

## MACDC CITC Program CSO Proposal

### Introduction

As our mission states: "The Massachusetts Association of Community Development Corporations (MACDC) is an association of mission driven community development organizations dedicated to working together and with others to create places of opportunity where people of diverse incomes and backgrounds access housing that is affordable, benefit from economic opportunities and fully participate in the civic life of their community. We achieve this by building and by sustaining a high performing and adaptive community development sector that is supported by private and public investment and sound public policies." MACDC currently has 90 members, including every state-certified Community Development Corporation (CDC) in the Commonwealth.

Since it was founded in 1982, MACDC has provided extensive technical support, mentoring, professional education and peer learning opportunities to CDCs across the Commonwealth. In recent years, we have expanded our efforts in this regard and we are well prepared to help CDCs maximize the new opportunities for growth and development that the CITC program provides. In May 2013, MACDC was designated a Community Support Organization (CSO) for the CITC program's capacity building grant round. We focused on making sure CDCs, especially those already certified, were developing strong Community Investment Plans (CIPs) and establishing solid fundraising strategies to engage new donors in their work. We believe we have been very effective in this work and we intend to build upon and broaden our work as the program shifts from a focus on CIP development to CIP implementation. This will require a broader and more comprehensive set of services to be provided to CDCs across the state.

Therefore, MACDC respectfully requests a three year Community Investment Tax Credit allocation of \$400,000 (2014: \$100K; 2015: \$150K; 2016: \$150K) from the Massachusetts' Department of Housing and Community Development (DHCD), so we can serve as a Community Support Organization (CSO) that will help CDCs successfully implement their Community Investment Plans to the betterment of their communities. MACDC, through its proposed role as a Community Support Organization (CSO), expects to work in close partnership with DHCD, the United Way, as the Community Partnership Fund Administrator, and any other CSO selected by DHCD.

### Proposed Work plan

MACDC's CSO work plan addresses the needs of the CDCs on a macro-level, through our courses, peer groups, programs and research, as well as on a micro-level, as we respond individually to the needs of each CDC requiring specialized technical assistance. Over the past year, MACDC focused on supporting CDCs as they applied to become Certified CDCs, and working with Certified CDCs as they developed strong CIPs and established new fundraising networks. While this work will continue, MACDC is shifting its primary focus to supporting CDCs as they *implement* their CIPs and their tax credit fundraising strategies. This work will draw upon MACDC's broad capacity building and technical assistance programs overall. We will also continue to work closely with DHCD to identify CDCs requiring additional support and provide any necessary technical assistance to CDCs to increase their success in the program. MACDC will further review CIPs to ensure that the courses and overall programming we offer address the needs and opportunities CDCs are

focusing on over the next three to five years. Finally, we have a close working partnership with the state-designated Community Partnership Fund administrators, the United Way of Mass Bay and Merrimack Valley, to ensure they achieve their CITC program fundraising goals.

***Broad-based Capacity Building Services:***

MACDC offers significant broad-based and statewide capacity building services specifically to strengthen CDCs as they work to strengthen and stabilize their communities.

**The Mel King Institute for Community Building:** MACDC staffs and operates the Mel King Institute, which provides over 25 courses annually to 300+ participants, the majority of whom are board members, leaders and staff of Massachusetts CDCs. Currently, the Mel King Institute is offering courses specifically designed for CITC program participants seeking to strengthen their planning, evaluation, marketing, outreach and fundraising capabilities. The Institute further offers numerous classes that are designed to increase the capacity and capabilities of CDCs, such as community leadership development, small business development, organizational data tracking and performance measurement, real estate development and asset management. Over the next three years, we will further customize our training curricula, as needed, to meet the specific needs of CITC program participants.

**Peer Groups:** MACDC operates six peer groups specifically for CDCs: 1) The CITC Program Peer Group, open to all CDC staff from organizations participating in or seeking to participate in this program; 2) The Community Organizers' Peer Group; 3) The Housing and Real Estate Peer Group; 4) Small Business Development Group; 5) Western Mass Community Development Collaborative; and 6) The Boston Committee. Each of these groups aims to increase CDC capacity through the sharing of best practices and collaboration. These groups will meet at least 30 times over the course of each year, with 150 or more community development professionals participating.

