

CEDAC Newsletter



Winter 2014-2015

CEDAC Logo



**From the Desk of
The Executive Director**

Dear Friends,

With a new administration coming into the governor's office, we at CEDAC knew that 2015 was going to be a time of transition. So we were pleased when Governor Charlie Baker named Jay Ash as Secretary of Housing and Economic Development and Chrystal Kornegay as the Undersecretary of Housing and Community Development. Both Secretary Ash and Undersecretary Kornegay have extensive experience as community development practitioners in their previous roles as Chelsea City Manager and President and CEO of Urban Edge, Inc., respectively.

In particular, we are happy to welcome Chrystal Kornegay into her new role as the chair of board of directors for CEDAC. Having led an organization that has developed more than 1,200 units of affordable housing across the City of Boston, Chrystal is very well aware that the production and preservation of quality affordable housing is critical to strengthening neighborhoods. As importantly, we know that her experience leading a community development corporation will inform her understanding of the complex needs of communities across Massachusetts. We are looking forward to working

Chapman Arms: Affordable Housing Successfully Preserved in Massachusetts



Photograph of Chapman Arms, taken by Joel Howe

In November 2014, CEDAC joined state and city officials to celebrate the renovation of the Chapman Arms development, a 50 unit building located in Harvard Square in Cambridge, in which half of the units are affordable. Chapman Arms is an important project because it was the first affordable housing development to be preserved through the Commonwealth's innovative Chapter 40T law, which allows the Department of Housing and Community Development (DHCD) the "right of first refusal" for large-scale affordable housing developments that are at-risk of losing their affordability.

In 2011, DHCD designated Homeowner's Rehab, Inc. (HRI) of Cambridge to act on its behalf to purchase the property to preserve its affordability for the long term. HRI worked with Harvard University, the City of Cambridge and the existing residents to acquire the building in December 2011. DHCD supported the project with over \$2.2 million in DHCD housing subsidies and federal Low Income Housing Tax Credits to preserve 25 units of affordable family housing for low-income households. CEDAC provided acquisition financing to allow HRI to take title to the property under the tight 40T timeframe. After repaying its loan to CEDAC in 2013, HRI completed a significant rehabilitation of the property, which we celebrated in November.

Massachusetts continues to face an expiring use challenge when it comes to affordable housing in the Commonwealth. Over the next several years, we will see more and more large-scale affordable housing developments built in the 1960s and 1970s reach mortgage maturity. In 2009, Chapter 40T was signed into law, and gave DHCD and CEDAC tools to monitor and address the expiring use challenge. Beyond the right of first refusal, the legislation also established notification provisions for tenants and public officials and modest tenant protections for projects with affordability restrictions that terminate. A well-capitalized Massachusetts Preservation Loan Fund,

administered by CEDAC, has been established independently for predevelopment and acquisition financing for preservation projects.

Because of Chapter 40T, since 2009, no project has lost affordability as a result of sale. During these five years, there have been approximately 125 sales, which certainly demonstrates the effectiveness of this innovative state policy. At the November event, state officials were also able to celebrate the fact that with the use of state resources, DHCD has helped to preserve more than 14,000 affordable units that were close to losing that status. DHCD has also processed 40T notices for 240 affordable housing projects with over 25,000 units of housing. Overall, more than 130 affordable housing projects with 18,000 housing units have been preserved with state resources since 2007. An additional 12,000 housing units have been preserved through long-term Section 8 contract renewals through the U.S. Department of Housing and Urban Development (HUD) without state resources since 2007.



Early Education and Out of School Time Capital Fund Grants Announced

On January 5th, the Department of Early Education and Care (EEC) announced the first grant awards for the Early Education and Out of School Time (EOST) Capital Fund. Of the 20 non-profit child care providers that applied for the

grants, ten centers in Massachusetts received awards and will share \$7.45 million in capital grants to renovate or construct new program facilities.

The 2013 Housing and Community Development Bond Bill authorized the creation of the EEOST Capital Fund to upgrade child care centers serving low income working families. This important legislation acknowledged the role that education plays in transforming families' lives and the role that quality physical environments play in creating high quality early learning and after school programs. The legislation creating the EEOST Capital Fund allocated \$45 million over a five year period. The \$7.45 million allocated for the EEOST grants will leverage an additional \$10.3 million in philanthropic and bank financing to construct space that improves program quality and enhances children's learning and healthy development.

Over the last few months, the Children's Investment Fund (the Fund) has worked closely with EEC during the application and recommendation process and will continue to work with Governor Baker and the new Administration to determine the timing of the next EEOST grant round. The Fund will provide technical assistance to the EEOST Grantees to finalize plans, assemble all financing, and move projects into construction.

