

Section 1: Community or Constituency(ies) to be served

The Region: The Quaboag Valley Community Development Corporation (QVDC) represents fifteen (15) communities in a 400 square mile region in west-central Massachusetts (Belchertown, Brimfield, Brookfield, East Brookfield, Hardwick, Holland, Monson, New Braintree, North Brookfield, Palmer, Spencer, Wales, Ware, Warren and West Brookfield). These towns fall between the cities of Worcester and Springfield and are comprised of over 20 densely populated former-mill villages surrounded by rural areas and developing commuter neighborhoods. Half of the region is in Worcester County and residents of these towns orient to the city of Worcester while the remaining towns, in Hampden and Hampshire Counties, are oriented to Springfield and Northampton. Despite these outward pulls, the towns have more in common with each other than with the cities in that most are small; 10 of our 15 towns have populations of less than 7,500. And all 15 of our towns meet the new state definition of “rural”, which is defined “as a municipality in which there are fewer than 500 people per square mile” (source: “Improving State-Sponsored Services in Massachusetts in Rural Communities – Rural Access Commission Report, EOHS, Aug 2013, pg 5.)

The population is predominantly white (96%) with small numbers of African Americans, Asians and Hispanics¹. The region is characterized by chronic high unemployment – typically 1 to 2 points over state averages². As of October 2013, 11 of our 15 towns had unemployment rates above the state rate. There is corresponding underemployment since there are few large employers. The major employers are the municipalities and two community hospitals. Such employment conditions contribute to the overall low income status of the region. Ware, Warren and Palmer, for example, with median household incomes of \$46,992, \$54,009 and \$51,154 respectively, fall well below the state median household income of \$66,658 (source: ACS 2008-12). The result: high unemployment and few job opportunities in our region mean many cannot find work at a living wage.

Recognition of the lack of access to capital for small businesses in our region prompted the creation in 1995 of our sister nonprofit, the Quaboag Valley Business Assistance Corporation (QVBAC). QVBAC provides loans to small businesses and microenterprises unable to qualify for equivalent financing. Over the years QVBAC has made \$4M in loans to support economic growth and create jobs. The creation of QVDC in 1997 reflected the realization that loans were not enough; technical assistance and help with specific business issues were necessary to help our loan recipients succeed – and are offered to the broader small business community along with our other services. Now we recognize the need to address the lack of transportation in our region as a critical factor in our work on workforce and asset development.

Property values, never high by Massachusetts standards, have dipped dramatically in recent years. Four of the thirty “most distressed municipalities” in Massachusetts (excluding Boston

¹ US Census, 2006-2010 ACS

² Massachusetts Dept. of Employment and Training

and the Gateway Communities) are in the Quaboag region³. All of the single family homes currently for sale in one village of Palmer range from \$65,000 to \$124,900 indicating the low property values of the region. (Source: MLS, Bondsville) The results: eroded assets for LMI residents, hindering their access to capital (because of decreased home equity), and a shrunken tax base.

Education levels are significantly lower than Massachusetts' norms. Whereas 37.2% of Mass. residents have college degrees, within the Quaboag region the average is 26.7%. (Source: ACS, 2012) There is no post-secondary educational facility in the region and little public transportation out of the region for school or work. *(See Attachments 1 and 2)*

As is the case across the country, unemployed or undereducated residents may turn to proprietary job training or educational programs that, in fact, have few or no job placements. As a result, these individuals are left with unpaid loans that will never be forgiven and damaged credit.

According to the 2013 DHCD Community-Wide Needs scores, the region scores 25.6 with individual towns ranging from 21 to 30. In general, our target population includes people suffering from a set of conditions that creates an atmosphere of minimal opportunity: low educational levels, low income, high unemployment, weak personal assets, no post-secondary facilities and nonexistent public transportation usable for education or employment purposes.

Our region is on the eastern periphery of Pioneer Valley Transit Authority's service area and on the western periphery of Worcester Regional Transit Authority's service area. This means there are only two public transportation routes out of our region, each of which requires several transfers to reach metropolitan destinations. Accordingly, trips to Springfield, Holyoke, Northampton or Worcester are expensive and extremely time consuming. *(See Attachment 3)*

QVDCD sees the lack of transportation as a significant barrier to individual and community economic development in our region.

