

CEDAC | Community Economic Development Assistance Corporation

Winter 2015/2016 Newsletter



CEDAC Supports Chapter 40T Preservation Project in Worcester

In January, CEDAC approved a \$9 million acquisition loan commitment to The Community Builders, Inc. (TCB) to help the non-profit developer preserve the Fruit Sever Apartments in Worcester as affordable housing. Fruit Sever Apartments is being preserved through the Chapter 40T purchase process, which marks only the second time that an affordable housing development in Worcester will be retained through this process.

Fruit Sever Apartments is a 132-unit apartment complex located in downtown Worcester, ½ mile west of City Hall. Built in 1972, the property consists of five buildings on two parcels. Several months ago, the current owner proposed to sell the property without maintaining affordability. This triggered the Chapter 40T purchase process, during which the Massachusetts Department of Housing and Community Development (DHCD) designated TCB to act as its designee under the Chapter 40T Right of Offer and Right of First Refusal. The \$9 million loan commitment from CEDAC will allow TCB to purchase the property quickly, as required by 40T.

TCB is the largest non-profit developer of mixed-income housing in the United States, with a mission to build and sustain strong communities where people of all incomes can achieve their full potential. Headquartered and founded in Boston more than 50 years ago, TCB has completed projects in 14 states. The organization has developed and now manages over 10,000 units of housing across the income spectrum for families, individuals, seniors and persons with special needs.

In 2009, the Massachusetts Legislature enacted Chapter 40T in response to a crisis that evolved out of the way that many large-scale affordable housing developments were financed in the late 1960s and 1970s. Tens of thousands of apartments were built by private owners utilizing state and federally-funded mortgage programs that connected access to below market rate 40-year mortgages to affordable housing use restrictions. Many of those mortgages will reach maturity in the next several years. CEDAC data show that almost 18,000 housing units are at risk for loss of affordability by the end of the decade, with maturing mortgage properties representing the largest single concern. With average rents in Greater Boston over \$2,000 per month, residents could see rents in their buildings double if affordability restrictions are ended.



Fruit Sever Apartments in Worcester will be preserved through the Chapter 40T purchase process, marking only the second time the process will be used outside Greater Boston.

Chapter 40T gave the state new tools to monitor and manage the existing affordable housing portfolio in the Commonwealth. These tools include expanded public notice requirements, a "right of offer" and "right of first refusal" granted to DHCD if an affordable housing development is put on the market for sale, and new tenant protections when an owner terminates affordability. Chapter 40T joined other financing programs the state is using to maintain affordable units. The Commonwealth also established the \$150 million Massachusetts Preservation Loan Fund, managed by CEDAC and the Massachusetts Housing Investment Corporation, for predevelopment and acquisition financing for preservation projects.

The Chapter 40T law has been directly or indirectly responsible for preserving more than 11,000 units of affordable housing in Massachusetts. Among the developments that have utilized Chapter 40T, CEDAC has provided acquisition financing to both Putnam Square Apartments and Chapman Arms in Cambridge and St. Botolph Terrace in Boston. Fruit Sever Apartments marks just the second time the Chapter 40T purchase process will be used in Worcester.

From the Desk of The Executive Director

Dear Friends,

The Commonwealth of Massachusetts has made great strides over the past few years in developing quality supportive housing options, especially for homeless families and individuals. The Baker Polito administration and the Massachusetts Legislature authorized funding in the state's FY2016 budget for the Housing Preservation and Stabilization Trust Fund (HPSTF), and for the third year, CEDAC serves as the trustee of this Trust Fund. DHCD and CEDAC administer HPSTF in a coordinated process that expedites the development of supportive housing by awarding three necessary types of funding – capital, operating, and service funds – in order to provide housing and services to our most vulnerable residents. This innovative program has achieved tremendous success in building important supportive housing projects across the Commonwealth.

In December, the Massachusetts Department of Housing and Community Development (DHCD) made \$11.5 million available in a competition to help worthwhile supportive housing projects get off the ground. DHCD will soon announce the recipients of that funding round. We are looking forward to working with those recipients and with other organizations across Massachusetts who are working hard to provide quality supportive housing units to families that need them.

I'd also like to take this opportunity to welcome a new member to CEDAC's Board of Directors, and



The Fund Offers 8th Building Stronger Centers Training Institute

Since demand for capital funding for renovations and improvements to child care space is high, it is important that providers be ready when opportunities for capital become available. For years, Children's Investment Fund (the Fund) has provided technical assistance to help child care programs successfully complete facility projects. In 2002, the Fund established the Building Stronger Centers (BSC) Training Institute to do just that. Over 100 provider agencies have gone through the training institute. Upon completion, they are armed with the skills and resources they need to take on major facilities projects. This year, the Fund celebrates its 8th Building Stronger Centers Training Institute, which will be held from May 23rd to May 26th in Beverly, MA.

BSC is a comprehensive program designed to help prepare providers for success in planning and completing large scale facilities improvement projects. The training is offered to non-profit providers in Massachusetts that operate licensed, center-based early childhood education (ECE) and out-of-school time (OST) programs. To be eligible to participate, programs must serve 25% or more of families receiving subsidies from the Department of Early Education and Care (EEC) or Head Start.

"All sessions were very valuable – very diverse and impactful," one participant from BSC 2014 said. "I can't say enough about how much the BSC Institute will make a difference in the planning process." In addition to presentations from BSC alumni, the training includes sessions on the development process, capital budgeting, capital campaigns, high quality design, and building a strong team, among others. Trainers, including Fund staff, leadership development experts, architects, development consultants, construction managers, and successful providers offer their expert opinion to the participants.

