**The Town of Amherst:** The Town of Amherst’s population is 39,503 with a median household income of \$50,203 as compared to the Commonwealth’s of \$74,167. In the last CIP, Amherst’s income was 77% of the Commonwealth’s; currently it has dropped to 68%. The white population decreased from 76.7% to 72%; Hispanics at 6.1% remained stable; Asians increased from 9% to 13%; African Americans increased from 4.7% to 6.1%; and those who identify themselves with two or more races, increased from 2.7% to 3.6%. The poverty rate for Amherst increased from 20.2% to 33%.

**The City of Easthampton:** The City of Easthampton’s population is 15,987 with a median household income of \$61,004 as compared to the Commonwealth’s of \$74,167. In the last CIP, Easthampton’s income was 78% of the Commonwealth’s; now it is 82% of the Commonwealth’s. The white population decreased from 93.3% to 88.1%; Hispanics increased from 2.1% to 5.8%; Asians decreased from 2.7% to 1.9%; African Americans increased from 1% to 2.6%; and those who identify themselves with two or more races, increased from .9% to 2.2%. The poverty rate for Easthampton increased from 8.9% to 11%.

As is evident around the country, there is a growing income inequality in our region as well. A recent study by Groundwork and Center for Poverty and Social Policy at Columbia University identified that real income for low income Americans fell more than 7% between 2004-2018, in part because of rising costs for items and services purchased by those Americans.

Valley primarily serves those households within our service area who are economically disadvantaged as well as underserved populations i.e., people of color, immigrants, etc. -- low and moderate income households earning below 80% of the area median income (AMI). The cities/towns in Valley Community Development’s target area are located in the HUD Springfield Metropolitan Statistical Area (MSA).

Through our affordable rental developments, we serve individuals who are homeless, with special needs i.e., mental health/substance abuse challenges, as well as individuals/families with income below 60% of AMI, along with many extremely low income households with incomes below 30%. Through our Homeownership Assistance and Small Business Development Programs, Valley primarily serves those with incomes below 80%.

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

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### **Development of the Plan**

Valley Community Development’s last CIP was based on the its Strategic Plan (FY16-FY20). Community engagement became a larger focus for the agency and continues to expand. As mentioned previously, with

the retirement of the long term ED, the Board is expected to vote to extend the Strategic Plan for an additional year. Going forward for the 2020-2022 CIP, Valley Community Development continues building upon its successful expansion of the engagement of community members in Valley Community Development's work. The following are current successful engagement methods with continued plans for expansion:

*Board, Committee, Staff Work*

- ❖ Board of Directors (comprised of local residents and businesses)
  - the Board remains cognizant of and committed to the necessity to work to expand and maintain the diversity of the Board composition through intentional activities overseen by the Governance Committee including responsibility for annual nominations to the Board
  - This work also includes "inclusion" to ensure that all people feel engaged and welcomed on Board and committees. Board president and committee chairs are responsible to follow through.
  - Governance Committee is responsible for overseeing the implementation of the Diversity & Inclusion Workplan as approved by the Board
  - Board will participate in new Mel King Institute (MKI) training scheduled specifically for WM related to racial equity. Still being developed but could include two-day "Undoing Racism" training; ½ day training for Board members on basics of racial equity; and/or approaching racial equity regionally.
  
- ❖ non-Board members on Valley Community Development committees
  - Governance Committee oversees additions to committees, though new additions may be recommended by others (Board, staff, committee members)
  - Community Engagement Committee has been acting as an incubator for recruitment for future Board members and will continue to act as such
  - Continue to recruit Valley Community Development tenants and consumers of our homeownership and small business services to committees; currently five (5) serve.
  - Expand outreach to CITC and other smaller donors for interest in being more involved in the work of the agency i.e., Board, committees, advocacy work, etc.
  - Participate in MKI training specifically for WM related to racial equity. Still being developed but could include two-day "Undoing Racism" training; and/or approaching racial equity regionally.
  
- ❖ Valley staff participation in outreach efforts with local nonprofit agencies, community development partnerships/collaborations as well as involvement with local municipalities and state/federal legislators
  - Carry out relevant activities with area agencies serving minority, low income and immigrant populations as detailed in the Strategic Plan's Diversity and Inclusion Workplan, including Center for New Americans, International Language Institute and Community Action Pioneer Valley
  - Continue our conversations/collaboration with Southeast Asian Coalition (Worcester) to increase Valley's focus on immigrants and underserved populations (see **Small Biz in Section 4 & 6**)
  - Attend meetings and join new collaborations which strengthen ties to low income, minority and immigrant communities
  - Participate in MKI training scheduled specifically for WM related to racial equity. Still being developed but could include two-day "Undoing Racism" training; and/or approaching racial equity regionally.
  
- ❖ Resident and business awareness, recruitment, and involvement about/with Valley via annual meetings, annual appeals, fundraising events, hard hat tours, property open houses, housing forums, co-sponsoring local events i.e. Chamber events, Facebook, Twitter, and website

As part of our FY2016-2020 Strategic Plan and 2020-2022 CIP, the Board remains and continues to be committed to:

- ❖ diversify its membership
- ❖ increase its role in community engagement (4/15 Board members currently on committee)
- ❖ create a culture of continual improvement
- ❖ expand the diversity of leadership and membership/constituents of Valley Community Development
- ❖ engage the Board and staff in discussions regarding power, inclusion, social and racial justice issues
- ❖ increase the community engagement focus with the active engagement of members, constituents and other key community stakeholders in tenant and other affordable housing issues, and
- ❖ engage constituents in the work of Valley Community Development

#### Community Engagement Committee

The Community Engagement Committee was created in 2016 as part of the original CIP and Valley's most recent Strategic Plan. It continues to include Valley tenants and other Valley consumers in addition to Board members who have expressed interest in community engagement work. The current committee is comprised of two tenants of Valley's SRO housing; one tenant from Valley's family housing; four Board members (including an African American and Latino representative; as well as a non-Valley low income tenant); two staff members; and one person who used our FTHB counseling services.

