



Office of Performance Management Oversight (OPMO)

**Community Economic Development
Assistance Corporation (CEDAC)**
FY2020 Report



Agency Mission

- **Mission:** To strengthen communities across the Commonwealth of Massachusetts by providing non-profit community development organizations with the financial resources and expert technical assistance they need to build and preserve quality affordable housing and child care facilities.
- **Contribution to Partnerships for Growth:** CEDAC directly addresses the housing crisis as outlined in Partnerships for Growth by providing critical resources to non-profit organizations throughout the Commonwealth that build and preserve quality affordable housing. In addition, CEDAC focuses on community-based economic development as outlined in Partnerships for Growth and supports the housing and child care infrastructure of neighborhoods.



Agency Goals

- **Agency Goal 1:** Provide early-stage support to affordable housing projects throughout the Commonwealth. Most of these projects will receive public financing using capital bond resources from DHCD.
- **Agency Target for Goal 1:** Commit \$9 million of predevelopment financing to 40 projects supporting 1,750 affordable housing units. Commit \$10 million of acquisition financing to 9 projects supporting 400 affordable housing units. Award \$90,000 of Kuehn Planning Grants to 6 projects.
- **Results of Goal 1:** Committed \$10,134,050 of predevelopment financing to 45 projects supporting 2,063 affordable housing units. Committed \$22,825,718 of acquisition financing (including \$8,000,000 in participations) to 9 projects supporting 428 affordable housing units. Awarded \$84,534 of Kuehn Planning Grants to 6 projects.



Agency Goals

- **Agency Goal 2:** Advance the Commonwealth's supportive housing goals, particularly to address the needs of the homeless, veterans, persons with disabilities, and the elderly.
- **Agency Target for Goal 2:** On behalf of DHCD, underwrite \$31 million of HIF, CBH, and FCF deferred payment loans involving 40 projects and 500 units.
- **Results of Goal 2:** On behalf of DHCD, underwrote projects resulting in the commitment of \$51.3 million of HIF, CBH, FCF, and HPSTF deferred payment loans to 58 housing projects involving 1,184 affordable housing units.
- **Agency Goal 3:** Provide financial resources to non-profit community-based operators of child care facilities.
- **Agency Target for Goal 3:** Commit \$1,000,000 in loans to 6 child care facilities and make 3 planning grants. On behalf of the state Department of Early Education and Care (EEC), underwrite \$3.6 million in EEOST capital bond program grants.
- **Results of Goal 3:** Committed \$2,167,000 in loans (including \$992,500 in participations) to 2 child care facilities and made 2 planning grants. On behalf of the state Department of Early Education and Care (EEC), underwrote projects resulting in the commitment of \$6,475,000 of EEOST capital bond program grants to 7 child care facility improvement projects.



Agency Goals

- **Agency Goal 4:** Expand the capacity of non-profit community based organizations to engage actively in community development.
- **Agency Target for Goal 4:** Provide technical assistance to 300 housing real estate projects undertaken by 200 organizations. Provide technical assistance to 50 non-profit child care providers actively working on projects or seeking to develop new projects.
- **Results of Goal 4:** Provided technical assistance to 335 housing real estate projects undertaken by 191 organizations. Provided technical assistance to 66 non-profit child care providers actively working on facility improvement projects or seeking to develop new facility projects. Provided emergency technical assistance to 165 child care providers trying to access the SBA Paycheck Protection Program (PPP) under the federal CARES Act.
- **Agency Goal 5:** Finance home modifications to allow individuals with disabilities to remain in their homes.
- **Agency Target for Goal 5:** Commit and disburse \$6.5 million to support 230 home modification loans.
- **Results of Goal 5:** Committed and disbursed \$6.1 million to support 189 home modification loans.