**Collaborations:** MACDC establishes and leads numerous collaborations that are specifically designed to increase the capacity of CDCs in Massachusetts and link the community development field to other distinct, but related, sectors. Currently, we have active partnerships with the Mass. Minority Contractors Association, the Smart Growth Alliance, Transportation for Massachusetts, the Metropolitan Area Planning Council, and LISC.

**United Way Partnership:** The United Way of Massachusetts Bay and Merrimack Valley was recently selected by DHCD to serve as the official Community Partnership Fund administrator for the CITC program. MACDC will continue to work closely with the United Way to build new donor networks for our field and help the United Way achieve its goal of raising a minimum of one-third (2014: \$2M; 2015-2019: \$4M/annually) of the CITC program's annual fundraising goals through the Fund.

**LISC Partnership:** MACDC and the Boston office of LISC have worked together for decades to provide capacity building services to CDCs across the Commonwealth. With regard to the CITC program, MACDC views our role and that of LISC as complimentary and collaborative. MACDC provides comprehensive capacity building and technical

assistance services to all CDCs across Massachusetts; and LISC is able to focus their support in specific areas that we have jointly identified as key opportunities for CDCs: green development, community safety, financial opportunity centers, and comprehensive community development.

**Donor Development and Outreach:** In addition to building and supporting new donor networks through our partnership with the United Way, MACDC will be working to increase the capacity of CDCs by engaging and developing relationships with individuals, corporations and organizations interested in participating in the CITC program. We have had and will continue to have many meetings and informational sessions with financial advisors, tax advisors, attorneys, community foundations, donor advised fund administrators and actual corporate and individual donors. This activity began in early 2013 and is expected to be ongoing through the duration of the program; however, we expect that this work will be most critical in the first few years as overall awareness of this new tax credit grows.

**Research:** MACDC conducts the most comprehensive annual CDC performance tracking in Massachusetts. The GOALS Initiative, launched in 2002, tracks CDC performance in six areas of community development (1. Resident leaders engaged; 2. Homes built or preserved; 3. Job opportunities created or preserved; 4. Entrepreneurs supported; 5. Families supported; and 6. Funds invested in communities through CDCs). MACDC measures annual progress through a detailed online survey of our members; we then publish the results in our annual GOALS report. MACDC believes that it could partner with DHCD to use an expanded and improved GOALS infrastructure to collect consistent data from CITC program participants as part of the overall CITC program evaluation framework. We propose exploring this option with DHCD during the first half of 2014. While the GOALS Initiative is our largest research project, MACDC is also involved in developing or supporting reports about the community economic development field and CDCs in the Commonwealth. Most relevant to the CITC program is the Health Impact Assessment currently being conducted by Health Resources in Action and the Metropolitan Area Planning Council, which aims to capture the impact from the increased funding and resources gained through this program. Overall, MACDC's work conducting and supporting research about and for the community economic development field in Massachusetts helps to increase the capacity of CDCs as it provides solid information that CDCs can use to improve their efforts, while attracting greater support for the field from public and private stakeholders.

**Innovation Forum:** MACDC formed the Innovation Forum with LISC and other partners in order to engage a robust and thoughtful process to identify specific opportunities to advance innovative practices that will enable the field to most effectively respond to changing dynamics. The Forum intentionally includes all stakeholders in the field – CDCs, funders, lenders, policy makers, consultants, academics, and other partners – to ensure that our thinking is reflective of the entire field and our solutions have broad support. Specifically, the goals of this effort are two-fold: (1) to be a forum for innovative thinking about the future of the community development field in Massachusetts, and (2) to generate and advance practical ideas and strategies that the field can implement to increase its effectiveness and be more responsive to changing community conditions. Over the next three years, we will continue to host public forums to discuss emerging ideas and innovative

practices, while also convening working groups to tackle specific issues that arise, such as gentrification or strategies for linking community development and health.

***Individual CDC Technical Assistance and Capacity Building Services:***

MACDC is the only statewide organization providing one-on-one technical assistance services to all certified CDCs.

