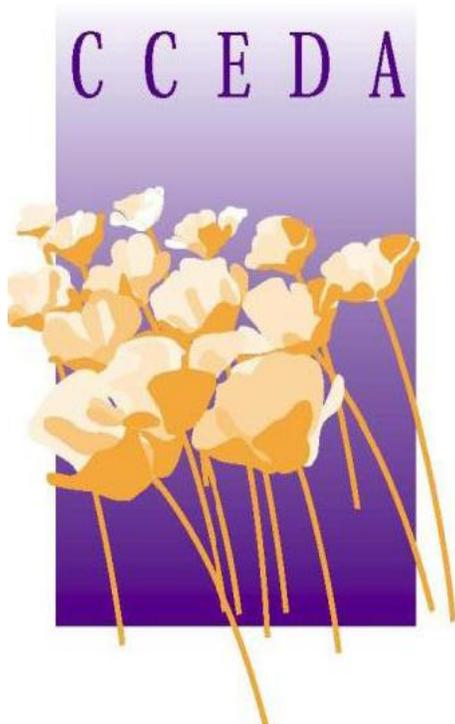


California Community Economic Development Association

2012 ANNUAL REPORT

& 2013 Proposed Activities



CALIFORNIA
COMMUNITY
ECONOMIC
DEVELOPMENT
ASSOCIATION

ANNUAL REPORT

I. OVERVIEW

Overall in the past 11 years since expanding its training and technical assistance programs, CCEDA has accomplished the following:

- CCEDA provided training to over 8,027 individuals in 326 training sessions. Sessions included affordable housing, commercial (office and retail), community facility and mixed use project development, social ventures and financing. Additionally, sessions focused on neighborhood revitalization strategies, strategic planning and organizational development.
- CCEDA provided direct technical assistance to 78 organizations and has/is assisting in the development of 122 of their projects. CCEDA aided in closing 15 projects with a total development cost of \$91.4 million dollars.

In 2012 alone, CCEDA accomplished the following:

- CCEDA provided technical assistance to 31 organizations on 47 projects while creating and updating 218 project financing proformas. CCEDA provided 331 cumulative days of direct assistance to clients.
- Thirteen new organizations were added as technical assistance clients. CCEDA began work on 22 new projects from both existing and new clients.
- CCEDA closed on 2 projects, which will provide 218 units of affordable housing in California. The total development cost of the 2 projects is approximately \$27 million.
- CCEDA conducted and participated in 24 training sessions for 1,102 individuals.

II. ORGANIZATIONAL BACKGROUND

History of CCEDA

In 1988, a group of 15 Executive Directors who operated high capacity pipeline nonprofit community economic development organizations throughout the State of California organized a support association focused on advancing the field of community economic development. CCEDA began supporting nonprofit, community-based, neighborhood-targeted development organizations that have programs, services and projects focused on improving the overall economic conditions in low and moderate income communities.

CCEDA's early programs consisted of its annual teaching and learning conference, newsletters, programmatic funding and policy advocacy, and regionally targeted community development programs. CCEDA's annual budget enabled it to serve an annual membership of over 200 organizations focused on building and implementing community economic development strategies for California's economically impacted communities. Beginning in 2003, CCEDA substantially expanded its training and technical assistance programs for community development organizations.

Mission Statement

CCEDA's mission is to serve low moderate income individuals, families and communities in California by supporting organizations committed to community revitalization. The organization's goal is to strengthen and build the capacity of community development organizations that would allow them to efficiently and effectively serve their communities and better leverage impacted communities they represent.

III. 2012 ACTIVITIES

Continuing Education

Snapshot of Training Topics in 2012

Introduction to CCEDA's TA – 4

Business development - 3

Funding - 3

Healthy foods -3

Community Economic Development (general) - 2

Job creation - 2

Lending - 2

Policy – 2

Real estate development - 2

Social enterprise - 1

As the field is ever evolving, continuing education remains an important priority for CCEDA. CCEDA views keeping practitioners updated on new funding mechanisms, innovative organizational structures, and exemplary projects as an important component of its work.

In 2012, CCEDA organized and conducted 24 training sessions, attended by 1,102 individuals. CCEDA reached a geographically diverse audience with its trainings, with 54% of workshops in California and 33% in other states. CCEDA went as far east as New York City, and CCEDA served its neighbors in both Reno and Las Vegas, Nevada. CCEDA also conducted trainings using different mediums; CCEDA conducted most of its trainings in person, but also conducted 3 online webinars this year.