Constituencies: Our target customers are the residents and business owners who are struggling to achieve a living wage by living and working in our region. These include:
1) **Microenterprise businesses** owned by low-moderate income (LMI) persons. They are typically modestly-educated natives of the region operating service businesses such as contracting, agriculture, health and beauty, etc. They correspond racially and economically to our regional demographic.

2) **Job-creating small businesses** whose employees are primarily LMI. They tend to be established businesses with 'entrepreneurial' owners. That is, they are strategic in their planning and operations and often have more education. They may be natives or have moved from outside the region.

3) **Skill-seeking LMI individuals** wanting to obtain a job or improve a job. These persons wish to improve their employment status by increasing their value as employees. They need new or

³ Mass Housing Partnership News, February 20, 2013

improved skills, often because they were laid off or their employer closed and they need a new skill set. Our focus is on those with little education who live in our village areas. For example, 6.4% of Massachusetts adults did not complete high school, but in the center of Ware the dropout rate is 12.7%. Twelve of the nineteen (63%) census tracts in the Quaboag region have dropout rates higher than the state, ranging up to 14.7%. (source: ACS)

4) **Asset-deficient LMI individuals** struggle to reach a reasonable lifestyle but are restricted by a lack of personal resources. They are Microenterprise businesses that need capital or equipment. They are adult students that need capital to go to college or other workforce training programs. They are adults of all ages who cannot get to college, work or to medical appointments for lack of reliable transportation. They come from all parts of the region and from households with low incomes and limited family assets.

5) **Municipalities** or member towns that need outside expertise to address specific town needs: Over time, QVCDC has been asked to address concerns that the towns did not have the expertise to address themselves. We have worked on brownfields in Monson, a youth services study of the Boys and Girls Club for the town of Spencer, commercial development and vacant mill development. We conducted a feasibility study about the airport for the town of Palmer. For example, we have been working on a project in Hardwick with the town and its stakeholders on a 110,000 SF vacant mill complex in the village of Gilbertville. Additionally, QVCDC enjoys a long working relationship with the Town of Ware's Community Development Office (where Karen Cullen is the current Director), whereby QVBAC handles all the small business lending for their Loan Fund.

6) **The Quaboag region:** because ours is a traditionally overlooked area, we identify the region itself as a constituent. Our regional efforts have included tourism development and our (QVBAC) regional loan fund for small businesses.

Section 2: Involvement of Community Residents and Stakeholders

As a CDC since 1997 (and in business as a nonprofit lender, QVBAC, since 1995), the unique nature of our governance structure has allowed for maximum participation from the various communities we serve. It facilitates our ability to represent a sparsely populated, 15 community region that spans 3 counties. We have built strong relationships with businesses, municipalities, regional planning commissions, nonprofit service providers, Chambers of Commerce, local banks, employers and community members in our 15 towns in the three counties. The QVCDC and QVBAC Boards are drawn from many of these groups (especially community members). Accordingly, we are in a unique position to facilitate the discussion with local and regional partners about solutions to regional economic development problems by addressing the factors that perpetuate them. It is our practice to continually engage residents and stakeholders at the Board level and in the community.

a) **Board:** The QVDC Board consists of 13 members elected at the annual membership meeting. The QVBAC Board is comprised of 23 members, all of whom are appointed by our towns, banks or nonprofits. The two Boards represent our constituencies and our region. We have two current and two former Selectmen, an Assessor, a town Community Development Director, a School Committee chair and a Town Moderator. We include retired and current business owners. Two others direct nonprofits and two represent our region’s Chambers of Commerce. Some are themselves low income and others represent LMI through their work or other affiliations. QVDC’s Board meets monthly and the QVBAC Board meets quarterly with the QVDC Board. Board members provide input on community and constituent needs. The Boards make all policy and long term planning decisions and have an active committee structure, including Loan Committee, the Executive Committee, Commercial & Industrial Committee and an Audit Committee. Included on our Boards are two CPAs and an attorney who help to provide oversight. The Boards exercise strict financial control over both organizations with a Board member’s signature required on all checks. Our Board unanimously endorsed our involvement in CITC in March, 2013, and at a combined meeting of our Boards scheduled for 1.16.2014, the discussion of and vote on this CITC application will occur. (Note: documentation will follow within the prescribed time frame.)

