

Nuestra Comunidad Development Corporation
(November 1981-Present)

Keywords: Affordable Housing, Organizing, Homeownership, Economic Development

Abstract

This case examines the origins and progress to date of Nuestra Comunidad Development Corporation, a non-profit CDC located in Dudley Square in Boston, MA serving the broader communities of Roxbury, Dorchester, and Mattapan. Initiated in 1981 through a partnership between state and local Hispanic organizations, HOPE and La Alianza Hispana, Nuestra was created to secure greater control of the neighborhood development process and provide services to residents in the Dudley Street-Blue Hill Avenue target areas. To date, Nuestra has developed over 800 units of affordable housing over 30 separate developments, including homeownership, multifamily, and commercial spaces. As a community partner for over 30 years, Nuestra hosts legacy events, such as the Cleanest Streets Contest, manages key community initiatives such as Mission 180, and, provides financial counseling services, including for first-time homebuyers and reverse mortgages.ⁱ The case details the diversity of functions employed by CDCs to impact their communities, what it takes to function as a trusted housing developer, and the frameworks and relationships necessary to function over the long-term development process.

Mission Statement

Nuestra Comunidad is devoted to building the wealth and enhancing the physical, economic, and social well-being of Roxbury and other underserved populations in greater Boston through a community-driven process that promotes self-sufficiency and neighborhood revitalization.ⁱⁱ

Theory of Change

Nuestra's theory of change begins grounded in the history and context of the neighborhood and the organization's place within it, including the story of revitalization of the Dudley commercial area and surrounding residential development over 30 years. From their activities as a community financial anchor, and the development leadership that resulted in a rebounding real-estate market, Nuestra developed three core assumptions:

- **“Affordable Rental Housing** through production, **asset management**, service referrals and **counseling of tenants at risk of losing their housing**--helps families and individuals improve their long-term economic, education and health status.”
- **“Homeownership** through development, promotion and preservation--provides residents the opportunity to buy their own home, helping to stabilize housing costs and accumulate wealth over the years, while also promoting investment and stability in our neighborhoods, including **foreclosure prevention**.”
- **“Community Building programs** help residents improve the quality of life for their households, their neighborhoods and develops neighborhood residents' capacity to lead community development.”ⁱⁱⁱ

Highlighted in the assumptions are core operations, including real estate development, counseling, and organizing. These lead to long-term outcomes for people, including neighborhood pride, trust, collaboration, and the homes and employment necessary to build livelihoods, and also for places, including safety, healthy environments, favorable public opinion, and attractive arts, culture, and commercial spaces. Overall, these efforts culminate in the neighborhoods becoming inclusive, vibrant places for homes and businesses.^{iv}

Community Scope

Nuestra began as a small non-profit developer working on properties in the Dudley Square central commercial area of Roxbury and adjacent residential areas suffering from neglect and vacancy.^v Today, they cover not only Roxbury, but adjacent neighborhoods of Dorchester, and further south to Mattapan. Founded to serve the large proportion of primarily Puerto Rican families in Roxbury, alongside Cape Verdean and growing communities of African immigrants today, Nuestra works to provide affordable homes for hundreds of families in their area, and incorporates homeownership support and community services for both nearby residents and those in Boston.^{vi}

Original Neighborhood Scope^{vii}



Figure 1: Drawing of original Nuestra Comunidad Service Area. Letter A denotes the Dudley Triangle, the epicenter of the vacant land and illegal dumping sites in the neighborhood at the time. Source: MIT Master's Thesis by Tanya Iatridis Cvek, 1983.