Oftentimes, CCEDA itself provides training about topics as they develop, such as healthy foods. A recent initiative of CCEDA is the *Healthy Foods, Healthy Communities Collaborative*, which was formed in response to the high demand for technical assistance for fresh foods-related projects. The Collaborative provided support and opportunities for peer-to-peer teaching and learning and provides a structure for CCEDA to facilitate training and technical assistance. In 2012, CCEDA held 2 training sessions entitled “Resources and Technical Assistance for Healthy Foods and Healthy Communities.” These training sessions took on a different form than CCEDA’s usual trainings. The sessions consisted of several subject matter experts, such as representatives from the California FreshWorks Fund and the United States Department of Agriculture, providing training, with time for community practitioners to network and share their projects in the afternoon.

Every year, CCEDA organizes its Annual Teaching and Learning Conference to bring together practitioners, funders, and experts in the field. In 2012, CCEDA held its 23rd conference in May at the California Endowment’s Center for Healthy Communities. CCEDA successfully attracted over 100 attendees to the conference. CCEDA’s focus was the loss of redevelopment agencies in California and how to carry on in this post-redevelopment environment.

To supplement its continuing education, CCEDA created two new tools in 2011: manuals and case studies. In 2012, CCEDA added 11 new manuals to the “How-to” manuals. The manuals provide practical, in-depth knowledge about a variety of community economic development projects. The manuals are available online at no cost at www.cceda.us, CCEDA’s website of training resources.

The manuals completed in 2012 are:

- Alternative Financial Services
- CED Starter Guide
- Community Development Credit Unions

- Community Development Financial Institutions
- Community Development Investment Funds
- Community Development Loan Funds
- Community Development Micro Loan Funds
- Financial Education
- Foreclosure Prevention – Mortgage Counseling¹
- Mixed Use Development
- New Markets Tax Credits
- Single Family Development
- Small Business Technical Assistance
- Social Enterprises

Research & Internship

Beginning in 2010 and ending in December of 2011, CCEDA executed the California Community Economic Development Exemplary Practices Project. CCEDA researched numerous organizations to profile their exemplary community economic development projects and programs. During the first round, 35 case studies were finalized and made available for viewing on this website. The case studies capture detailed information about recent exemplary practices, programs, and projects.

In 2012, CCEDA embarked on a second round of research to create additional case studies. First, CCEDA staff created 5 case studies on exemplary practices from community action agencies.² They include two social enterprises, two affordable housing projects, and a commercial project.

In the Winter of 2012, CCEDA hired 4 undergraduate interns through the CCEDA Exemplary Practices Project Internship Program. During the 6-week long internship, the interns learned about exciting, real, on the ground projects in real estate development, business development, social enterprise, and more by researching case studies. Interns learned about the basics of community economic development through short readings, weekly discussions, as well as site visits. Interns had the opportunity to meet practitioners at local community organizations, including Coalition for Responsible Community Development, Little Tokyo Service Center CDC, and New Economics for Women. Interns began drafting case studies on 13 different projects and organizations, and the case studies will be added to the www.cceda.us website in 2013.

Technical Assistance

SNAPSHOT of TA Projects in 2012

19 Housing

10 Commercial – includes Office and Retail

9 Community Facilities

5 Social Enterprises

3 Other

1 Mixed Use

CCEDA provides a wide range of direct technical assistance for community economic development projects, including affordable housing and real estate development, workforce development programs, asset-building programs, business development programs, lending programs such as credit unions and loan funds, and job creation enterprises and programs. Many organizations wish

¹ Manual not yet available on the website.

² Case studies not yet available on the website.

to refine community economic development strategies, so CCEDA assists them with developing their long-term plans. CCEDA provides the initial pre-project help that includes project concept, organizational readiness and project team development. CCEDA can then take the project through the financing structuring phase all the way to closing. Many times, CCEDA steps in mid-project for organizations stuck in the early phases of implementing a community development strategy or project that has been delayed for months if not years. CCEDA focuses on building organizational capacity and assets to ensure the success of future projects. CCEDA emphasizes the fit of a project into the overall community economic development strategy in order to create the most beneficial and long-term results.

During 2012, CCEDA provided technical assistance to 31 organizations on 47 projects while creating and updating 218 project financing proformas. CCEDA provided a cumulative of 331 days of direct assistance to clients. Thirteen new organizations were added as technical assistance clients. CCEDA began work on 22 new projects from both existing and new clients.