Valley continues to enhance and grow its community engagement activities as described here:

- ❖ The Community Engagement Committee continues to build a community engagement strategy. The committee creates and coordinates, and implements several initiatives and activities each year with the goal of engaging a wider pool of Valley Community Development tenants and consumers of our services; the wider low income, minority and immigrant communities; and the broader community. Initiatives may include organizing tenant meetings focused on fun events, building improvements or neighborhood beautification, participating in local hearings or other advocacy work, helping to determine new housing development, and planning community summits or other similar forums.
- ❖ This engagement is in alignment with Valley Community Development's mission to empower residents to assume leadership roles and improve the quality of their lives
- ❖ Valley will examine leadership training opportunities for members, constituents, and other community residents and tenants to help them better engage in the work of Valley. Will offer access to MKI trainings which are held in Western Mass as discussed previously as well as other offerings which might be developed.

Engagement of Valley constituents (those that directly benefit from our programs) and residents/community members will continue to increase Valley's ability to be more responsive to its community and expand its ability to increase community impact. We know community engagement can:

- ❖ increase organizational responsiveness to environmental changes
- ❖ increase the quality of governance and organizational decision-making
- ❖ develop new and emerging leadership for an organization
- ❖ support affordable housing developments in the face of NIMBY opposition
- ❖ increase financial sustainability
- ❖ increase organizational visibility

## Outcomes

The outcomes that Valley will focus on for the 2020-2022 CIP include:

- ❖ Members, constituents and other key stakeholders are actively engaged in community engagement activities and other meaningful roles within Valley Community Development's programs and organization. Increased communication Valley expects to engage 250-300 participants annually in various community engagement activities and interaction with Valley Community Development's constituents and community members.
- ❖ After conducting two successful community gatherings/community block parties in downtown Northampton with 100-130 people attending each year (2017 & 2018), the Community Engagement Committee will review the ability to hold another community gathering each year if an acceptable downtown location can be found (our currently used location is temporarily unavailable). As part of that event, the committee will continue to work to ensure adequate participation from Valley's rental properties, other low income residents in the region as well as the general public.
- ❖ The CE committee will have the opportunity to review preliminary plans for the rehab/expansion of a small studio supportive housing project in Amherst as presented by our real estate project manager. The committee expects to work with real estate staff as well to participate in the Comprehensive Permit/40B process via the ZBA within the Town of Amherst. With several tenants, including SRO tenants, on the committee, it will be extremely helpful to ensure good design and services.
- ❖ Valley expects to participate in any MKI trainings in WM that can support racial equity and leadership training for members, constituents and other community residents and tenants to help engage in the work of Valley Community Development.

## Housing Partnerships/Municipal Trusts/Planning Departments

The three (3) communities where Valley focuses most of its housing development are Northampton, Amherst and Easthampton. When Valley is working in any one or more of these communities, we are actively engaged in municipal housing trusts or housing partnerships and are in regular contact with the local planning departments. The housing partnerships/municipal trusts are local citizens appointed by the Mayor, Town Manager or Town Council and represent the local community around housing issues. Each of these communities have housing needs assessments and plans and look to Valley Community Development to implement homeownership services, small business and the affordable housing development activities in their communities. These three groups remain committed to the work of Valley Community Development and by meeting with them regularly, we can continue to incorporate what we learn from each community into our work.

## Legislative Meetings

Valley regularly conducts "Donuts with Delegates", an initiative of MACDC where we meet annually with our state and federal legislators to inform them of the work we do, to receive feedback from them regarding constituents, and to discuss and advocate for statewide legislative issues regarding community development work. While our area had long term extremely experienced and supportive legislators, the 2018 election (for a number of reasons) brought in a new wave of very progressive legislators including Senator Jo Comerford for Hampshire/Franklin County, Mindy Domb for Amherst, Lindsay Sadosa for Northampton, Dan Carey for Easthampton.

Valley has been aggressive in meeting with and informing this new delegation about Valley's work. It was very timely that Valley had several housing projects either being completed or just funded to highlight our work.

We are actively engaged with them and they have been very engaged with us including advocating for funding on our behalf. We expect these relationships to grow stronger over the next few years.

### Implementation of the Plan

The CIP will take its direction from Valley Community Development's FY16-FY20 Strategic Plan with several new initiatives as described under Outcomes and Plan Goals. Valley Community Development's Strategic Plan was developed with the first CIP in mind and focused heavily on the community engagement aspects required under the CITC program. As discussed previously, it is expected that the Board will extend the Strategic Plan for a year with the retirement of the long term ED.

#### Housing

As noted above, the housing partnerships/trusts were created to review, recommend and encourage implementation of housing services for their community's low and moderate income households. Valley utilizes these citizen groups to actively participate in housing activities of Valley's CIP. Valley Community Development will meet at least annually with these groups; in some cases, and for the foreseeable future, Valley will participate bi-weekly with the Amherst Trust as we move forward with one project (and possibly a second) in Town. Valley will also co-sponsor/participate in housing forums and expects participation at student meetings at Amherst College during the first year of the CIP regarding our small studio supportive housing development.