Origins

The 1970s in Roxbury was a period of disinvestment and decline, marked by population loss, unemployment, and arson which resulted in widespread vacant buildings, as well as vacant lots, which were used for illegal refuse dumping. Community advocates responded with public health and organizing campaigns which drove expanded institutional concern, and effective relationships sparked the establishment of waves of local development non-profits, supported by multiple levels of government funding.^{viii} Nuestra was established in 1981 as a member of the second wave of CDC incorporation as a collaborative effort between two Latino organizations, the Hispanic Office of Planning and Evaluation (HOPE), and La Alianza Hispana, to serve as a community anchor for the neighborhood's Latino community, and to develop affordable housing in the neighborhood.^{ix} With support from the Local Initiatives Support Corporation (LISC), a national community development financial institution, Nuestra's first projects involved extensive resident organizing led by local nuns and religious organizations to save properties in receivership. Through these early experiences and staff expertise, Nuestra began to acquire land in the area, coordinating with pro-bono legal support, for a land trust with the aim of preserving affordability for the long-term.^x

Organization

The goals set by Melvyn Colon, Nuestra's second Executive Director after La Alianza Hispana's Ana Perez, directed operations toward tenant-focused development with a commitment to homeownership. Colon hired community organizers and experienced property developers, and set up a board of directors which attempted to reflect both community members and development expertise, yet perhaps lacked the powerful ownership interest for the community necessary for sustained community connection. Pro-bono legal counsel, relationships with state and local funders, development expertise, and careful consideration of organization goals were primary points of strength at this early stage.^{xi}

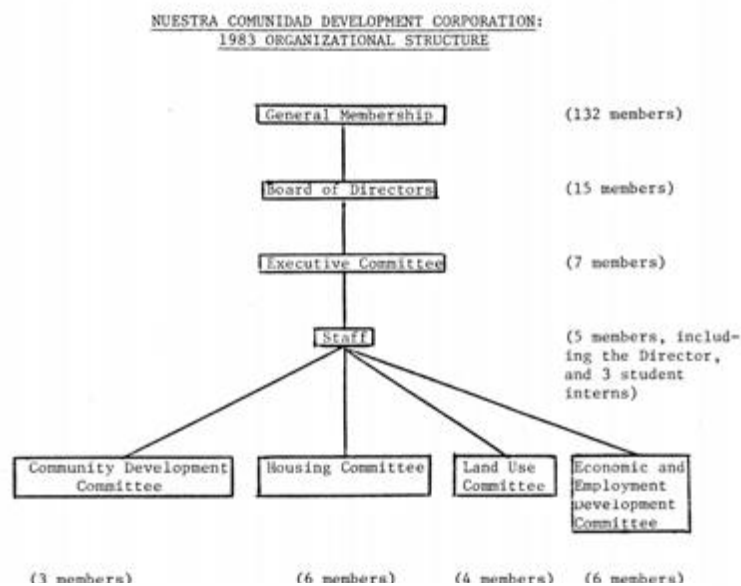
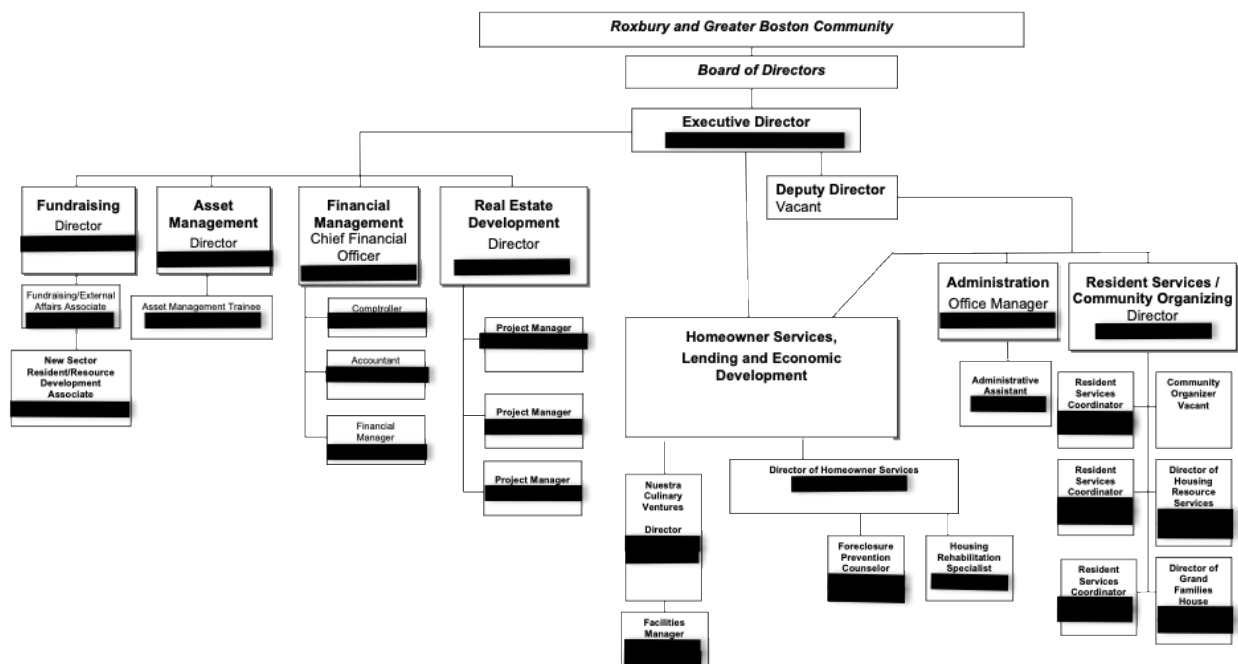