b) We interact and collaborate with **other community nonprofits**, as this chart illustrates:

Summary of Community Engagement

Organization	Constituency	LMI, Small Business, Stakeholder Engagement with QVDC
	<i>Non-Profit Organizations</i>	
Ware Adult Learning Center (regional)	LMI seeking GED and job skills	Identify barriers to education, employment, financial capability, asset development. Tech grant recipient.
Hitchcock Free Academy (eastern service area)	Small business and business start-ups	Business computer and marketing classes and events for residents unable to travel to Ware.
New England Small Farms Institute (regional)	Farms, wholesale and retail agricultural sector.	Support for start up and existing businesses and for operations of the Institute. Tech Grant recipient.
Quaboag Valley Chamber of Commerce	Businesses in fifteen towns in Hampden, Hampshire, and Worcester Counties.	Jointly sponsor business training events and identify businesses eligible for assistance or funding.
Central Mass South Chamber of Commerce	Businesses in five towns in Worcester and Hampden	Jointly sponsor business training events and identify businesses eligible for

	Counties.	assistance or funding.
Ware Civic and Business Association	Merchants in Ware's distressed Central Business District	Participate in meetings & events such as the Fall Festival and the Holiday Flair.
Quaboag Hills Community Coalition	LMI residents through various service providers	Participate in regular meetings and serve on transportation sub-committee, provide meeting space.
Carson Center/Valley Human Services (Ware and surrounding towns)	Target LMI's with range of services.	Provide program space; jointly sponsor financial capability and asset development programs. Tech Grant Recipient
Salvation Army (Ware, Warren)	Low Income residents in need of emergency services.	Provide free space and free office support services for weekly client meetings.
	<i>Municipalities</i>	
Ware Community Development Department Small Business Loan Fund	Small Business located in Ware or Hardwick that provide employment to LMI's	Underwrite and service small business loan funds through Business Assistance Corporation.
Ware Property Assessment and Re-Use Project	50 distressed Commercial and residential properties determined as blighted.	Serve on advisory committee to find solutions for blighted properties in Ware.
Hardwick Mill Re-Use Project	Key property in village center.	Evaluate and propose detailed redevelopment plan for mill complex.
Palmer Community Development Department (regional) Economic Development Fund	Businesses in 13 towns owned by or employing LMI's.	Provide technical assistance, training, business planning training, and loans. Currently on 5 th CDBG grant.

As part of our original CIT Plan, we have been working with the Ware Adult Learning Center and a supporting day care program on the topic of financial literacy with their low income adult learners, many of whom are single parents. As we explore asset development with program participants we've learned more about the lack of transportation as a huge barrier to accessing secondary education, job training and employment opportunities around and outside the

region. (ex. from them we've learned that saving for a learner's permit (\$30), then for a license (\$70) and eventually for a reliable car are top priorities for these adult learners.)

c) **Engagement activities:** Since 1995 we have trained 955 computer students and offered workshops in Peer Lending, NxLevel, WFD and Financial Literacy to over 576 small business and individual participants. Since 2005 we have provided intensive technical assistance and business planning to over 818 small business owners (exclusive of computer training). We reached over 120 workshop participants at a recent Chamber of Commerce Expo. Our work in the community involves LMI individuals and small business owners in a variety of settings, including committees working on local problems.

d) We work closely with area **municipalities** by preparing studies and issuing reports to town officials and by conducting training programs and seminars at local libraries, such as our "Be Your Own Boss" workshop, the most recent of which had 10 attendees. We co-sponsor programs with senior centers and other town departments. We ensure that each town's Selectmen annually appoint a representative to the QVBAC Board.

e) For years we have maintained strong working relationships with our **community banks**, all of which sit on our QVBAC Board and all of which participate in a line of credit to our loan program. We receive many of our loan referrals from the banks.

f) We engage stakeholders in the region with **direct outreach** through the media, via surveys, post-assistance follow-up questionnaires and significant personal contact (by which our staffers regularly visit businesses throughout the region, asking about their needs and providing small business training and assistance.

