

The Community Development Partnership Act

Presentation
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Community Development's Core Values

- Community Leadership
- Inclusion
- Economic Opportunity

CD Innovation Forum

Lessons Learned

- 1) CDCs must reflect an authentic community base
- 2) CDCs must develop a strategy tailored to their local market context
- 3) The CDC business model needs updating
- 4) New real estate development must be balanced with long-term stewardship of existing portfolios
- 5) We need to break down boundaries between CED and other sectors

CD Innovation Forum

Lessons Learned

- 6) Evidence and data are increasingly important for defining needs and impact
- 7) We need to apply “state of the art” communication strategies to secure broader support
- 8) Collaboration at all levels is critical
- 9) 21st Century CD needs to be community-centric, not real estate centric
- 10) Need to balance supply-side and demand side community development

Our Strategy

- Support changes needed to advance all 10 lessons
- Use training, technical assistance, and peer learning to lift CDC practice
- Use partnerships and programs to advance new innovations and best practices
- Seek policy and system change
- CDPA is a way to drive multiple goals simultaneously – and to do so at scale

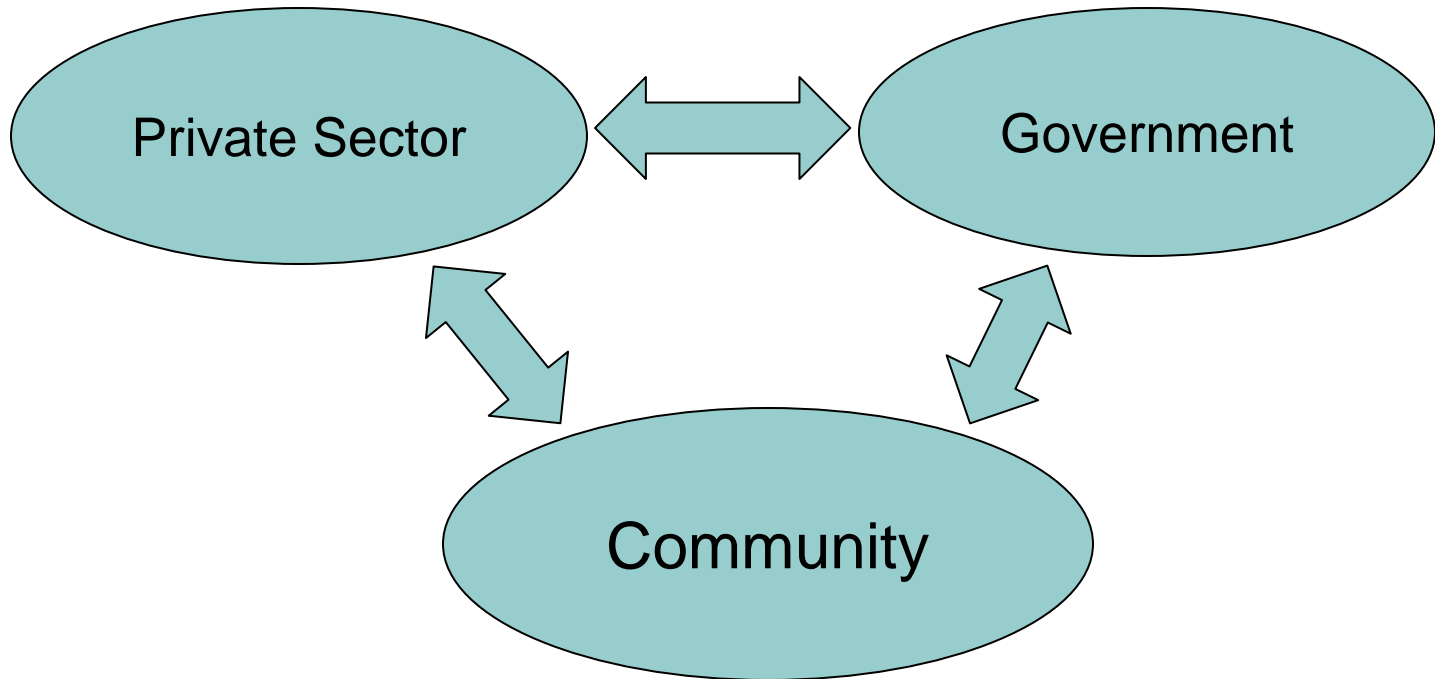
Funding models considered

- CDFI
- CHDO
- United Way
- Boston Foundation
- Neighborworks
- Other state and local tax credits

Goal of CDPA

“To enable local residents and stakeholders to work with and through community development corporations to partner with nonprofit, public and private entities to improve economic opportunities for low- and moderate income households and other residents in urban, rural and suburban communities across the Commonwealth.”