Valley has been meeting bi-monthly for over 10 years with our property management firm as well as the service providers who provide mental health, social and homeless services including finding housing for those individuals living in Valley owned ESRO/SRO housing. This has been a highly successful collaborative model to ensure that tenants stay housed and the housing is well maintained. These meetings will continue throughout the CIP years.

#### Small Business

Valley Community Development, in collaboration with Franklin County CDC and Hilltown CDC, have a long history of working together to provide coordinated business counseling services to entrepreneurs and small businesses in the Hampshire, Franklin, North Quabbin and the Northern Berkshire region. Through the collaboration, we ask everyone that participates in our program to complete an annual evaluation. We use these evaluations to improve the way we deliver services and to alter our programs and services so they best serve the small business community.

Valley plans to expand its small business program services by increasing the staff position to full-time within two years as we work to identify sufficient funds to support the expanding need for this TA work.

#### General

In addition to maintaining a Facebook (FB) page, Valley utilizes a Twitter account. Currently we have 1,372 followers and includes area residents and businesses, local officials, and journalists. Our FB page has 582 likes, an increase of 47% over three years; we expect a 15% increase each year going forward. Valley regularly communicates updates to programs, events, and activities through our website, FB and Twitter. Valley Community Development has 4,001 active accounts on its Constant Contact email listing with a goal of increasing that 10%/year. We use this to distribute information about our homeownership and small business programs, rental housing availability, fundraising campaigns, open houses, etc.

Outreach and recruitment are both an annual agency activity and an ongoing event. Donors/supporters are invited and encouraged to attend Valley public events such as the agency's annual meeting, fundraising activities, homebuyer workshops, small business workshops, and agency sponsored open houses for affordable housing developments.

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### *SECTION 3: PLAN GOALS*

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**Overall Vision from FY16-FY20 Strategic Plan:** *By FY20, Valley Community Development will be a vibrant, highly recognized and visible CDC which is effectively carrying out its mission and meeting community needs. It will have an expanded geographic base which includes Franklin County and additional communities beyond its original target cities and towns in Hampshire County. The CDC will have expanded existing initiatives and developed new programs, including the development of additional affordable housing units within its larger geographic area.*

More specifically we expect to achieve goals beyond what was identified in the Strategic Plan:

- ❖ Valley will have over 200 new housing units, either developed or in the pipeline and will continue to be recognized as the primary developer of affordable housing in its geographic area
- ❖ Valley will determine whether it can undertake LIHTC housing developments without a partner. Potential outcomes would be a stronger financial position, flexibility in choosing development deals and less process in decision making.
- ❖ Valley will serve between 325-350 first time homebuyers and existing homeowners annually
- ❖ Valley will grow constituents/key stakeholders who are fully engaged in helping to advocate for affordable housing and providing direction to the CDC's programs with a goal of engaging 250-300 annually
- ❖ Valley Community Development will maintain an annual budget of \$750,000 to support staff to carryout Valley's goals
- ❖ Increased staff capacity will include a full-time economic development director and a half-time development fundraising officer as well as regular housing consultant services to expand our housing development in year 1-2. Determination to be made in year 3 if a second real estate project manager is viable and necessary.
- ❖ Valley will serve 50 small businesses with existing staff and up to 80 businesses if FT staffing is achieved annually
- ❖ Valley Community Development will maintain an active and inclusive board of directors that reflects the diversity of the communities it serves. All board members are actively engaged in fund development, political advocacy, and community engagement.
- ❖ Continue to advance energy efficiency and environmental sustainability/climate resiliency for affordable housing development

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

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All the activities described below will create and maintain diverse communities as well as create opportunities for lower income households by stabilizing housing costs through the provision of affordable housing, whether it is rental or homeownership housing; households will be able to build financial assets for their future through better financial planning, homeownership, or investment in their own business.

**Homeownership Assistance Center:** Valley provides first time homebuyer counseling and education; down payment/closing costs assistance; post-purchase education; foreclosure prevention services; and marketing of affordable home resales. These services strengthen the financial assets of lower income households and allow them to remain in their communities of choice, thus contributing to the social, economic and racial diversity of their community. Services focused on households with incomes below 80% of Springfield AMI and for CPA projects, generally below 100% of AMI.

**Development of Affordable Rental Housing:** The focus is primarily rental housing in Northampton, Easthampton and Amherst that have strong downtowns, transportation options and community services. Will continue to be open to exploring opportunities i.e., Franklin County. These activities include the preservation and creation of affordable housing which meet local and regional needs and that comply with the Commonwealth's Sustainable Development Principles. The provision of affordable rental housing in smaller, more financially stable communities outside of Springfield/Holyoke, takes pressure off these lower income communities and allows other communities to do their fair share in providing a variety of housing choices. Developing housing in "areas of opportunity" can provide better outcomes for households who choose to live here. Valley also focuses on using local general contractors, architects, and suppliers which strengthens the local economy by supporting local jobs.

Valley will determine its capacity to undertake LIHTC deals without a larger partner. Valley has a strong real estate project manager capable of handling housing deals as well as access to a highly qualified property management firm that manages our non-tax credit portfolio and has an agency wide portfolio of 8,500 units. Factors to be explore over the next year or two would include discussions with MHIC and other investors regarding our capacity including financial capacity; asset management expansion; and continued discussions with Real Estate Committee. Depending on outcomes of these discussions, Valley may need a plan to build its financial strength. Our new fiscal director is a CPA with over 20 years' experience and has a stronger skill set than the previous fiscal director. The benefits of doing projects on our own include more flexibility in size of project, being nimbler in project decision making and accessing the full developer overhead and fee. Not having to share fees and overhead will strengthen our financial position more quickly.