Following a request for support from a certified CDC, MACDC usually sets up a call or in-person meeting to review the issue in-depth. Usually these calls or meetings take up to an hour, during which time a likely course of action or services schedule is mapped out.

The following sequence highlights a typical scenario for how we assist CDCs:

- 1) Needs Assessment: During our initial meeting we conduct a needs assessment to determine whether the CDC simply needs a short strategy conversation, or whether a more robust and formal series of steps is required. We also determine which MACDC staff person is best able to help with the particular issue at hand.
- 2) Strategic and Technical Advice: MACDC staff are experienced and knowledgeable in a wide array of community development topics and often we can help CDCs think through a particular issue by providing strategic and technical advice. While this generally occurs over the phone, it can also occur in 1-1 meetings with CDC leadership or in group meetings with CDC boards and committees.
- 3) Referrals: A major value-add that MACDC brings to the field is helping CDCs connect to people, organizations, information and resources that can help them. Our diverse network of members and partners enables us to link CDCs to:
  - a. other CDCs and/or other service providers that have confronted similar issues or challenges;
  - b. academics, think-tanks, consultants and other experts with specific knowledge or expertise that could help the CDC;
  - c. prospective donors and organizational advocates/supporters;
  - d. MACDC peer groups that might be particularly relevant or helpful;
  - e. Mel King Institute trainings that might be particularly relevant or helpful.
- 4) Long-term engagement: Since every certified CDC in Massachusetts is a dues paying member of MACDC, we are committed to a long-term engagement with these organizations. We provide assistance whenever it is needed and we often will engage with a CDC periodically over a number of years, so we become very knowledgeable about the particular dynamics and capacities of each organization. Technical assistance engagements do not start from scratch, but build upon prior engagement.

This services schedule and overall process for in-depth one-on-one technical service was central to MACDC's role as a CSO during the grant round of the CITC program. In the case of one specific CDC, for example, John Fitterer spoke extensively with the organization's head of fundraising and the head of their fundraising board committee, provided marketing material electronically for the CDC to build out their prospective donor outreach packet and then reviewed the program and the responsibilities of the organization's board of directors at a board of directors meeting. Mr. Fitterer continues to receive and to respond to questions from this organization's staff as they prepare their CIP submission. The organization also attended our CITC informational workshop in spring 2013 and attended two Mel King Institute trainings that were designed to help them prepare for the

CITC program. This demonstrates how our different services and programs work together to help drive CDCs forward. We expect a similar services schedule with CDCs requiring support as they implement their CIPs and engage prospective donors in their work.

For those CDCs who are denied an allocation of tax credits through the CITC program, MACDC will reach out to each of these organizations and offer to review their Community Investment Plan and put together a comprehensive services schedule similar to the one above. A CDC denied tax credits likely has several key deficiencies in their Community Investment Plan and, possibly, in their operations overall, so MACDC expects that the duration of the technical assistance provided could extend through 2014 as the CDC prepares to submit a new request for tax credits in the fall CITC program NOFA.

Use of Community Investment Tax Credits:

MACDC plans to expand capacity building and technical assistance services with our requested allocation of tax credits. With new investments in our work, MACDC will:

- 1) Broaden and increase the number of Mel King Institute course offerings;
- 2) Increase the Director of the Mel King Institute to full time (from two-thirds, currently), so she can lead the expansion of its services and programs;
- 3) Hire one new, full-time, senior level professional staff person in order to strengthen our economic development programming and to free up time for our President to expand our cross-sector partnerships and our outreach to new donors.
- 4) Foster new relationships and partnerships with academic institutions;
- 5) Dedicate additional staff hours to CDC technical assistance services;
- 6) Diversify our technical assistance services to include increased support for economic development programs;
- 7) Expand our research efforts and build our internal capacity to track our activities and document our outcomes;
- 8) Expand our communications programs and services for our members and the community development field overall;
- 9) Foster new and expand existing relationships in the healthcare sector to further lead the bridging of community economic development and the health and wellbeing of individuals and families living in the communities in which our member's work.