Figure 2: Organization chart circa 1983. Source: Tanya Iatridis Cvek, 1983.

Based on defined goals early staff positions were divided up by committees directed to:

- Conduct community outreach and board and membership drives, fundraising, and newsletter distributions
- Identify buildings/land in disrepair or abandonment, and explore acquisitions
- Identify optimal park, community garden parcels, and explore acquisitions
- Investigate training and investment in local business ventures^{xiii}

With this foundation in place, Nuestra continued acquiring and developing property, and built out the full scope of services over 30 years later:



Programming

In addition to an extensive suite of support services and referrals available for residents through the property-subsidized Resident Services department, Nuestra provides a variety of programs aimed at neighborhood stabilization and economic development. Through the Home Center Boston residents can attend First-Time Homebuyer classes, and receive personal foreclosure and reverse-mortgage counseling. Staff organizers run a number of groups, including MEN, NeighborCircles, and most recently a Dudley Square Neighborhood Association.^{xiv} A network of resident block captains perform essential leadership roles in the neighborhood, and are often activated by Nuestra's flagship annual event, the Cleanest Streets contest, where residents and Nuestra affiliates compete block-by-block for the Cleanest Street award, and then gather for a barbeque and reception with partner neighborhood organizations.^{xv}

Significant investment in the community is also provided by initiatives such as Mission 180, a Community Investment Tax Credit (CITC) funded program that invests in local entrepreneurs and promotes homeownership and community safety as well.^{xvi} The Nuestra board also funded a US Treasury Department-certified Community Development Financial Institution (CDFI), lending to community members for home mortgages, repair funds, and small business development.^{xvii} These investments are in addition to the over 800 units of affordable rental housing, as well as homeownership opportunities developed by the organization in surrounding communities over nearly 40 years.