Monitoring: Residents and other stakeholders will monitor and participate in the implementation of our activities through presentations to the Boards of the CDC and the BAC, information in the media and on our website, meetings with community members and our continued collaboration with area nonprofits, municipalities and businesses. We will incorporate group insights into process improvements. We use surveys extensively (*See Attachment 4*).

Section 3: Plan Goals

GOAL 1, Strengthen the Local Economy by Fostering a Strong Small Business Community:

These efforts are a natural extension of our work over the years: we provide computer training to businesses to increase their employees' proficiency in the workplace. We offer 1-to-1 and group trainings in our computer lab or at the business location and are a certified Workforce Development Provider. We provide detailed technical assistance and consulting to small businesses and microenterprises. In addition to loans in the amount of \$500 - \$100,000 made by the QVBAC to businesses that cannot qualify for equivalent financing, QVCDC offers a mini-grant program to startups and small businesses to pay consultants for accounting, legal, marketing and business planning assistance.

After a survey we conducted about small business technology needs, QVCDC got a grant from the Mass Tech Collaborative/Mass Broadband Institute to increase the use of technology and

broadband adoption by small businesses in our region. In working with our Mass Tech clients we leverage other funding sources to help them with other business needs, such as basic computer training for a company about to adopt proprietary software and, for another, individual consulting with a CPA for a company purchasing QuickBooks Contractor Pro. Our Mass Tech client businesses have seen increased efficiencies and are poised for (or already achieving) increased sales and net revenue and increased competitiveness as a result of working with us. Importantly, several have added jobs to the local economy. Experience has taught us that our resources are most effectively used when we work with the business owner to assess the needs and goals of the business, match them to available resources and follow up with the business to ensure it remains on target to stabilize and grow.

GOAL 2, Municipalities: We will continue to assist municipalities in our region by engaging in studies or consultations to address barriers to improved economic conditions by utilizing staff expertise when appropriate and bringing in consultants with specialized expertise when required. Our projects include brownfields remediation, needs of subgroups such as elderly and youth, vacant mill projects, commercial or mixed-use development and other projects as requested. These types of projects ameliorate potential tax burdens, improve the quality of life for town residents, and mitigate risk and/or foster economic development that will benefit the towns.

GOAL 3, WorkForce Development: We will assist small businesses to find employment-ready job candidates by working with area community colleges and other WFD providers to bring certificate and related training programs within reach of the region's LMI residents. As an approved MA Workforce Development Express training provider, we are building our capacity for mobile WFD certified training by updating and expanding our equipment, technology and training staff.

GOAL 4, Financial Capability Training and Asset Development: Because few low income individuals can afford to start a business, attend college or purchase reliable transportation, QVDC will work with partners address this problem through a collaborative financial capability training and asset development initiative. Following the exploratory work we've done on these topics with the Ware Adult Literacy Program and a local bank, we are working to expand financial capability training by introducing a targeted asset development program.

GOAL 5, Bridging the Transportation Gap: QVDC proposes to work with partners across the region to identify and implement solutions to a major systemic barrier to economic growth in our region: the transportation gap. We will work with the regional planning commissions and regional transit authorities as well as local partners and residents on this problem. Our mission to assist low & middle income residents and business owners with job training and business assistance, to promote economic development and to assist the region to reach economic self-sufficiency prompts QVDC to devote resources to collaborative solutions to bridge the transportation gap across services areas and across counties.

How LMI households and other constituencies will benefit from achieving goals: Benefits will extend from the individual level to the regional level, affecting all sectors and reflecting our focus on LMI households. In particular, viable transportation options (public and private) will allow residents to travel for work and education. Building financial capability and assets will assist residents to acquire the resources to attend college or workforce training, which will improve their chances for employment, and/or purchase a vehicle. With a better-trained workforce with reliable transportation, small businesses will be more stable and will hopefully create more jobs – all of which undergird each goal we are proposing.

How communities and our region will benefit from achieving goals: Increasing personal resources creates opportunities for individuals to increase their household income. Increasing personal resources related to transportation and education will raise the education levels of the region. A stronger small business community has the multiplier effect of keeping dollars within the region, thereby increasing commerce which leads to additional entrepreneurial activity and more jobs. This results in reduced unemployment and underemployment.