To track our performance and success supporting CDCs participating in the CITC program through the services highlighted in this proposal, MACDC has set the following goals for 2014.

<b>MACDC CSO 2014 Work plan Goals*:</b>		
<b>Program Milestones</b>	<b>Timing</b>	<b>Output</b>
T.A. to CDCs denied CITC funding	Ongoing, as needed, until CIPs are submitted.	10 new CDCs receive Community Investment Tax Credits in Round 2, likely issued in Q4 of 2014.
T.A. Provided	Ongoing, as needed.	At least 40 CDCs receive T.A.
Innovation Forums Hosted	3 Forums held each	3 public events annually,

	year.	plus 1 or 2 working groups
Mel King Institute Courses Offered	Year round.	30 courses offered with 300+ attendees
Peer Groups Hosted	Monthly or bimonthly, as scheduled or as needed.	30 peer group meetings hosted with 150 participants
Prospective Donors Engaged	Year round.	60+, annually; 95% of 2014 CITC are utilized by 12/31/14; 33% from “new” donors
Reports Released	GOALS: May of each year; Other Reports: TBD	2+ reports released annually, one of which is our annual GOALS report

\* - 2014 goals are also baseline projections for 2015 and 2016

### **Effectiveness of Proposed Activities**

MACDC collects and uses data extensively to measure the effectiveness of our activities. To best capture the results of CDCs and consequently our work, we implemented a web-based reporting tool in 2002 to objectively measure the field’s overall success. The MACDC GOALS Initiative –measures our field’s annual progress in six areas of community development, as highlighted previously. Starting with our 2014 report, MACDC plans to add an additional section to the GOALS report that will focus on outcomes each CDC is achieving through the CITC program. We propose to work with DHCD, the United Way and any other CSO selected by DHCD to develop the specific questions and data to be added. MACDC will publish our findings for public review online and in a print publication. At the end of the day, our effectiveness is measured by the results that our members are achieving. We are proud of those results, especially during the past few years following the Great Recession, and we are eager to see those results grow and deepen with the implementation of the CITC program.

While the GOALS report helps MACDC capture and evaluate the work of our members, we also conduct extensive reviews directly of our work. For example, in the fall of 2009 Mel King Institute’s Steering Committee established a robust evaluation system that provides it with feedback from participants and organizational leaders about the Institute’s impact. At the conclusion of each course, we ask each participant to complete a brief evaluation covering the overall efficacy of the programming, the instructor and the value and takeaways the participant has gained due to their participation. We combine the evaluation responses with additional information collected, such as where participants are travelling from, age, ethnic background, gender and position in their respective organization. MACDC and the Mel King Institute use this information to review our past performance and develop future programming that is increasingly valuable to both leaders and staff working in CDCs from across the Commonwealth. The Mel King Institute reports are also released on the Mel King Institute’s website for review by our members, supporters and the public.

As the CSO for the CITC Program in 2013, MACDC provided critical support to CDCs looking to participate in the program. MACDC’s President, Joe Kriesberg, and Director of

Communications, John Fitterer, provided technical assistance to over 30 CDCs seeking Community Investment Tax Credits. Three CITC program peer group meetings were held, along with a CITC Program presentation and working session with DHCD and United Way staff at our Annual Meeting and Conference (November 15, 2013). MACDC also presented the tax credit program to over 20 organizations that expressed interest in or represented parties interested in learning more about the program. Because of this work, 44 CDCs are now qualified to apply for tax credits and more and more donors are aware of the program. MACDC also supported our members as they made presentations to prospective donors by creating marketing materials for all CDCs looking to participate in the program. CDCs are now not only establishing strong fundraising strategies, but also acting on them.

In addition, MACDC conducts a formal organization-wide strategic planning process every 3-5 years to ensure that our services are effective and that our programs are tailored to meet the evolving needs of our members. We last did this in 2012 when we went through an extensive process of interviewing and surveying members and stakeholders to identify what we were doing well and where we needed to improve. We heard near unanimously positive feedback about our role as an advocate, trainer, program developer, convener, researcher and technical assistance provider. Members and stakeholders agreed that we needed to strengthen our technology, communications and fundraising capacity and we have responded to that feedback by hiring a Director of Communications.