Typically, key management staff and board members attend the four-day conference in teams of twos, where they hear from expert trainers and have the opportunity to share their project vision. "I really appreciated the practical steps that can be taken home. The training had very full days with very important information and I was amazed with the amount of knowledge and useful information I gained!" said another 2014 participant.

With the Commonwealth's Early Education and Out of School Time (EEOST) Capital Fund, administered by the Department of Early Education and Care (EEC) in conjunction with CEDAC and the Fund, offering loans and grants to child care agencies interested in upgrading their facilities, it is more important than ever for providers seeking capital funding to have strong project plans when funding becomes available. The BSC Training Institute has become an important training site for providers applying for EEOST grants. In 2015, ten non-profit child care centers across the Commonwealth received grants ranging from \$400,000 to \$1,000,000 to substantially renovate or build new center facilities. The Fund is currently reviewing applications for 2016. Award announcements are anticipated in May.

For more information on BSC, please contact Program Manager, Theresa Jordan at 617-727-5944 or email tjordan@childrensinvestmentfundma.org or visit childrensinvestmentfundma.org.



Participants in small group discussions at the 2014 Building Stronger Centers Training Institute.



Architect and participant discuss facility project at Design Charrette session.



Participants work together during team building exercise.

five new members to Children's Investment Fund's board. Last month, Governor Baker appointed Beth Rubenstein, Deputy Commissioner for Real Estate for the Commonwealth's Division of Capital Asset Management and Maintenance (DCAMM), to fill a vacancy on our board. Beth has over 30 years of experience in public sector planning, real estate, affordable housing, and capital project development, and we are looking forward to working with her.

Additionally, five new members joined Children's Investment Fund's board – they are Karley Ausiello, Senior Vice President of Community Impact at the United Way; Leslie Bos, Director of Real Estate Development at Jamaica Plain Neighborhood Development Corporation (JPND); Rene Boynton-Jarrett, a pediatrician at Boston Medical Center; Russet Morrow, Director of Public Policy at the United Way; and Amy O'Leary, Director of Early Education for All. We are pleased to be working with individuals who have such tremendous experience in a variety of fields.

As always, I look forward to hearing your feedback. If you have any questions about CEDAC's work, please feel free to call me at rherzog@cedac.org or at (617) 727-5944.

Sincerely,

Executive Director
Community Economic
Development Assistance
Corporation (CEDAC)

Dr. Mark Melnik to Keynote CWC Annual Conference



Mark Melnik, Ph.D, the Director of the Economic and Public Policy Research (EPPR) group at the University of Massachusetts Donahue Institute (UMDI), will keynote the Commonwealth Workforce Coalition's 13th annual *Sharing Skills ~ Building Connections* conference at the Sturbridge Host Hotel and Conference Center on May 17th. Dr. Melnik is also the Managing Editor of MassBenchmarks, which publishes on a quarterly basis economic data for the Commonwealth.

The *Sharing Skills ~ Building Connections* conference is organized by the Commonwealth Workforce Coalition (CWC), which is dedicated to improving the community-based education, training and employment system across Massachusetts. For over a decade, the annual CWC conference has served as an opportunity for workforce development professionals to learn about tools and resources to improve skills training, education and job placement services to the Massachusetts' workforce. CWC is a community development program managed by the Community Economic Development Assistance Corporation (CEDAC).

Over the past several years, the conference annually has brought together more than 300 participants, exhibitors and presenters from across the Commonwealth to network and enhance the tools that front line staff use to help job-seeking men and women. Among workforce professionals in Massachusetts, the *Sharing Skills ~ Building Connections* conference is renowned for providing a wide array of workshops on current topics relevant to the field.



Dr. Mark Melnik will keynote the 13th Annual Sharing Skills~Building Connections Conference.

This year, among the 30 workshops are:

- **Job Readiness Training for Homeless Families** - This workshop will use lessons learned from the Secure Jobs Initiative for Homeless Families to offer tools for providing job readiness training specifically to homeless parents.
- **Building a College and Community Based Organization (CBO) Collaboration** - Representatives from Springfield Technical Community College (STCC) and the Gandara Center, a community-based organization, will highlight the strengths and challenges each brought to the table, and will demonstrate how a cohesively developed plan achieves positive results.
- **Return on Investment: An Impact Study of Job Training Programs** - Representatives from the Job Training Alliance will report on a return on investment study that examines the effectiveness of pre-employment job training programs. The report highlights the success rate achieved through job training and placement services, which lead to improved employment for participants and cost savings to taxpayers.

"I am looking forward to keynoting the annual *Sharing Skills ~ Building Connections* conference," said Dr. Melnik. "The event helps workforce development professionals sharpen their skills and share information, which is so beneficial to the job seekers and others who rely on community-based programs and career centers to help them gain employment."

At UMass Donahue Institute, Dr. Melnik leads a team of 14 research professionals working on a variety of economic, demographic, and public policy related research projects for stakeholders in government, private industry, and the non-profit sector. His team is currently working on a report for the Boston Private Industry Council on youth labor market trends and policy implications in Massachusetts and an analysis of economic trends and the workforce training system as part of the Citywide Master Plan for the City of Cambridge. In addition, the EPPR team at UMDI produces MassBenchmarks, an economic journal that presents timely information concerning the performance of and prospects for the Massachusetts economy, including labor market and labor force issues.

For more information and to register - or to become a sponsor or exhibitor - please visit cwc.cedac.org/2016conference.html.