“Research supports the assertion that improved transportation increases access to jobs and educational opportunities, supports community and economic development and improves quality of life.” (source: smartgrowthamerica.org)

Section 4: Activities to be undertaken

GOAL 1: STRENGTHEN THE LOCAL BUSINESS COMMUNITY

Years 1 – 3: We will continue to provide loans to businesses that cannot access equivalent financing as well as provide individual consultation in the areas of accounting, bookkeeping, financial management, sales and marketing, general management and business planning. Group training will continue to be offered in business skill areas such as the use of QuickBooks, basic bookkeeping and business computer skills. We will continue our work as a certified Workforce Development training provider. In Winter-Spring 2014 we will offer Business Planning Courses with subsidies for small business owners from LMI households. We will continue to offer technical assistance and computer training to our Mass Tech/MBI clients as well.

GOAL 2: ASSISTANCE TO MUNICIPALITIES

Years 1 – 3: We will continue to assist municipalities in our region by engaging in studies or consultations to address barriers to improved economic conditions such as brownfields remediation, needs of subgroups such as elderly and youth, vacant mill projects, commercial or mixed-use development and other projects as requested. Communities will be surveyed on an annual basis to determine needs within our scope of services and we will pursue funding to undertake such projects.

GOAL 3: WORKFORCE DEVELOPMENT

Years 1 - 3: With stakeholders, we will identify and prioritize jobseeker and employer needs and associated education and workforce training opportunities. With stakeholders, we will

prioritize solutions to barriers to participation and implement them, using measurements and benchmarks throughout. We will expand our work as a certified Workforce Development Express training provider.

Goal 4: BUILDING FINANCIAL CAPABILITY & ASSET DEVELOPMENT

Years 1 - 3: With stakeholders, we will identify and select a financial capability training model and asset development targets, identify a host program for the asset program and an institution to service the accounts. With stakeholders, we will prioritize solutions to barriers to participation and implement them, using measurements and benchmarks throughout. LMI participants will be enrolled in training and asset development. Participants will demonstrate a positive change in their financial status and some will continue with or meet their asset development goals.

Goal 5: BRIDGING THE TRANSPORTATION GAP

Years 1 - 3: With stakeholders, we will identify the transportation gaps and prioritize possible solutions. With stakeholders, we will pilot one or more solutions, using measurements and benchmarks throughout. We anticipate multiple solutions with varying stages of implementation. Operations (logistics and support) and sustainability will be focal points.

Expected Impacts of Activities on Goals and Constituencies Served

- 1) Small and microenterprise business assistance: jobs are created and retained through a) an increase in new businesses started, b) existing businesses become stronger through increased sales, increased net income, increased assets and the like, c) ancillary business opportunities develop in response to stronger economic conditions as evidenced by type and nature of business and customer base.
- 2) Municipal assistance: towns are better able to respond to situations that affect their citizenry but are otherwise outside their scope.
- 3) Workforce development initiatives will bring skills training and education to the region and help individuals obtain employment or a better job or to use their new skills to enhance their existing business or start a new business. Small businesses will have a better educated and skilled labor pool from which to draw employees.
- 4) Participation in financial capacity building and asset development will assist individuals to meet their business, education or transportation needs, leading them to financial independence and stability.
- 5) We anticipate that the work on transportation will result in multiple solutions in the region that include public and private transportation options, ride-sharing programs, deployment of current excess capacity to help fill gaps. These solutions will help LMI residents access training and/or jobs and will make it easier for employers to find employees with reliable transportation.

Section 5: HOW SUCCESS WILL BE MEASURED +/-OR EVALUATED

QVDC uses an inclusive, data-driven, process improvement model. Stakeholders will be identified and will participate throughout the Plan, from ensuring that relevant parties are at the table to helping to select outcomes and their measurements. Experience has shown us that sharing the data with stakeholders with a clear objective in mind (setting priorities or considering promising options or identifying barriers) results most often in identifying workable solutions to sometimes thorny problems. We maintain fidelity to the principles of inclusion, the use of data in discussion and decision-making and to continuous process improvement.

We will work with participants to

- 1) survey various stakeholders (LMI individuals, businesses, education providers, transportation providers, banks) regarding the Plan's goals,
- 2) collect data and research best practices regarding the achievement of the Plan's goals,
- 3) set priorities and identify possible solutions,
- 4) develop pilot solutions to problems the Plan will address (with metrics), test, evaluate and report to participants,
- 5) make changes, test again and analyze results with participants,
- 6) formalize successful models and prepare for implementation
- 7) continue to involve participants in monitoring and on-going review of the models' performance, always with an eye to improvements as they evolve.