Supportive Housing Underwriting and Asset Management

- **Program Description:** CEDAC serves as the Department of Housing and Community Development's (DHCD) underwriting agent for multiple state loan programs that provide deferred-payment, zero interest, subordinated permanent mortgage financing to help meet the costs of producing supportive housing. The source of the funds are state bond funds from the annual capital budget. These loan products frequently blend with Low Income Housing Tax Credits and other state and local soft debt. On behalf of DHCD, CEDAC underwrites, closes and provides asset management services for loans under four state loan programs. Housing Innovations Fund (HIF) supports single person occupancy housing, supportive housing for formerly homeless households, veterans, seniors, and unaccompanied youth; limited equity cooperatives; and other innovative projects. Facilities Consolidation Fund (FCF) finances community residences for clients of the Department of Mental Health or the Department of Developmental Disabilities including both group homes and integrated housing options. Community Based Housing (CBH) provides funding for the development of integrated housing for people with disabilities, who would otherwise be at risk of homelessness or institutionalization. Housing Preservation and Stabilization Trust Fund (HPSTF) provides capital, operating subsidy and service funds for supportive housing developments serving formerly homeless households, veterans, seniors, unaccompanied youth, and other populations in need of housing with services.
- **Program Budget:** FY20 Capital Budget: DHCD-H004 \$5 million; DHCD-H006 \$11.6 million; DHCD-H008 \$12,434,194; DHCD-H020 \$2.5 million



Supportive Housing Underwriting and Asset Management

- **Partnerships for Growth Goal Alignment:** Housing
- **COVID – 19 Response:** CEDAC worked with DHCD in the fourth quarter to identify and assist affordable housing projects that might be at risk because of lower rents and higher costs associated with the pandemic. CEDAC disseminated information and links to resources for projects facing health and safety challenges as a result of the pandemic. CEDAC assisted housing developers to continue their efforts to develop or preserve affordable housing during the pandemic.
- **Fiscal Year Goal 1:** Advance the Commonwealth's supportive housing goals, particularly to address the needs of the homeless, veterans, persons with disabilities, and the elderly.
- **Fiscal Year Target 1:** On behalf of DHCD, underwrite \$31 million of HIF, CBH, and FCF deferred payment loans involving 40 projects and 500 units.
- **Results of Goal 1:** On behalf of DHCD, underwrote projects resulting in the commitment of \$51.3 million of HIF, CBH, FCF, and HPSTF deferred payment loans to 58 housing projects involving 1,184 affordable housing units.



Child Care Facility Capital Grant Management

- **Program Description:** CEDAC and its affiliate, Children's Investment Fund, administers the Early Education and Out of School Time (EEOST) Capital Fund on behalf of the Massachusetts Department of Early Education and Care (EEC). EEOST was established in 2014 and is funded through capital bond funds. EEOST provides grant awards of up to \$1 million to large group early education and out of school time programs for major capital building projects.
- **Program Budget:** Original capital budget line item EEC-C002 of \$4 million; increased by \$2.7 million to \$6.7 million
- **Partnerships for Growth Goal Alignment:** Community
- **COVID – 19 Response:** At the request of EEC, CEDAC, through its affiliate, the Children's Investment Fund, provided emergency technical assistance to child care providers throughout the Commonwealth who were applying for the Paycheck Protection Program (PPP).



Child Care Facility Capital Grant Management

- **Fiscal Year Goal 1:** Provide financial resources to non-profit community-based operators of child care facilities.
- **Fiscal Year Target 1:** On behalf of the state Department of Early Education and Care (EEC), underwrite \$3.6 million in EEOST capital bond program grants.
- **Results of Goal 1:** On behalf of the state Department of Early Education and Care (EEC), underwrote projects resulting in the commitment of \$6,475,000 of EEOST capital bond program grants to 7 child care facility improvement projects.



Home Modification Loan Program (HMLP)

- **Program Description:** The Home Modification Loan Program (HMLP), a program of the Massachusetts Rehabilitation Commission (MRC), was established by the Massachusetts Legislature to assist homeowners and small landlords to fund the necessary changes to keep disabled or elderly family members in their homes and communities. Eligible homeowners can obtain 0% interest, deferred payment loans up to \$50,000 to make eligible modifications to their homes.
- **Program Budget:** \$6.5 million
- **Partnerships for Growth Goal Alignment:** Housing
- **COVID – 19 Response:** This program helps keep disabled or elderly family members in their homes and out of nursing homes or other institutional settings, which became even more critical during the pandemic.



Home Modification Loan Program (HMLP)

- **Fiscal Year Goal 1:** Finance home modifications to allow individuals with disabilities to remain in their homes.
- **Fiscal Year Target 1:** Commit and disburse \$6.5 million to support 230 home modification loans.
- **Results of Goal 1:** Committed and disbursed \$6.1 million to support 189 home modification loans.