CCEDA successfully closed 2 projects, which will provide a total of 218 units of affordable housing. Together the two projects have a total development cost of \$27 million. CCEDA provided in-depth financial analysis, structuring, and negotiation assistance to an organization in Central California. CCEDA worked with the organization to find a suitable project for nearly 2 years. Eventually the development team found an ideal project that would be feasible. CCEDA assisted the organization throughout the long process to structure and close the financing for the project. Over the course of 1.5 years, CCEDA assisted the organization with securing financing from a redevelopment agency, HOME program residual receipt loans; 4% Low Income Housing Tax Credits; tax-exempt bond financing; and Federal Home Loan Bank's Affordable Housing Program. The 5-building, 50-unit project successfully broke ground in July of 2012.

CCEDA assisted another organization develop a 168-unit affordable, multifamily rehabilitation project in Northern California. The project represents over two years of providing financial analysis assistance to the organization. CCEDA helped the organization secure competitive credits from the California Tax Credit Allocation Committee together with automatic federal credits. The project closed in November of 2012.

Ten projects for which CCEDA provided technical assistance ended due to an internal decision not to proceed. Most often, the project was found to be financially infeasible by the organization. In these situations, CCEDA helped identify alternate projects.

Organizations receiving technical assistance from CCEDA were introduced to CCEDA in one of the following ways.

1. Direct walk-ins or referrals, including organizations introduced to CCEDA at training sessions.
2. California Community Revitalization Initiative, a program of CCEDA that focuses on communities in need within California.
3. Office of Community Services (OCS), which funds technical assistance for recipients of grants. CCEDA provides technical assistance to grantees of the Community Economic Development Program. 2012 was the third year of a four-year contract.
4. Also funded by OCS, the Community Action Partnership, which provides training and technical assistance to community action agencies specifically for their community economic development projects. The 3-year contract ended in 2012.

5. U.S. Department of Housing and Urban Development (HUD) Sustainable Communities, which provides technical assistance to rural communities, small towns, and tribes to help them build capacity and strengthen sustainable practices. The 2-year contract began in 2011.
6. HUD One CPD. provides technical assistance for HUD's Community Planning and Development grantees. CCEDA was a subcontractor with the National Association for Latino Community Asset Builders (NALCAB) in FY 2010 and FY 2011.

Policy

In 2012, CCEDA focused on saving existing programs. As the State of California ended tax increment financing and redevelopment, alternative financing became the order of the day. The credit squeeze made reliance on financial institutions difficult and filling the gap through other means became a top priority. The legislature, facing a historic budget gap, was unable to step up financially and unwilling to break with the Governor.

CCEDA's comments addressed, first, every program that was zeroed out in someone's budget, and then, the urging of the restoration of the program at a level that would not decimate resources for revitalization.

CCEDA staff have also commented on the New Markets Tax Credit Program and addressed regulatory issues within the Federal Housing Finance Agency and the banking regulators.

Special Programs

CCEDA has developed and implemented over 20 special programs that target specific resources or geographies through public-private partnerships. CCEDA participated in the following special programs in 2012.

- Federal Reserve Bank of San Francisco, Office of Comptroller of Currency, Office of Thrift Supervision and Federal Deposit Insurance Corporation: CCEDA's California Community Revitalization Initiative, a training and technical assistance initiative, is a direct result of the partnership with these four key financial institution regulators.
- CCEDA continued serving as the 3rd party evaluator for community development projects that receive federal funding. CCEDA evaluated projects for Neighborworks Umpqua, Neighborhood House of Calexico, AnewAmerica, Pacific Gateway Center, and Community Services Unlimited, Inc.
- CCEDA staff served on the Review Committee for NALCAB's grant programs. The Review Committee helped NALCAB decide upon the organizations to receive grant support from NALCAB in 2013.

Member Services & Board

Some of the roles within CCEDA's financial and administrative systems were reassigned, increasing the capacity of its Executive Assistant. As a result, CCEDA published 12 regular newsletters to its mailing list in 2012. The monthly newsletters provide information on the current news, funding opportunities, trainings, and job openings. The newsletters are a service to CCEDA's membership.

In 2012, CCEDA's Board of Directors spent one day at a Board Retreat to examine and discuss strategic planning for the organization. At the Retreat, Board members reviewed the previous strategic plan and discussed the current strategic direction. Board members renewed their resolve to support CCEDA, resulting in several committees to provide input in various aspects of CCEDA's operations.