Tools and Methodologies

- 1) Use intake form to gather initial information and status of customer/client, update as needed to reflect changing demands for data
- 2) Use existing customized data base and loan software to record intake and activity over time, update as needed to reflect changing demands for data
- 3) Develop alternate methods of data collection and recording in response to changing demands for data
- 4) Collect town-wide and regional statistics (where possible) to document overall economic conditions.

Evaluation Process and Role of Participants:

Businesses and Individuals

- 1) At intake, use intake form to collect as much information as possible, recognizing that inquirers have differing levels of interest in our programs and services. Always attempt to identify income status at intake.
- 2) Expand second tier intake process to include specific data relevant to the appropriate program. For loan applicants, complete a loan profile intake; for computer training, complete a loan/workforce student profile; for asset building applicants, complete an asset development profile.

- 3) Require that all program participants understand and agree to (in advance) periodic reporting over the life of the program as a condition of assistance. Report on outcomes as requested by Board members or funders as necessary to “tell our story.
- 4) Adapt our website or other online mechanism so that program participants can respond to requests for data online. Provide computer training, if necessary, to facilitate this process. Make the process as easy as possible to get high level participation.
- 5) Use follow-up measures as necessary, including phone calls, correspondence and follow-up surveys via mail and fax. (*See Attachment 4*)

Municipalities: Board(s) assess outcome of involvement with town, including feedback from QVBAC town representative or other officials. Determine if QVDC has the capacity to replicate activity in other communities identifying necessary resources or funders.

Region: assess town-wide and regional statistics and compare to historical numbers to determine employment trends.

Section 6: Collaborative efforts to support implementation

- 1) We will continue to work with **banks**, especially our community banks, who participate on the QVBAC Loan Committee, and make referrals of businesses to our programs and services. Our banks have been major contributors of volunteer time on our Boards and Board Committees, have donated furniture and equipment and made generous financial contributions to QVDC. We have established a new Loan Pool Line of Credit for \$330,000 with six community banks. We have received a pledge for \$50,000 for 2014 from the largest bank and other banks have expressed serious interest in the CITC program. In addition, we received \$6,000 in cash donations from the Federal Home Loan Bank and the Massachusetts Bankers Association Charitable Foundation as the result of the sponsorship of another bank. We are targeting the local banking community as the primary source of CITC-eligible contributions.
- 2) We will continue to work with **public and private funders**, including foundations, to understand their goals in making grants, seek grants that correspond to our mission, work cooperatively to design intake and collection methods to provide data on desired outcomes, submit reports in a timely fashion, collaborate on promotion and/or publication of outcomes, and to make eligible contributions to secure Community Investment Tax Credits. We have a successful record of receiving repeat grant funding from many state-sponsored agencies including Massachusetts Growth Capital Corporation, The Office of Small Business and Entrepreneurship, the Massachusetts Service Alliance, The Massachusetts Tech Collaborative, and EDF funding through CDBG funding to the Town of Palmer (our 5th CDBG). Our federal funding sources have included multiple grants and loan fund support from the Community Development Financial Institutions Fund, as an emerging CDFI, and the USDA RMAP and RBEG programs.
- 3) We will continue to maintain and expand our cadre of professional **consultants** available to provide specific assistance to our clients when requested. Ensure that our consultants meet standards on credentialing (when relevant), insurances (when relevant) and references, including satisfactory references from our clients.