The following non-profit organizations received awards:

Beverly Children's Learning Center in Beverly provides child care services for 135 children, infants through school age. BCLC has outgrown its current location and needs to move. BCLC purchased a former medical building on Cabot Street and will renovate it to create a better learning environment, and to expand to serve an additional 24 children.
Grant: \$1,000,000

Catholic Charitable Bureau of Boston in Lynn: The Lynn center is one of seven child care facilities operated by the Catholic Charitable Bureau across the state. The grant will pay to replace the building's roof, update mechanical systems, replace ceilings and flooring, and meet accessibility requirements. The Lynn center serves 117 children.
Grant: \$750,000

Community Teamwork in Lowell serves low-income households in northeastern Massachusetts, providing early learning and educational programs, housing, energy assistance and financial education. The James Houlares Early Learning Center in Lowell serves 366 children, infants to Kindergarten age. The grant will help pay to replace the worn out mechanical system with a more efficient, cost-effective and comfortable heating and cooling system for the building.
Grant: \$500,000

Ellis Memorial and Eldredge House in the South End of Boston has provided early childhood education in Boston's South End for over 100 years. The grant will help fund needed renovations to a historic building it has owned for 90 years, expand capacity in early childhood education, and enhance after school program space. The completion of the project will increase Ellis' capacity by 32 children.
Grant: \$800,000

For Kids Only Afterschool in Revere provides out-of-school time care to 1,500 children in seven communities north of Boston. The grant will help develop space for a new Youth in Motion program, a health and wellness-focused program that serves low-income children from Revere and neighboring communities. The new space will serve 120 children.
Grant: \$400,000

Markman Children's Programs, Incorporated in Attleboro: The grant will help finance a 9,355 square foot addition to Markman's main program site. The expansion will add five new classrooms, bathrooms, a kitchen, and will develop 4,000 square feet of outdoor play space. The expanded center will serve 264 preschool and school-age children.
Grant: \$1,000,000

Merrimack Valley YMCA in Lawrence, one of the oldest YMCAs in the country, currently serves 200 children in its preschool and out-of-school time programs. The YMCA will renovate and expand its building to enhance the program space, improve security and serve an additional 40 children.
Grant: \$800,000

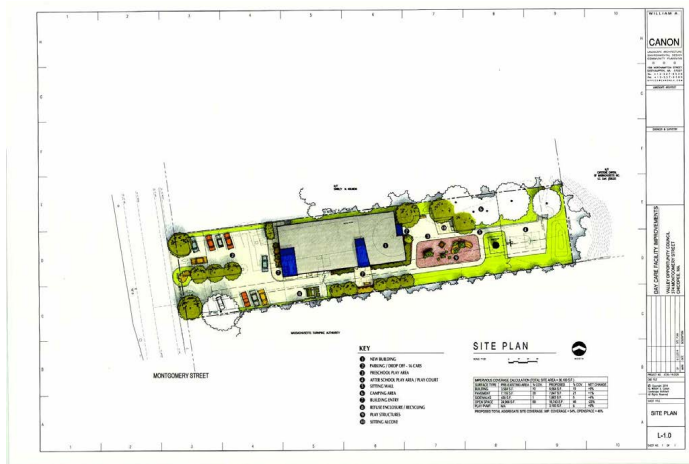
Tri-Community YMCA in Southbridge provides early care and education and out-of-school time programming, health and recreational activities, for residents of Southbridge, Sturbridge, and Charlton.

The YMCA purchased the building it had leased for 15 years, and will renovate the space. When completed, the center will serve an additional 19 preschool-age children.
Grant: \$800,000

United Teen Equality Center (UTEC) in Lowell serves low income and at-risk young adults, ages 16 to 24 with educational programs and workforce training. About half the program participants are young parents, and lack of child care is a key obstacle to their participation in UTEC programs. The grant to UTEC will help fund the space for a new child care center to serve 36 children.
Grant: \$400,000

Valley Opportunity Council (VOC) in Chicopee is a Community Action Agency that serves Hampden County with a special focus on Holyoke and Chicopee. VOC operates six centers that serve children from toddlers to school age. VOC will demolish a small, cramped and dilapidated building and replace it with a new center designed to support high quality educational services for young children. The new center will allow VOC to increase enrollment by 35 children, resulting in a center that serves 82 children.
Grant: \$1,000,000

Media coverage of the grant announcements included articles in the [Attleboro Sun Chronicle](#), the [Eagle Tribune](#), the [Lowell Sun](#), the [Revere Journal](#), the [Springfield Republican](#), and the [Worcester Telegram & Gazette](#).



Site plan rendering of Valley Opportunity Council's new center, courtesy of Architecture Environmental Life, Inc. and VOC.

with her in her new role as Undersecretary and as CEDAC's board chair.

As an organization, we are also facing a time of transition. After 21 years with CEDAC, we are saying goodbye to our Deputy Director and Chief Financial Officer (CFO), Karen Kelley Gill, who has accepted a position with the Klarman Family Foundation. You can read more about Karen's accomplishment in this newsletter, but I would like to take this opportunity to extend my personal thanks to Karen for her years of service to our mission. Karen has been a trusted advisor and a steady presence during difficult times, all while helping to grow CEDAC's mission and administrative infrastructure. She will be missed greatly.

Even with all of this transition, we know that 2015 will be a productive year in developing and strengthening communities across the Commonwealth. If you have any questions on CEDAC's work, please feel free to contact me at (617) 727-5944 and thank you for your support.