Valley will continue to advance energy efficiency/environmental sustainability/climate resiliency for affordable housing development including working with MACDC's Energy Cohort, a new initiative which also includes LISC Boston and New Ecology. It is a peer learning group of affordable housing professionals interested in these topics to network, learn and share information. Additionally, the City of Northampton and the Town of Amherst have both adopted goals to become carbon neutral by 2050. At the current time, Northampton has asked Valley and other affordable housing developers to partner with them as they explore the impact on new affordable housing.

#### **Sergeant House/82 Bridge Street, Northampton**

Sergeant House is under construction and will be completed and occupied in April 2020. Valley is transforming its 15 room SRO into a 31 small studio supportive apartments. This is a LIHTC project co-developed with Way Finders.

#### **Amherst Small Studio Apartments**

Valley has purchased a property in Amherst for a 28-unit small studio supportive housing project with the support of the Town to accommodate a growing homeless population as well as serve other low income individuals in Amherst. Valley is in the predevelopment stage and has acquired CPA, CDBG and CharlesBank



Foundation grants. We expect to have a zoning permit in 2020; One Stop application in 2021; and construction and occupancy is projected for 2022.

#### *Sunderland Senior Housing*

Valley has been collaborating with RDI in Franklin County on a 33-unit senior rental development. Valley Community Development is providing consulting services and is the lead project manager. A zoning permit has been obtained and the team is seeking funding through the One Stop February 2020. Completion and occupancy is expected in 2022.

#### *Village Hill Apartments, Northampton*

There are a total of 65 rental units in this development with TCB. The 12-unit building is under construction and will be ready for occupancy in fall 2020. The 53-unit building is waiting for both funding from DHCD and MassWorks. If funded this winter, construction would start in 2020 and occupancy would occur early in 2022.

#### *East Street School, Amherst*

Valley was the only respondent to the Town's RFPs for the redevelopment of an old school building/site into approximately 30 family units. We are awaiting word from the Town on whether Valley will be the preferred developer.

#### *Development Opportunities Not Yet Identified*

Valley expects to pursue new development opportunities over the next three years as our current projects move into occupancy freeing up time for exploration of new projects.

**Small Business Development Program:** Valley will continue to provide its longstanding community economic development activities in Hampshire County. Valley provides these services primarily through a collaboration with Franklin County CDC and Hilltown CDC which is funded by Mass Growth Capital Corporation (MGCC). Valley continues to receive funding through a small CDBG contract with the City of Northampton to provide micro business services exclusively to those households with incomes at or below 80% of the Springfield AMI. Small business services through MGCC are primarily offered to households with incomes at or below 80% of the Springfield AMI.

As noted elsewhere, Valley Community Development plans to expand its small business program services over the next three years. We will work with our partners noted above to increase our part-time position to a full-time position with sufficient funds to support the work.

Valley Community Development's expectations for the next three years include business counseling for approximately 50 entrepreneurs/small businesses per year. Outcomes include startups of businesses, stabilization of businesses, creation of jobs, retention of jobs, expansion of businesses, acquisition of businesses, and assistance with accessing loans for businesses. When a full-time position is achieved, it is expected that 80 entrepreneurs/small businesses will be served each year.

Valley has targeted two separate and distinct minority populations and will produce informational brochures and training materials in two different languages as well as develop a relationship with two key organizations who can help with referrals, cultural barriers and translations to the Latino and Southeast Asian populations (International Language Institute/ILI and Southeast Asian Coalition/Worcester).

Valley currently provides two distinct services: one-on-one counseling and workshops. As the capacity of the small business coordinator is limited, a 3<sup>rd</sup> type of service will be offered which will be small group cohorts. This will enable participants to work with each other providing feedback on specific business objectives and will also allow the small business coordinator to assist more clients who have similar needs.

Valley is one of five nonprofit/public agencies that formed the Small Business Team a year ago. The Team meets monthly and decides when to invite other agencies to join based on various business needs with the overall goal of providing the best services for our business clients.

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

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For many of the activities outlined in the 2020-2022 CIP/FY16-FY20 Strategic Plan, Valley Community Development has developed work plans that have been assigned to the various Board committees. Committees are responsible for tracking their progress along with the ED. The Governance Committee has overall responsibility for implementation of the workplans.

**Affordable Housing Development:** Valley's real estate project manager and real estate committee are responsible for developing/maintaining a pipeline of 200 units of affordable housing in the next three years. Progress reports will detail the development tasks achieved as the projects move through the development process and can include site control; due diligence tasks; awarding of predevelopment funding; funding awards; engagement of professional services; zoning approvals, construction closing, occupancy, etc.

Valley also sets goals for its properties and/or residents which are evaluated at the end of the fiscal year. Some examples include:

- ❖ Individuals coming from a homeless situation will remain housed for at least a year
- ❖ 75% of tenants will pay their rent by the 10<sup>th</sup> of the month
- ❖ tracking race/ethnicity of our tenants to ensure adequate marketing within the region
- ❖ 100% of tenants have accessed decent/safe/healthy housing when entering Valley Community Development housing
- ❖ Maintain less than 5% vacancy rate
- ❖ Property management company will conduct an annual resident survey

**Homeownership Assistance Center:** Participants of first time homebuyer workshops complete evaluation forms. On the final night of the workshop, each participant is asked to complete a detailed survey about each session of the four-night workshop, including questions about the presenter, each instructor, and the location. The coordinator uses this feedback to adjust different aspects of the program. Evaluation content from the workshop is used to customize course materials and presentations to meet participants' learning needs and concerns. Speakers also receive feedback on the clarity of their presentations in response to participants' ratings.