4) We will deepen our **collaboration** with area and regional **nonprofits** and **municipalities** in the delivery of programs and services including Carson Center/Valley Human Services, local Senior Centers and the Planning/Community Development Offices in Spencer, Ware, Warren, Palmer and Monson, the regional transportation authorities and the regional planning commissions. Additionally we propose:

- a) Program co-sponsorship and promotion (ex, Chambers of Commerce and local libraries)
- b) Accommodate our existing programs to the specific needs of nonprofits serving LMI clients (such as the Ware Adult Learning Center and Carson Center/Valley Human Services) and collaborate with them on financial capability training and asset development
- a) Hold meetings and provide trainings at other nonprofits (ex, Hitchcock Academy)
- b) Work collaboratively with regional nonprofits on wider regional strategies (Central Mass and Pioneer Valley Regional Planning Commissions, Worcester and Pioneer Valley Regional Transit Authorities, Regional Employment Boards, and others) to address employment, training and transportation issues
- c) Participate in networks of nonprofits and in community meetings to inform us of community and LMI persons' needs (ex, Quaboag Hills Community Coalition, resident meetings) and to provide resources (ex, Commonwealth Workforce Coalition, MIDAS Collaborative for asset building).
- d) We will expand collaborations to deliver specific services that are outside our intended scope such as staff training, asset development education and servicing, housing-related counseling, financial capability training and workforce development services.
- e) We will work closely with other CDCs, particularly through MACDC's working groups, to ensure consistency of program standards and delivery.
- f) With the help of MACDC, we will work with Mass Bay United Way.
- 5) **Employers:** as we expand our collaborations on Workforce Development, we want to engage with more area employers, the community colleges and the Regional Employment Boards to better understand employers' needs, training opportunities and to identify possibilities for future job placement. We will expand relationships with businesses and encourage them to secure Community Investment Tax Credits.

Our overall financing strategy is to continue to apply for grants that will help us further our mission, explore foundation support for our programs, strengthen our donor funding with a targeted campaign leveraging the CITC, and to continue our operations in a manner that is respectful of the values of our stakeholders.

Section 7: Integration of activities/consistency with community strategy & vision

Our historic approach to **community economic development** has been focused on assisting citizens, especially LMI citizens, to obtain a job or a better job. In some cases this is direct as making a loan to a job-creating small business. In some cases it is indirect, as with **workforce training** that might lead the student to a new or better job. In other cases it is indirect as with **financial capability training and asset development**, whereby the client's goal could be to learn to make wise financial decisions and be able to obtain an education that would ultimately lead to a living-wage job. As has been the case historically, one individual may participate in many activities. For instance, loan applicants (business owners) have become computer students and then sent their employees for training that would help not only the employee but also the business. While an asset building program is new to us, it is a logical addition to our portfolio of services and is consistent with our historic attempts to provide financial literacy. Moreover, it expands upon that objective by offering opportunities to acquire business assets, education and even transportation needed for a job or education. Resolving **transportation** issues will aid that effort significantly. In other words, ***this initiative augments all of our traditional strategies and is consistent with our strategy of reducing unemployment and underemployment in the region.*** In the case of **municipal** assistance, a project has the potential to impact residents' social and environmental needs over a longer time frame.

There are no other plans that address the Quaboag region as a whole. In their absence, we note that our plan is consistent with **DHCD's strategic plan for 'accelerated job creation'**, wherein the Department states that it will "create an environment that encourages sustainable business growth and job creation where MA residents can find steady employment at good wages and MA employers can find qualified employees at competitive wages".

Section 8: Financing Strategy

QVDC has a long track record of successful fundraising, albeit not at the level we intend to pursue with the tax credit initiative. Our annual Board donation of \$75,000 has been in place for the past 5 years. We have a multi-year commitment from a local bank and regularly get small donations from local foundations and other banks.

Our traditional funding streams have been heavily weighted toward grant funding from state and federal sources, a small amount of unrestricted income earned from our programs, and donations raised either for specific projects or to meet our operating expenses. The QVDC has enjoyed a good relationship with our grant funders, resulting in invitations to apply for subsequent grants and repeat grant funding. We currently have funding in place from CDBG, Massachusetts Broadband Institute (MBI), the Community Financial Institutions Fund, (CDFI), the Massachusetts Growth Capital Corporation (MGCC), and Bank of America. We have just concluded a USDA RBEG grant for a municipal project and Rural Microentrepreneur Grant. An

application has been submitted for future RMAP loan and grant funding. We will continue to research and apply for grants that support our Community Investment Plan activities.