Finally, we have a very simple, bottom-line way to measure whether we are providing helpful services to CDCs – membership. Membership in MACDC is voluntary and it is expensive, with individual CDC dues ranging up to \$5,000 annually – far more than most coalitions or membership organizations. CDCs would not retain their membership and pay the dues if they were not getting value and we are very proud that we have a 100% member retention rate for the past two years.

### **Feasibility of Proposed Activities**

The services MACDC is proposing to provide as a CITC program CSO are similar to the services we have provided for the past several years and we are confident that we can deliver the outcomes and results articulated in this proposal. Through our role as a Community Support Organization, MACDC is focusing on expanding and deepening the technical service and capacity building programming we currently provide. We have a proven track record and infrastructure to deliver these services and a highly qualified and experienced staff with over 85 years of relevant experience that is capable of managing multiple projects and initiatives concurrently. MACDC currently has seven full-time staff. We are planning to use CITC resources and other projected revenues to grow the staff to eight full time people so that we have the capacity needed to achieve our annual goals and benchmarks.

MACDC is also a very well managed organization drawing upon financial best practices and the experience of well tenured executive and accounting team members. The cost for our proposed work as a CITC program CSO our reasonable, as we maintain low overhead and maintain our salaries within industry norms (*Please refer to MACDC's 2014 budget for additional information*). Our annual audit concluded with no findings or concerns. We maintain over three months cash in reserve at all times to cover all operational expenses. MACDC's board is engaged in the financial health of the organization and receives quarterly budget-to-actuals to ensure the organization's operations are in line with projected costs. Finally, MACDC

maintains a diversified funding base with no single source providing more than 8% of our annual operating budget. The vast majority of our supporters have provided funding to our organization for years as they recognize our work as vital to the continued success of CDCs in Massachusetts.

### **Availability of staff and/or expertise to accomplish the work plan**

Providing technical assistance and capacity building services to our members is entirely achievable with our current staff capacity as these are existing core responsibilities for our team. If in the event there are needs MACDC's staff cannot provide, we can draw upon an extensive network of consultants and advisors to ensure necessary services are provided to CITC program participants with little delay. MACDC's greatest strength, however, is its staff, which has over 85 years of cumulative relevant experience.

MACDC's work on the Community Investment Tax Credit is led by our President, Joseph Kriesberg, and our Director of Communications, John Fitterer. Mr. Kriesberg has worked for MACDC for twenty years, eleven as Executive Director. He oversees the agency's advocacy work with public and private sector entities, its capacity building work with member organizations, and its collaborations and partnerships. John Fitterer started in January 2013 as MACDC's Director of Communications and worked for six years at Nuestra CDC in Roxbury as their Director of Resource Development. Mr. Fitterer's role supporting the CITC rollout is multifaceted; he is providing communications, marketing and fundraising support to CDCs through group and one-on-one technical assistance sessions, and building bridges and creating access to new prospective CITC donors.

The other senior staff people who will help implement this work plan include: Shirronda Almeida, Director of Membership Initiatives, helped found and runs the Mel King Institute; she has over 11 years of experience at MACDC and is a highly respected leader in our field focusing on improving the capacity and operation of CDCs in Massachusetts. Pamela Bender, Senior Organizer, leads our community organizing and leadership development capacity building work; she has over 20 years of experience in the nonprofit sector. Don Bianchi, Senior Policy Advocate, focuses on CDC affordable housing and real estate development programs and issues; he has over 25 years of experience in affordable housing development, lending and policy. *(Please refer to the attached Staff Bios document for more information)*

### **Conclusion**

The CITC program provides the support needed for CDCs in Massachusetts to build upon a legacy of success and to help lead new innovative strategies in community development in each neighborhood in which they work. In order to ensure the CITC program is successful, MACDC is well prepared to help CDCs draw upon this new opportunity for community and institutional growth. As the only member association in Massachusetts for CDCs, and with a 31 year history of providing exceptional capacity building services to these organizations, MACDC is ideally suited to continue supporting the implementation of the CITC program as a Community Support Organization.