Valley also provides post-purchase classes twice a year and those participants are asked to complete evaluations at the conclusion of the one-day workshop. These evaluations are used to improve the workshop materials and presentations.

Valley uses the CRM platform Salesforce to track consumers of our services (we use Salesforce for all tracking of consumers, donors, vendors, etc.) Through this tool, Valley tracks everyone who uses our services to include setting up an action plans and tracking progress. This system allows staff to track the clients' characteristics and outcomes in order to measure the desired outcomes. Outcomes can include budgeting, reducing debt, improving credit, home purchase, refinancing, loan modifications, etc. We enter everyone who attends first time homebuyer workshops; first time homebuyers; first time homebuyers accessing down payment/closing cost assistance; existing homeowners; and existing homeowners seeking assistance with foreclosure prevention. Our goals are set with each funding source and so will vary year to year depending on funding sources. Individual funding source goals and results will be reported in the annual progress reports.

**Small Business Development:** Valley Community Development uses Salesforce to track business clients. This tool allows us to track everyone who uses our business services and allows staff to track clients' characteristics and outcomes to measure the desired outcomes. Outcomes include number of businesses started, improved/increased revenue, jobs created, jobs retained, businesses purchased, loans accessed. Franklin County CDC as lead agency of our collaborative, also provides an annual evaluation form for all clients receiving services through the MGCC contract.

Increase in minority business owners served will be a measure of success. Program development for minority businesses and increased one-on-one consulting for this group will also indicate an increase in minority business owners. Valley will compare each fiscal year with the previous year's metrics.

Participants of small business workshops will complete evaluation forms for all programs. The small business coordinator will use this feedback to adjust different aspects of the program and make decisions about the need of future programs. Evaluation content from workshops is used to create standardized workshop materials to be used at all workshops, to increase clarity and uniformity of their presentations.

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

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**Statewide:** Valley is an active member in MACDC, The ED currently serves on its Policy Committee. Valley participates in MACDC sponsored events such as Lobby Day, Donuts for Delegates, and annual meeting/convention. Valley is also a member of CHAPA and its Massachusetts Homeownership Collaborative.

**Western Massachusetts:** The Western Mass Collaborative of CDCs meets bi-annually to discuss issues specific to Western Mass. Active participation supports community development work in Western Massachusetts which directly impacts Valley Community Development's ability to implement its programming through legislative and financial support. Valley's ED is the chair of this group.

Valley is a member of the Western Mass Non-Profit Affordable Housing Developers facilitated by a steering committee. The group meets to share their accomplishments/goals/challenges, explores collaborations, define and prioritize needs for WM as well as takes the opportunity to meet state/federal officials involved with the creation/preservation of affordable housing. Continued active support in this collaboration strengthens the relationship between Western Mass and DHCD, MHP, CEDAC, etc. to ensure that our affordable housing needs are addressed at the state level.

We are currently collaborating with RDI (Rural Development Inc.) on a 33-unit senior rental development in Franklin County.

Valley Community Development is also part of Western Mass Means Business (WMMB), a collaborative including Franklin County CDC and Hilltown CDC. The three agencies collaborate to provide more comprehensive services to entrepreneurs and businesses in Franklin and Hampshire counties as well as be more competitive for funding. The collaborative has been funded multiple times through Mass Growth Capital Corporation (MGCC), is currently funded for FY20, and expects to seek funding for FY21-FY23 during the CIP period, again as a collaborative. As part of this collaborative, Valley Community Development, Hilltown CDC and Franklin County CDC have provided regular entrepreneurial workshops in three different locations around WM and we expect this may continue after careful analysis later this year.

A new collaborative called the Small Business Team was created this year to increase the geographic reach and widen the educational services offered from 5 distinct agencies: Valley Community Development, Common Capital, Mass Small Business Development Corp ( MSBDC ) Hilltown CDC, and Franklin County CDC. This collaborative initiated a Digital Marketing Series which highly successful in attracting large numbers of participants (over 100) who were dedicated to the 16-week program. It was so successful that it was repeated in a slightly different format for an additional 8 weeks. It introduced clients to our small business program and helped to increase our one-on-one assistance program significantly. The Small Business Team meets monthly and is also creating joint marketing materials and formulating further collaborative workshops.

As part of Valley's focus on immigrants and underserved populations, Valley will continue its collaboration with the Southeast Asian Coalition of Worcester. The agency came out to Hampshire/Franklin County last year, surveyed the Southeast Asian businesses. This project is advancing and will focus on the needs of this population in Hampshire County.

Valley continues to work with Northampton's Downtown Business Association (DBA) and the Chambers of Commerce in Easthampton, Amherst and Northampton, sharing resources and cross participation of their memberships.

**Municipalities/Local:** The Town of Amherst and the Cities of Northampton and Easthampton have conducted both economic and housing needs assessment reports for their communities. Valley Community Development has been and continues to be involved with the various local departments, board and committees involved in these efforts. These communities, including mayors, city/town councils, housing partnerships, municipal trusts, community preservation committees, affordable housing coalitions, YIMBY, etc. rely on Valley Community Development to develop affordable housing in their communities as well as provide homeownership and small business assistance. Valley Community Development expects continued support from these municipalities during the 2020-2022 CIP.