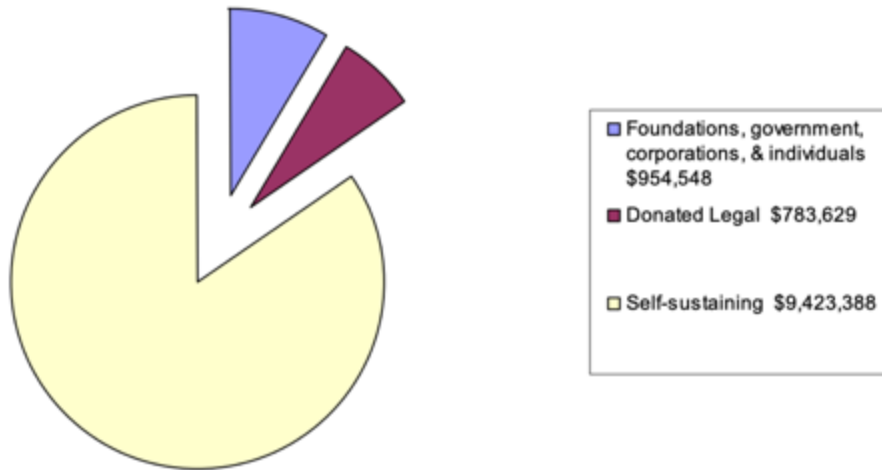
Financing and Resources

The healthy funding environment that made Nuestra’s formation possible came from 1972 Title VII Community Development Grants from the federal government, 1978 state funding for community development, and subsequent state agencies such as the Community Economic Development Assistance Corporation (CEDAC) and the Community Enterprise Economic Development (CEED) program.^{xviii} Other key support agencies, such as LISC and pro-bono legal services, helped fund and structure development projects.^{xix} Today, the organization receives stable operating funding from NeighborWorks America, another national community development support agency, and raises funds from various grants and foundations.^{xx} Crucially, the affordable housing portfolio provides funding primarily from Development Fees, which are distributed to the CDC during the first few years of a property’s operations.^{xxi} Resident Services are also funded partially as part of property operating expenses. Other lines of business, including Asset Management and the CDFI loan portfolio represent other sources of cash, though not as significant.

Form 990 (2014)		NUESTRA COMUNIDAD DEVELOPMENT CORP		04-2741543	Page 9		
Part VIII Statement of Revenue							
Check if Schedule O contains a response or note to any line in this Part VIII <input type="checkbox"/>							
				(A)	(B)	(C)	(D)
				Total revenue	Related or exempt function revenue	Unrelated business revenue	Revenue excluded from tax under sections 512 - 514
Contributions, Gifts, Grants and Other Similar Amounts	1 a Federated campaigns	1a	228,000.				
	b Membership dues	1b					
	c Fundraising events	1c					
	d Related organizations	1d					
	e Government grants (contributions)	1e	3,769,159.				
	f All other contributions, gifts, grants, and similar amounts not included above	1f	217,147.				
	g Noncash contributions included in lines 1a-1f: \$						
	h Total. Add lines 1a-1f			4,214,306.			
Program Service Revenue	2 a RENTAL INCOME	Business Code	531390	632,822.	632,822.		
	b DEVELOPMENT FEES		531390	461,179.	461,179.		
	c ADMINISTRATIVE FEES		531390	362,351.	362,351.		
	d TENANT SERVICES		531390	290,552.	290,552.		
	e ASSET MANAGEMENT FEES		531390	223,518.	223,518.		
	f All other program service revenue		531390	147,964.	147,964.		
	g Total. Add lines 2a-2f			2,118,386.			
3 Investment income (including dividends, interest, and other similar amounts)			154,317.			154,317.	
4 Income from investment of tax-exempt bond proceeds							

2010 Nuestra's Source of Revenue

xxiii



As shown, the fundraising and government grants provide the bulk of organizational operating funds. However, the housing portfolio represents the majority of assets, reported at over \$13 Million in 2014, and growing. In total, the organization's largest expense is employee payroll (salaries and benefits), which reaches about \$1.5 Million among about 20 employees.

Assessment

Nuestra boasts a solid development record and a large portfolio compared to similar organizations in Boston. To date, initiatives such as Mission 180 have launched a number of successful businesses and the CDFI funds continue to provide support to residents, despite its declining scale. The tireless work of the Home Center has contributed to hundreds of homeowners counseled and millions of dollars in assets preserved for the community. Resident Services staff, organizers, and events such as Cleanest Streets continue to play essential roles in the community, connecting residents with health care, financial coaching, and developing leadership.^{xxiv}

Despite these strong indicators, Nuestra must deal with a number of challenges, some of which are inherent in its founding and mission. An increasingly difficult funding and construction environment, alongside the realities of expensive yet income-restricted housing, can create chronic under-investment in properties. Organizers also report the tensions of serving a community support role while working for a landlord, and often feel restricted to managing email lists and information distribution rather than knocking doors for personal connections.^{xxv} Funding for Home Center functions comes primarily from grants and special initiatives, including temporary funds from state lawsuit settlements with predatory lenders, making staffing and data-tracking necessary for continued resources difficult.^{xxvi} After a promising initial period, the CDFI fund retains hundreds of thousands of dollars-worth of delinquent mortgages with little ambition for repayment (though not as concerning for mission purposes). Legacy events such as

