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Joining Forces in Boston

Community Development Corporations

Carl Nagy-Koechlin

In 2005, the Jewish Community Relations Council organized a Learning Exchange in which a group of Boston antipoverty leaders traveled to Israel with the goal of fostering cross-fertilization between the Boston delegation and their counterparts in Haifa. The Exchange achieved that goal remarkably. At the time, I was the director of a Boston-based community development corporation (CDC) that faced challenges related to rapid neighborhood change, and my experience spurred me to seek out opportunities for cross-fertilization and collaboration within greater Boston of the type we experienced in Haifa. Specifically, I brought colleagues together to share our experiences leading CDCs in a changing environment. Those conversations grew into the Community Development Innovation Forum, which engaged about eighty community development practitioners and allies in a process of rethinking our strategies and our field. As part of that process, and motivated by the Boston–Haifa experience, I devoted myself to exploring how collaborations can help CDCs be more effective and resilient. This article summarizes the observations and analysis that resulted from that exploration, which I believe are applicable to nonprofit and social-change organizations more generally, particularly those that are place based.

Collaboration Continuum

Collaborations are complex undertakings, bringing together the goals, cultures, and peculiarities of two or more organizations. This complexity, however, has not prevented a proliferation of such collaborations throughout the community-development field and among nonprofits in general. These collaborations appear to be growing in number and complexity.

The call from public and private funders for consolidation among nonprofits

Carl Nagy-Koechlin recently became the executive director of South Shore Housing, a nonprofit affordable housing organization serving Bristol and Plymouth counties south of Boston. Previously, Carl was the executive director of Fenway Community Development Corporation. Carl has twenty-five years of experience in the community development field. He received a Masters of City Planning from MIT in 1989 and a B.A. in economics from the University of Massachusetts Amherst in 1982. He lives in Dorchester, Massachusetts, with his wife and two sons.

— CDCs in particular — has grown more persistent during this difficult economic period, and understandably so. The Boston Foundation, a leading funder and policy advocate in greater Boston, published a report entitled *Passion & Purpose: Raising the Fiscal Fitness for Massachusetts Nonprofits*, in which the foundation asserts that the “Massachusetts Nonprofit Sector needs to seriously consider mergers, strategic alliances, and collaborations.”

Mergers among community development organizations so far have been rare. On the other hand, collaborations short of mergers are common. David LaPiana (lapiana.org), an organizational consultant specializing in strategic restructuring, depicts a continuum of organizational affiliation with three distinct degrees:

- Collaboration: No permanent commitment and decision making remains within each organization.
- Alliance: Commitment for foreseeable future; decision making is shared; structured by explicit agreement.
- Integration: Changes to corporate control and/or structure, including creation and or dissolution of one or more organizations.

Organizations considering collaboration should move deliberately and strategically in choosing the right partner and structuring the partnership effectively. Less structured and “reversible” collaborations may allow groups to test the waters before entering into more formal partnerships or mergers.

Form Follows Function: Goals and Forces Driving Collaboration

When it comes to the nature of organizational collaboration, Frank Lloyd Wright’s principle that “form follows function” is apt. Collaborations should be structured appropriate to the objectives of the participating organizations. These objectives might include pursuit of scarce resources, operational efficiencies, shared capacity, and enhanced power through coalitions. Most collaborations are driven by a combination of these factors and are not easily categorized. But there are certain patterns and traits among the community development collaborations that form the basis for the following collaboration typology.

Collaborations for Comprehensive Community Impact. CDCs typically view their neighborhoods comprehensively. Their visions usually extend beyond the bricks and mortar of their affordable housing projects and the range of their various community programs. Driven by their expansive visions, some CDCs have over-extended themselves, trying to address issues that they are not suited to address. Most CDCs have concluded that achieving all aspects of their vision for stable, diverse, and vibrant neighborhoods is beyond their scope and capacity. Some have turned to collaborations with other groups in their communities to achieve the kind of

comprehensive impact they seek.

The most promising current model for this approach is the Chicago New Communities Program (www.newcommunities.org). The program, which was initiated by the Local Initiative Support Corporation, with extensive funding from the John D. and Catherine T. MacArthur Foundation, supports broad community partnerships in sixteen Chicago neighborhoods aimed at comprehensively addressing those communities' needs. In most but not all cases CDCs play the convening role in these partnerships. The priorities in each community were set through extensive and inclusive community organizing and planning processes.

Regional Collaboration. While CDCs' neighborhood base is ideal for achieving community participation and organizational accountability, it is limiting in that the solutions to the challenges communities face — like jobs, transportation, and the environment — are increasingly regional national, or even global in nature. CDCs that aim to address these issues often come together to cover a broader geography that corresponds better to the issue they strive to address.

In their efforts to bring living-wage job opportunities to their neighborhood residents, Jamaica Plain NDC and Fenway CDC jointly initiated the Health Care Research and Training Institute. The Institute consisted of an elaborate incumbent worker-training program that over five years trained and coached over 1,000 entry-level workers at about ten Longwood Medical Area (LMA) institutions, and trained and placed over 100 jobseekers from various Boston neighborhoods for entry-level jobs in the LMA. Despite its important impact, this sectoral workforce strategy coexisted uneasily with the two CDCs' neighborhood focus.