Valley continues to coordinate a bi-monthly meeting of its Northampton property management contractor and homeless service providers in Northampton to ensure that tenants placed/housed at Valley Community Development's SRO/ESROs have the best opportunity to maintain their housing as well as live as independently as possible. The organizations involved in these meetings include ServiceNet (operates homeless shelters and homeless drop in center as well as a mental health agency); Center for Human Development (provides an SRO Outreach Coordinator for Northampton); Elliott Mental Health Services (provides services specifically for the homeless mentally ill); and the local VA Agent.

Valley collaborates with Way Finders on larger affordable housing projects. Valley has the expertise to handle the development tasks associated with affordable housing development. Because Valley is a smaller, thinly capitalized CDC, it has not had the capacity to meet the financial requirements of tax investors for the LIHTC program. Valley has also collaborated with The Community Builders (TCB) on two projects at Village Hill in Northampton.

These collaborations may continue to be strengthened and possibly new ones explored with the goal of always focusing on the benefits to low and moderate income households as Valley Community Development works to implement the CIP successfully. As mentioned previously, Valley will explore the possibility of handling LITHC projects alone during the 1<sup>st</sup> year of the CIP.

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

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### *Description of interaction and interrelationship of Plan activities to be undertaken*

Valley assesses and responds to its service area's priority needs through the development and implementation of Valley Community Development's Strategic Plan. Valley expects the Board to extend the Strategic Plan one year due to the transition in the position of the ED.

Valley Community Development also reviews reports issued by municipalities including master plans, housing production plans, housing studies, community development strategies, sustainability plans, etc. to confirm it is meeting local housing and economic development needs as noted below.

### *Description of how the Plan fits into a larger vision or strategy for the entire community and is consistent with other neighborhood, community or regional plans.*

Valley's programs and activities increase the economic opportunities available to low and moderate income people in the community, which in turn creates a more stable local economy and a stronger, more diverse community. We strive to create solutions that are not only beneficial in the immediate future but also have long-term sustainability. In order to achieve these goals, Valley focuses on three areas of community economic development: the creation and preservation of affordable housing, small business development, and housing services including first-time homebuyer counseling and workshops, post purchase counseling and foreclosure prevention counseling. All these activities help to cultivate economic self-sufficiency and promote community leadership.

Valley Community Development's programs and activities are consistent with our communities' visions, strategies and community and regional plans. The following are the most current examples of how Valley Community Development's activities meet the needs outlined in these various plans:

### **REGIONAL**

- **Pioneer Valley Regional Housing Plan, 2014** - Two of 13 objectives outlined in the Plan are increasing homeownership opportunities and enabling more housing choices outside of central cities through regulatory action.
- **"All Roads Lead Home": the Pioneer Valley's Plan to End Homelessness, 2008** – One strategy for decreasing homelessness is to not only to "increase affordable housing for extremely low-income households," but also expand affordable housing development "in the right areas" that are not heavily

impacted by poverty but still allow access to public transportation. Valley Community Development's primary target areas of Northampton, Amherst and Easthampton are "areas of opportunity".

## CITY OF NORTHAMPTON

- **Northampton Housing Needs Assessment & Strategic Housing Plan, 2011** – This plan was created to build upon the broad housing principles and strategies outlined in the following referenced Sustainable Northampton Comprehensive Plan. The City has also created 40R Smart Growth Districts to promote affordable housing.
- **Sustainable Northampton Comprehensive Plan, 2008–2028** – Indicates that the "Provide Social Equity" guideline, which includes affordable housing, was to "support a diverse and integrated community where all residents have the opportunity to excel on a socially, economically and academic level and to lead independent and successful lives". Under affordable housing it specifically mentions "support a wide variety of housing types that increase rental and ownership units to create and preserve a range of affordability and choice in housing options". The guiding principle "Foster Economic Sustainability" for economic development activities is to "recognize that a diverse and vibrant economy is integral to a successful community and support business and job development that contribute to the community and the City's long term sustainability".
- **City of Northampton Five Year Consolidated Plan & Annual Action Plan FY15-FY20** for CDBG activities. Priorities include affordable housing, homeownership and small business assistance.
- **City of Northampton Community Preservation Plan 2016-2018** – The CPC Plan relies on the City's Housing Needs Assessment and Strategic Housing Plan for community housing under the CPA.

## CITY OF EASTHAMPTON

- **Community Development Strategy, 2019-2024** – Details affordable, safe and sanitary housing stock as a priority for the City's future. Valley Community Development works very closely with the Housing Partnership. The City has also created 40R Smart Growth Districts to promote affordable housing. It identifies the need for homebuying counseling, down payment and closing cost assistance, and foreclosure prevention. Supports smart growth initiatives and building energy efficient affordable housing through public/private partnerships.
- **Affordable Housing Production Plan, 2014** – The City's housing production goal over the next five years is to add 38 affordable housing units annually. The City needs to add 303 affordable housing units to reach the 10% goal.
- **Easthampton Master Plan, 2008** – The three overriding principles of the Plan include accessibility, diversity and sustainability. The housing section identifies first time homebuying counseling and down payment and closing cost assistance and the need for the development of affordable housing – both rental and ownership. The economic development section notes a need for increased financial and technical support for business, economic and workforce development in addition to the need to provide assistance and expertise for start-ups and micro businesses.

## TOWN OF AMHERST

- **Municipal Housing Trust Strategic Plan FY18-22** – Promotes Town's affordable housing priorities particularly to create safe, decent and affordable housing for our most vulnerable populations. Five year goals include: actively foster development; support homelessness prevention initiatives; seek opportunities to promote conservation-based development. First year priorities included fostering development/redevelopment to create supportive enhanced SRO housing.