Sincerely,

Roger Heza

Executive Director
Community Economic
Development Assistance
Corporation (CEDAC)

Interagency Efforts Lead to Increased Supportive Housing Production

In December, the Commonwealth's Interagency Supportive Housing Steering Committee and Working Group issued its Year 2 [report](#) on the creation of supportive housing units in Massachusetts. In 2012, a goal was set to create 1,000 new units of supportive housing across the Commonwealth by December 2015, and while that goal was reached more than a year ahead of schedule, the 18 state agencies and organizations involved in the effort continued to work together to produce critical new units of supportive housing.

The new units are helping elders, veterans, homeless individuals and families, and person with disabilities, to live independently in their communities by not only providing them with much-needed quality housing but also with the kinds of services that stabilizes their lives. The report outlines some of the organizations around the Commonwealth who have worked with CEDAC, DHCD, and other agencies to develop these units and highlights clients whose lives have significantly benefited once they moved into supportive housing.

At the same time that the Commonwealth issued the report, DHCD also announced that more than \$15 million in funding was made available to create over 235 new units of supportive housing for veterans, homeless and very low income households across the Commonwealth through the innovative Housing Preservation and Stabilization Trust Fund (HPSTF) program. With these new units, a total of 3,065 supportive housing units has been funded through the initiative created by the Act Relative to Community Housing and Services passed in 2012.

Roger Herzog, CEDAC's Executive Director, chairs the Working Group. "The Working Group has provided an avenue for communication among a wide range of state agencies concerned with developing supportive housing for homeless and other vulnerable populations. It is encouraging to see so many organizations across the Commonwealth of Massachusetts creating this critical kind of affordable housing. We are looking forward to continuing this collaborative process in the coming year," said Herzog.



Commonwealth Workforce Coalition Organizes Seminar for Ex-Offender Career Placement

Workforce specialists who face the challenging task of helping those with criminal records obtain career opportunities flocked to Springfield late last year for a three-day workshop organized by the CWC and the Hampden County Sheriff's Department for an Offender Employment Specialist Training. The workshop, which was held on three consecutive Fridays in November and December, was aimed at providing workforce development staff and career counselors with the tools they need to help ex-offenders re-integrate back into the job market. Attendees heard from employers, law-enforcement officials, and career placement specialists, all of whom contributed toward the program's training and certification process.

"This year's program was even more successful than last year's," said CWC workforce consultant Alysia Ordway. "The folks we trained are now better prepared than ever to go back to their communities and help ex-offenders get their lives back on track." Ordway noted that the workshop curriculum is based on a model developed by the US Department of



Participants pose for group picture upon completion of Offender Employment Specialist Training (OEST) in December 2014.

Justice and attendees of the program receive a Certificate of Completion from the National Institute of Corrections.

Ex-offender re-integration into the job market is seen as an important goal by community leaders and law enforcement officials, who cite statistics that show that individuals newly released from prison are likely to reoffend if they cannot find stable employment. By contrast, when ex-offenders feel that they have a variety of legitimate opportunities to make a living, recidivism drops significantly.

You can read more about the workshop in the [Springfield Republican](#), which featured the seminars in an article in December. CEDAC, through its CWC program, is committed to providing Massachusetts with strong, stable communities, and a workforce development system that can meet the needs of individuals with low skills and limited opportunity is one of the most effective ways to accomplish that goal.

Staff News: Farewell to our colleague Karen Kelley Gill

CEDAC's long-time Deputy Director and CFO, Karen Kelley Gill, is leaving CEDAC to take on a position as Director of Operations and Administration at The Klarman Family Foundation.

For more than 20 years, Karen has been a vital part of the CEDAC team and a respected, valued point of contact for many of you. At CEDAC, Karen managed finance and operations, provided executive leadership for the Children's Investment Fund, and helped ensure that longer-range planning for CEDAC was strong. Through her capable stewardship, managerial skill, and expertise, CEDAC has had tremendous success in growing our pool of predevelopment capital and in managing supportive housing capital funding programs. These were key reasons why Banker and Tradesman recognized Karen as a Woman of FIRE (Finance, Insurance,



and Real Estate) in 2014.

Karen Kelley Gill (center), with CEDAC board members (left to right) Richard C. Muraida, Peter F. Daly, Susan Schlesinger, Beth Ann Strollo, and CEDAC's Executive Director, Roger Herzog.

Karen has been a trusted advisor to CEDAC's executive director and to both boards of directors for CEDAC and the Children's Investment Fund. Equally important, she was a mentor and friend to all of her coworkers. Some of Karen's greatest contributions to the community development sector became evident during the Great Recession, when the importance of CEDAC's mission was so clear. It was a difficult time for so many non-profit affordable housing developers, and for the people they help. Karen's financial aptitude, can-do spirit, and sensible approach to the fiscal challenges at hand helped CEDAC weather that economic storm and emerge even stronger than before.

CEDAC will be initiating a hiring process for a new person to oversee CEDAC's finance and operations ([view job announcement here](#)). CEDAC has hired an interim Director of Operations, Jim Kaddaras, who will serve as a point of contact (jkaddaras@cedac.org). Please join us in wishing Karen well in her new endeavor.

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