CDPA will leverage partnership and collaboration



What does CDPA provide?

- Authorizes DCHD to allocate the following to certified Community Development Corporations (CDCs) selected through a competition:
 - Up to \$1.5M in community investment grants immediately;
 - Up to \$3M in Community Investment Tax Credits in 2014; and
 - Up to \$6M in Community Investment Tax Credits annually (2015-2019)
 - Community Investment Tax credits provide a 50% credit on donations to selected CDCs
- Potential to generate \$67.5 million over seven years to drive high-impact community development across the state

How does CDPA work?

- CDCs submit community investment plans to DHCD
- DHCD selects best plans and awards them tax credits
- CDCs use tax credits to entice private sector donations
- CDCs report outcomes and results

State Certified Community Development Corps

The corporation has as its purpose to engage local residents and businesses to work together to undertake community development programs, projects and activities which develop and improve urban, rural and suburban communities in sustainable ways that create and expand economic opportunities for low and moderate income people.

MGL Chapter 40H, Section 2

Community Investment Plans

- 1) Description of the service area and constituency;
- 2) a description of how community residents and stakeholders were engaged in the development of the plan and their role in monitoring and implementing the plan;
- 3) the goals sought to be achieved during the time period of the plan, including how LMI households or LMI communities will benefit and how the entire community will benefit;
- 4) the activities to be pursued to achieve those goals;
- 5) the manner in which success shall be measured and evaluated

Community Investment Plans

- 6) A description of the collaborative efforts that shall support implementation of the plan;
- 7) a description of how the different activities within the plan fit together and how the entire plan fits into a larger strategy or vision for the community;
- 8) the financial strategy to support these activities;
- 9) other information regarding the history and track record of the organization as determined by DHCD.

Role of State Government

- DHCD will:
 - Issue an RFP for \$1.5M in grant funds in late 2012
 - Hold a competitive process to select Community Investment Plans, every year until the credits are exhausted
 - Establish criteria for selecting best plans
 - CDCs will receive tax credit allocations between \$50,000 and \$150,000 per year for up to three years.
 - Of selected plans, 30% must be Gateway & 20% Rural

What are the tax credits worth?

- Taxpayers receive a credit against taxes owed to the Commonwealth equal to 50% of total donation:
 - ▣ \$1.00 in credit for every \$2.00 dollars donated
 - ▣ Unused credit carries over for up to 5 succeeding years
 - ▣ Minimum donation is \$1,000; maximum is \$1 million.
 - ▣ Current law says they are transferable; DOR might request change to make them refundable instead.
- “Qualified investments” must be cash donations

Private sector support

- **“Taxpayers”** include individuals, partnerships, small businesses and corporations
- **“Community partnership fund”**, a fund administered by a nonprofit organization selected by the DHCD to receive qualified investments from taxpayers for the purpose of allocating such investments to community partners.
- **“Community support organization”**, any nonprofit organization which is not a community development corporation but has a focus on and track record of providing capacity building services to community development corporations.

Accountability

- Three levels of accountability ensure high quality
 - Community oversight through the CDC board
 - State oversight through a competitive process
 - Private sector oversight through donations
- Annual reports required to the state; reports are made public

How is CDPA different than other programs?

- Multi-year funding
- Flexible, enterprise-level funding to support demand driven community development
- Not program funding; not bricks & mortar; not funding a delivery system
- Public/private partnership

CDPA can drive quality improvement and innovation

- Community Investment Plan competition will drive field toward best practices and innovation
- Flexible funding will make it possible for CDCs to implement best practices and new innovations
- Significant funding stream will have the leverage to drive system change

What's Next?

- DHCD & DOR develop regulations, RFP, procedures
- MACDC, United Way, LISC and others begin reaching out to potential donors
- Mel King Institute and others provides training and t.a. to CDCs
- CDCs and their local partners begin getting ready

For More information

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