- **Community Development Strategy – 2018** - The housing section focuses on extreme need for non-student, low/moderate income, and permanent supportive housing including ESRO and ELI units for those transitioning out of homelessness. The plan references the Town’s Housing Production Plan. The economic development section stresses increasing small businesses assistance.
- **Comprehensive Housing Market Study – March 2015**. The study recommends more multi-family development and smaller-scale multi-unit housing to address Amherst’s unique housing needs.
- **Housing Production Plan – March 2013**. The plan states the Town’s overall housing goal is to provide a mix of housing that is affordable to the broadest possible spectrum. The plan identifies the development of rental housing for both families and individual/students as a priority need. The plan recommends the production of 150 units of family housing and 240 units that are affordable to income ranges from 80% AMI to <30% AMI to address unmet housing needs with 48 units created annually.
- **Master Plan, 2010** – Sustainability underlies the entire Master Plan with the focus being on diversifying and expanding the Town’s economic base. The housing section outlines housing needs and objectives. Strategies to promote affordability call out rental and homeownership housing. The economic development section identifies policies to support expansion of the Town’s economic base and provide further employment opportunities.

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## *SECTION 8: FINANCING STRATEGY*

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### **Overall Budget**

Valley Community Development has included its FY20 operating budget (attachment). The Audit/Finance Committee meets monthly and reports are included in bi-monthly Board packages. A more detailed discussion with the Board is held quarterly. Our projections for the CITC program through 2022: \$150,000 in credits for calendar year 2020; \$175,000 for calendar year 2021; and \$175,000 for calendar year 2021.

Based on past funding history and projected CITC and housing development fees, Valley expects to maintain a \$750,000 annual budget through the 2020-2022 CIP.

### **Annual Appeal/CITC**

Valley Community Development is confident it has the capacity to implement its planned CIP activities with the funding provided by CITC and housing development fees. Valley has had successful CITC fundraising campaigns since the program began in 2014. We expect our strong connections to donors – including financial institutions, individuals and small businesses – to continue through 2022. Valley has created many new connections to the work we do through CITC. We maintain those relationships through “thank you” casual cocktail parties; invitations to annual meetings; and invitations to celebrate the funding and completion of housing developments, and other open house celebrations. Valley Community Development is confident it can continue to grow the number of donors, especially through CITC, who support the work of Valley Community Development.

We initiated our Hard Hat tours of The Lumber Yard prior to its completion to a select number of CITC donors. Twenty-five (25) CITC donors had private tours and were in awe of the completed project, its scope and quality. We also sponsored three “Open House” events: one of The Lumber Yard apartment building, open to the public with several officials from the State and City there; one of our new offices at the new location; and one was cosponsored with the Northampton Chamber of Commerce at our offices. CITC donors were contacted personally and offered free tickets and 95 total people attended.

Currently we have a .2FTE fundraising staff person. Our plan also includes the hiring of a ½ time fundraising development officer in year two or three of the CIP to assist the executive director with fundraising.

### Federal Funding

Valley has relied on a varied array of funding sources over the years and while some are fairly constant, many must be applied for annually and there is always some risk that some funding sources will not come in annually. With reductions in federal CDBG funding and with the continued uncertainty of HUD funding under the current federal administration, Valley expects to see further reductions and/or eliminations in funding from Northampton, Easthampton and the Town of Amherst. Valley Community Development has been able to strengthen some of its funding by creating collaborations with other organizations in the region as well as consider seeking local CPA funds to support programming typically funded through CDBG (described under Section 6).

### State/Local Funding

The State Division of Banks (DOB) has consistently provided funding for foreclosure prevention and first time homebuyer/homeownership counseling and we expect funding will continue at least through FY20-21. Local and regional banks and class registration fees provide funding for our monthly certified first time homebuyer classes. Valley is the only organization in Hampshire County providing this education. We continually work to maintain strong relationships with the banks and look to bring new banks into financially supporting Valley Community Development's education program.

Valley Community Development expects to continue to receive funding from MGCC to support its small business program. Western Massachusetts CDCs – including Franklin County CDC as lead agency, Valley Community Development and Hilltown CDC – joined forces several years ago to strengthen the provision of small business services in the Franklin, Hampshire and North Quabbin regions. Valley also received regular funding from Capital One to support its Small Business Program. Over the next year or two of the CIP, Valley Community Development will be working on growing its economic development program to achieve a full-time director who can provide robust small business services in Hampshire County.

Valley Community Development will determine when it is appropriate to apply for CPA grants from the Town of Amherst, City of Northampton, and City of Easthampton to support down payment/closing cost and/or mortgage subsidy programs for first time homebuyers in year1-2. Valley expects to apply for Amherst CPA for a mortgage subsidy program this winter if it is determined to be feasible. If funded, the program would start in FY21 and will continue through FY22. We completed a successful program in 2019. We will explore a down payment/closing cost assistance program in Easthampton in FY20-21. We just closed out Easthampton program this fall. With shrinking CDBG funding, Valley will determine feasibility of applying for Northampton CPA in FY21.

### United Way Funding

Valley is a United Way agency and has consistently received funding for more than 25 years. Valley will apply for a new three-year grant this winter. Valley is fairly confident that it will continue to be funded for the support of its housing development program during the 2020-2022 CIP.