Shared Capacity Collaboration. The rationale and viability of having “soup-to-nuts” community development organizations in some seventy-five communities across the state has been legitimately questioned. Increasingly practitioners and funders alike have favored the evolution toward a more diverse community development field that includes a greater variety of community development organizations that network at the local, regional, and statewide level. Under this scenario, some organizations would specialize in particular activities or serve particular populations, while others would retain a largely place-based character, with a number of permutations in between. Some organizations would be largely volunteer-run, perhaps with small staffs, while others would have substantial real estate assets and a relatively large staff. The result could be a field that is more efficient and able to serve more communities and people than it does now, while at the same time remaining accountable and accessible to the communities it serves.

There have been many effective and instructive examples of collaborations built on this principle. CDCs recognize that the residents or businesses in their communities may benefit from certain programs or expertise that the CDC cannot itself provide

or sustain. In these cases collaborations may offer the economies of scale to support shared programmatic or technical capacity that can serve several communities. The Community Business Network is an example of this approach. It was forged by Boston-based CDCs in 1997 to offer small business technical assistance and training through a shared capacity network where a few CDCs with technical capacity served businesses referred by “feeder” CDC partners who lacked that same capacity. Among the network’s impressive results and success stories were the nearly \$12 million in loans it made or arranged to small and microbusinesses and the 992 jobs created as a result.

Transactional Partnerships. While the work of CDCs is grounded in their social justice missions, their impact is usually driven by specific opportunities. Some of these opportunities — including complex and risky real estate development opportunities — are too big for CDCs to pursue on their own and therefore require partnerships or joint ventures.

Even as CDCs have built extensive development track records, they may still lack the internal staff and financial capacity to seize development opportunities in their neighborhoods or to manage these assets. This is particularly true for mixed-use and mixed-income projects, which may include components with which CDCs have little experience. In addition, in the current financing and investment crisis, CDCs frequently do not meet lender and investor financial requirements. For their part, CDCs bring various attributes as partners on complex real estate deals, including legitimacy within the community, housing development expertise, and access to flexible and below-market financing resources.

Some of the most productive CDCs in the region have turned frequently and fruitfully to real estate development partnerships. This suggests that transactional partnerships, or joint ventures, are becoming more common, even as — or perhaps because — CDCs are more experienced and sophisticated.

Power Collaborative. Individually, communities and CDCs may lack the power and leverage to achieve their visions. For this reason, the community development movement has relied on the same coalition strategies that many other social movements have successfully employed. Most CDCs have led or joined coalitions to stop urban renewal, highways, ballparks, crime, or lending practices from ravaging their neighborhoods. Coalitions have also given communities the power to affirmatively advance their vision through legislative efforts and grassroots campaigns.

The Fairmount Collaborative, a partnership of CDCs and other organizations located along a commuter rail line that runs through many of Boston’s low-income neighborhoods, is a powerful example of a coalition of CDCs that has been able to address a fundamental injustice — transit inequity — in a way that none of its coalition partners could have independently. The Collaborative has already won improved train service and additional stations along a commuter rail line that runs through

neighborhoods previously underserved by mass transit. It is now spearheading a smart growth development agenda to create vital “urban villages” with new affordable housing, economic development opportunities, open space, and needed services to benefit the low- and moderate-income residents living along the corridor.

Long-Term Partnerships. Successful partnerships often endure or else resurface around new opportunities. The partners in these long-term collaborations have overlapping goals that go beyond a specific opportunity and capitalize on complementary expertise. Trust and fluid working relationships are also key elements that motivate organizations to stick together or to regularly rekindle their collaboration when the circumstances call for it.

Jamaica Plain NDC’s long-term collaboration with City Life/Vida Urbana has been productive and enduring. City Life has played a sort of “tree-shaker” role — organizing tenants, pressing landlords, and engaging public officials in ways that have created housing development opportunities for JPND. For its part, JPND has played a complementary “jam-maker” role, picking up the opportunities shaken free by City Life’s agitation and turning them into projects that advance the organizations’ shared vision.

Funder-Initiated or Encouraged Collaborations. Most community development collaborations have been practitioner-driven. But private and public funders are increasingly encouraging collaboration, in some cases making it a prerequisite for funding. While some CDCs bristle at the imposition of funders’ priorities on the field, if community development is to become more collaborative and more rationally configured, funders need to help make that happen. Practitioner skepticism regarding funder-driven collaborations is not unfounded. Incentives or requirements to collaborate can lead to dysfunctional forced marriages that lack synergy and are unsustainable. More often, though, funders enable productive collaborations that might not have been forged without the availability of resources.

The Boston Foundation has not only encouraged or required collaborations among grantees, it has also organized various consortia of funders around a variety of philanthropic initiatives including workforce development, civic engagement, English as a second language, family homelessness, and housing foreclosure.

Conclusion

CDCs in Boston and elsewhere are collaborating extensively. These collaborations have been driven by the desire to have broader or deeper impact, achieve greater efficiencies, build power, and secure resources. In addition to the range of goals that motivate them, these collaborations fall along a continuum of intensity, formality, and permanence, with the great majority falling short of merger. Many of these appear driven by necessity. A tough economy and fewer viable real estate development opportunities, among other factors, have put financial stress on CDCs, forcing

downsizing. Financially vulnerable CDCs with more limited capacity are considering collaboration as a means to survive and maintain their impact.

Whatever form they take and despite their complexity, collaborations have proven to be an effective strategy for achieving community development goals and strengthening the participating organizations. Current economic and fiscal circumstances, as threatening as they are, will likely lead to more collaboration and may provide fertile ground for innovative restructuring of the community development field in general.

Practitioners or scholars with expertise outside of the community development field can better determine the applicability of the collaborative trends described in this article to their own field. But organizations that strive to bolster their capacity and impact while remaining rooted in and accountable to geographic communities will increasingly turn to collaboration to achieve the best of these two worlds.