Our most successful fundraising efforts to date have been with our local community banks who have been generous donors and financiers of a portion of our loan capital. They have truly been partners in fostering economic development in our region. As part of our CIP process a group of board members is advising and assisting staff in developing a robust fundraising strategy. So far for FY2014 we have received donations of \$132,000 (\$57,000 of which would be CITC eligible). Our strategy for raising donations eligible for CITCs includes targeting the banks for three year commitments. Bank donations make up 80% of our fundraising goal for calendar year 2014. Our donor prospect list includes board and staff, local foundations, vendors, local business owners and individuals. The fundraising opportunity provided by the CITC will leverage potential additional funding from MBI to upgrade our workforce development and business training technology and equipment. This will allow us to expand these services, provide more onsite training to small businesses and their employees, and increase earned income to support our operations and better serve the region. Additional uses of new funds will be to support increased project support for workforce training, financial capability and asset building, and transportation.

Section 9: History, Track Record and Sustainable Development

Assistance to small businesses & microenterprises:

Past practices & approaches include responding promptly to anyone who contacts us by doing an intake. Clients are strategically assessed in order to devote more significant resources to entities that show the most potential. Indicators of potential include initiative and follow through on the part of the client as well as traditional measures such as length of time in business. Our experience indicates that for every 20 individuals who contact us, about 7 (35%) receive a significant investment in services. Our focus is on quality of service over quantity.

- 1) Loans: the QVBAC has provided approximately 120 loans disbursing over \$4 M to small businesses and microenterprises in the region that were unable to access equivalent private financing. The BAC has obtained loan capital from USDA, MGCC, and CDBG as well as a loan pool line of credit from the local banks. Bank of America provided a grant to fund the loan loss reserve for the USDA RMAP program. Loan applicants are offered technical assistance based on need to strengthen their business.
- 2) Technical Assistance: in the past 4 years individual consultation in the areas of accounting, bookkeeping, financial management, sales and marketing, general management and business planning has been provided to 213 businesses. During this time 25 new businesses were started and 62 jobs created.
- 3) Training: in the past 4 years training in business skills areas including the use of QuickBooks, other business-related software, business planning and basic bookkeeping has been provided to 138 individuals. Our experience shows that individualized, hands-on training (class size 2-6) is both efficient and effective.
- 4) Course evaluations and post assistance surveys are collected from individuals and businesses served to improve our practices.

Assistance to individuals by providing programs to increase personal assets:

Past practice includes working with students from the Ware Adult Learning Center (WALC), a GED/Career Development nonprofit located in our building, as well as with individuals from the community. We have provided both individualized classroom training and 1-on-1 coaching in job readiness skills, computer literacy and software.

- 1) Workforce training included skills needed to obtain a new or better job has been provided to more than 80 individuals.
- 2) Asset development for business, education or other purposes through a shared/matched savings program is a new activity that builds upon our experience with providing Financial Literacy education to more than 25 individuals in a classroom setting, and to many more small business owners through their work with our consultants on their business finances. Our experience in administering the MassTech Collaborative/MBI Technology grant providing technology assets and training to small business has shown us the significant positive impact that acquiring even a small amount of business assets can deliver to their bottom line. Our work with students from WALC and other unemployed and underemployed community members has alerted us to the reality that impediments to obtaining education and employment go beyond access to skills training. The obstacles include acquiring the personal financial resources to pay for the credentials necessary to start a small business or to obtain and maintain a reliable source of transportation, which is vital in our rural region.

Assistance to municipalities by engaging in studies and consultations to address barriers to improved economic conditions:

Past practices have included utilizing staff where appropriate and bringing in consultants for specialized expertise when required. Our most recent project was a feasibility study for mixed use development of an old mill complex in the town of Hardwick. Previous projects included brownfields remediation for the town of Monson, an airport feasibility study for the town of Palmer, a Boys and Girls Club feasibility study for the town of Spencer and the development of the building in which we are located as a nonprofit center in the town of Ware.

Assistance to the region by providing a unique cluster of programs and services from within the region:

As the only place-based provider of services focused on improving the economic lives of LMI in our region, we are singularly positioned to directly observe and hear about the needs and problems faced by our constituencies. We are able to devote our full attention to providing an integrated array of resources and solutions. To date we have addressed tourism and the loan fund as regional activities and, through this initiative, will address access to workforce development, financial capability and asset development, and development of a multi-faceted response to the region's transportation needs.

And as a small nonprofit business ourselves, we are directly familiar with both the challenges and opportunities faced by small businesses in our region.