### Developer Overhead/Fees

Housing development overhead/developer fees play a major role in Valley's finances. Projects in the pipeline include Sergeant House where Valley is currently receiving overhead during the construction period. Final



payouts of developer fee are projected for FY21. Valley is expecting payouts of developer fee for The Lumber Yard in January and May 2020. We also expect payout of a portion of the developer overhead for TCB's 12-unit project by January 2020 and final payout in FY21. TCB's 53-unit development, expected to be funded this winter, would start providing developer overhead and fees in FY21 with final payouts in FY22 & FY23. The Sunderland senior housing project, once funded, is expected to provide developer overhead/fees starting in FY21 with final payouts in FY22 & FY23. If successfully completed, Valley will receive half of the developer overhead/fee. We have included developer overhead/fees from Sergeant House and TCB's 12-unit project in our FY20 budget. Developer fees for The Lumber Yard were realized in FY19, and cash will be received in FY20.

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## *SECTION 9: HISTORY, TRACK RECORD AND SUSTAINABLE DEVELOPMENT*

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### *Valley Community Development's History of Past Practices/Approaches to Proposed Activities in the CIP*

Valley Community Development has provided its community development activities in its service area for over 30 years. Since its inception, Valley Community Development has focused its activities on the creation and preservation of affordable housing; and the provision of homeownership and economic opportunities. The need as demonstrated by various reports (both local and regional), visions and strategies described and referenced in the CIP, continues to confirm our work.

Valley Community Development's Board of Directors is a guiding force for the organization. Valley Community Development has the active participation of all Board members in bi-monthly Board meetings, participation by every Board member on at least one committee. Ninety-three percent (93%) of Board members donated to the agency in the year ending 6/30/19. Our goal is always 100%.

Since 1988, Valley Community Development has developed 279 units of affordable rental and ownership housing; currently owns and manages 189 units of rental housing in Northampton, Easthampton and Amherst including 38 SROs; provided business technical assistance to well over 1,600 local start-ups and existing businesses; assisted over 3,000 homebuyers with pre- and post-purchase counseling (including foreclosure prevention counseling); graduated more than 6,000 first time homebuyer class attendees; administered 18 different down payment and closing cost assistance programs and four (4) mortgage subsidy programs; and helped 26 low income homeowners correct health and safety code violations in their homes.

Valley has a proven track record of bringing affordable housing projects in on time and within budget and has an excellent reputation with DHCD and CEDAC and other funders. This demonstrates our continued ability to carefully design and budget our affordable housing projects.

Our homeownership services are well recognized in Hampshire County and our first-time homebuyer classes, held once a month, are consistently full. We have the support of mostly local banks which co-sponsor the monthly events with us. We consistently counsel 75-100 households annually with many positive outcomes and graduate approximately 250-300 individuals annually from our classes.

Valley staff is well equipped to implement the tasks as outlined in the CIP. The ED has been with Valley Community Development for 22 years. With the early success of the CITC Program, Valley was able to hire a highly skilled real estate project manager in May 2016 who has brought over 150 units into the pipeline by 2017. She is responsible for developing a viable pipeline as well as ensure the successful completion of the housing projects. Our homeownership coordinator has over 17 years' experience with foreclosure prevention

counseling as well as other homeownership programs and has been with Valley for 7 years. Our small business coordinator has over 30 years of business experience. She has been with Valley Community Development since 2017. Valley has a fulltime fiscal director who is a CPA with over 20 years of experience; she started her tenure here in April 2019 after the retirement of our long term fiscal director who had been here for 19 years. Our communications specialist who handles marketing and social media, has been with Valley for four years. We also engage the services of a consultant who facilitates our highly successful first time homebuyer workshops.

### *CIP Consistency with the Commonwealth's Sustainable Development Principles*

Valley has always complied with the Commonwealth's Sustainable Development Principles when developing its affordable housing. Any housing developments in its pipeline, complies with these principles. Valley Community Development's most recently completed project, which went into service in May 2019, is highly energy efficient. The project includes a very tight building envelope and a mini-split heating/cooling system and part of the electricity is supplied by PV. The site is an infill site, in an existing downtown neighborhood with sidewalks, on a local bus route/regional bus service, Amtrak station, and near the bike path. The 1.25 acre site with 55 housing units includes a community room, courtyard, a small tot lot, bicycle racks and three commercial spaces, including Valley's new office space. Valley chose a local general contractor with many local subs.

Our most recent development under construction is also located in downtown Northampton and will provide 31 units of affordable small studio supportive housing. This site is a redevelopment of a Valley owned SRO on an ½ acre lot. The City created a 40R overlay district for this parcel. It is highly energy efficient, utilizing a tight building envelope, mini-split heating/cooling system, and PV. It is located on a bus route, less than ½ mile to Amtrak service/regional bus service; and within walking distance to the bike path, shops, services and employment. The local architectural firm is well versed in green development and the project conforms to the Commonwealth's Principles by concentrating development; protecting open space by redeveloping existing sites; expand housing opportunities for low/moderate income/special needs households, offers access to various forms of transportation as well as employment opportunities in downtown Northampton.

Valley Community Development's approach to the planned activities in the CIP are very similar to its historical services to the community. What has changed over time has been our increasing commitment to sustainable development in our housing projects. We are still committed to assisting low income households to build personal wealth by educating folks around credit, debt, possible homeownership, and small business development. Within those counseling sessions, consumers are educated around sustainability including costs of rural vs. in-town living; utility costs and special programs available i.e., MassSave; transportation options; commuting costs, etc. Valley Community Development looks forward to continuing and expanding those services to the community as new information surfaces.