IV. PROPOSED ACTIVITIES FOR 2013

Training

In 2013, CCEDA will continue to provide training sessions according to the need of practitioners in the field. CCEDA plans to conduct 20 trainings. CCEDA will conduct trainings at its XXIV Annual Teaching and Learning Conference in May in San Francisco. This year's conference will focus on organizational sustainability.

CCEDA will provide training and technical assistance on CED in a geography of great need, along the US-Mexico border as a result of a grant from NAD Bank, CAIP.

CCEDA will continue sharing its online resource center, CCEDA.US, and using it to complement trainings and technical assistance.

Technical Assistance

CCEDA will continue to provide technical assistance to its existing clients on 32 projects. Additionally, CCEDA expects to provide technical assistance to at least 15 new projects.

CCEDA anticipates a continual flow of technical assistance activity as related to partnerships with:

- NALCAB – CCEDA is a subcontractor of the NALCAB OneCPD technical assistance team.
- Minnesota Housing Partnership – CCEDA is a subcontractor of the Minnesota Housing Partnership on the Sustainable Communities contract. CCEDA provides expertise on the community economic development component for rural and tribal areas.

In addition to these partnerships, in 2013, CCEDA will outreach to its partners serving border communities. Funded by the North American Development Bank, this initiative will focus on job creating enterprises in some of the most economically depressed communities in the United States.

[CCEDA will continue to provide technical assistance as it has in the past while adding a new service for its members. The service, called Enhanced Development Services, will allow organizations to access affordable housing assets for their communities and organizations in a faster and smoother process. This new service is a response to dwindling local subsidies and less local funding available for affordable housing development. CCEDA will take a substantially stronger role in acquisition/rehab projects. CCEDA would locate a potential project, seek a potential local non-profit partner, develop the project (acquire the property, structure the financing and make the improvements). Once completed, the project would be owned by the local nonprofit organization that has the proven capacity to manage the project and where the project meets their strategic direction. As a result of Enhanced Development Services, organizations will successfully complete projects without a full time development staff, add assets to their balance sheets, and ultimately provide much needed affordable multifamily housing to their communities.]

Policy

As we go to press there is still a great deal of uncertainty surrounding the federal budget. CCEDA has focused on rationalizing available funding within the universe of programs most commonly employed by colleagues in community economic development. No matter what happens to sequestration or how it is carried out, certain programs have become irreplaceable. These include HOME, CDBG, and LIHTC. The AG Settlement may provide a segue between these programs and proposed legislation in the State of California that would impact California organizations.

A word at the outset about approach and this year's general sense of direction: CCEDA works with partners like the California Housing Consortium and the California Association for Local Economic development on issues like CEQA reform. CCEDA shares the statewide view that there is an immediate need to better frame issues such as post-Redevelopment Legislation – specifically opportunities around tax increment financing and financing districts.

CCEDA supports the work of our partners to support, retain, and grow manufacturing jobs in California. CCEDA is watching closely a number of bills in 2013 including but not limited to

- AB9 (Perez), which defines economic development to ensure that low wealth communities are not omitted
- AB32 (Perez), which expands California Organized Investment Network(COIN) investments to Community Development Financial Institutions
- AB 495 (Campos), which creates the California Fund, which is socially responsible investment fund sponsored by the state that encourages investment in historically underserved communities
- AB 780 (Bocanegra), which provides support to lenders who use the state guarantee program
- SB9 (Price), which provides for a social innovation fund to expand the use of social impact bonding
- SV301 (DeSaulnier), the newly introduced California Homes and Jobs Act of 2013, to spur job creation, boost California's business competitiveness, and build affordable homes for Californians

This is a focused, ideologically defensible and practical group of policy activities. The practitioner community will continue to thrive if new approaches to long tenured issues become available.

Specialty Programs

CCEDA will continue to serve as a third party project evaluator for the community development projects of AnewAmerica and Pacific Gateway Center and Community Services Unlimited.

Member Services & Board

CCEDA will continue to send out monthly newsletters to inform members of current news and issues in the field, funding opportunities, and CCEDA's activities and programs.

CCEDA will fill the vacancies in its Board of Directors with leaders from the Los Angeles metro region and the Central Valley.

V. ACKNOWLEDGMENTS

CCEDA thanks and acknowledges its partners in 2012:

- Wells Fargo Bank
- North American Development Bank
- US Bank
- JP Morgan Chase
- Citigroup
- Cathay Bank
- Bank of America
- Union Bank
- Comerica Bank
- Charles Schwab Bank

- Bank of the West
- Rabobank
- City National Bank