Cleanest Streets and the social networks they helped build are also under threat, as leaders age and retire or move away, sometimes threatened by rising costs of living from encroaching gentrification pressures.^{xxvii}

Perhaps most concerning is the deterioration in certain essential relationships. Deals languishing in negotiation disputes have somewhat damaged credit-worthiness with the city of Boston, for example. Of paramount importance, however, is the relationship with the communities the organization intends to serve. This relationship suffers from a lack of presence by the organization, and a reduced ownership capacity, which was the unintended result of the imbalance of original board members toward professionals and outside partners, rather than community residents.^{xxviii}

Lessons for West Philadelphia

One clear difference between the Nuestra model and the probable direction of a potential West Philadelphia CDC, based on previous conversations, is that Nuestra began with the explicit goal of acquiring and developing housing, including larger developments.^{xxix} At least in the near future, the type of funding structures, lender relationships, and expertise required to enter the affordable housing industry appears beyond the scope of this current project. If at some point it becomes a desire of community members and the board, lessons may be available from this case, including the need for experts willing to take creative risks, as well as integration with the public and private funding structures necessary to finance development.

At this point there should be serious consideration about the nature of the organization desired. Though CDCs provide a number of services, as shown in the case of Nuestra, the property development aspect is the dominant function, and often creates the self-sufficiency necessary to provide such a broad suite of programs. Depending on the vision of community members and potential board representatives, a path toward alternative non-profit visions with a low-maintenance property component for programming may be preferable to setting up the legal infrastructure for development without the requisite ambition. Nuestra's example of committees set up to gather information about the service area, and take responsibility for a specific organizational goal may be a valuable first step.

Beyond this larger choice, the Nuestra case identifies various crucial points of decision-making. First, to address the imminent threat of residents losing their property to aggressive development practices and other types of dispossession, those combating the same issues at Nuestra report similar levels of difficulty, especially with information-sharing. Despite the breadth of the problem, homeowners often hesitate to share with friends, neighbors, family, and also housing counselors tasked with remedying their situations. As always, trust and track record matter. Similarly, for those counselors searching for funding to maintain these valuable services, funding can be hard to find, and harder to apply for, especially if there is a lack of data capacity or staff time to compile and present measures of success. Thus, partnerships with long-term funders will be necessary to sustain this activity, whether through expanded city funding for NACs and another position at a new West Philadelphia non-profit, or an institutional partner willing to make a commitment to the neighborhood.

Stable operating budgets depend on effective and aggressive fundraising and benevolent relationships with large-scale organizations designed to support community work. National agencies such as NeighborWorks America support the operating budgets of a variety of organizations, and coupled with any available state or local programs may be sufficient to establish a working model. One aspect of this support is annual or more frequent reporting, so organizational structure and resources for compliance will be a consideration as well. The Nuestra board was essential for maintaining these relationships, as well as contributing funding for financial programs such as the CDFI, which may be an appropriate model for home repairs in West Philadelphia. Taking advantage of more sophisticated tax credit financing, whether for Low-Income Tax Credit Development or Community Investment Tax Credits (Mission 180) is another area to explore.

Board formation is another essential piece that must be addressed with appropriate balance. Identifying community leaders now who may be interested in serving on the board is an immediate next step, as is reaching out to experts in relevant industries, not to mention pro-bono legal assistance. Once again, these strategic positions may be available within the service area, and the more the board reflects the organization's constituents, the more it will be positioned for a long and fruitful relationship, as the success of the organization is dependent on community trust and ownership. Organizers understand the necessity for continual resident outreach, spaces for group meetings, providing access to the local development process, and edifying community events for maintaining strong social networks. Residents appreciate action and fulfillment of promises, showing that the new organization can move resources and solve problems, even if small to start.^{xxx}

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- xxiii Ibid.
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- xxvii Canales Interview.
- xxviii Colon Interview.
- xxix Ibid.
- xxx Ibid.