

# North Carolina Association of Community Development Corporations Annual Report

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## Receiving Entities:

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The Senate Appropriations Subcommittee on Natural and Economic Resources

The Joint Legislative Commission on Governmental Operations

The Fiscal Research Division

## Submitting Entity:

The North Carolina Association of Community Development Corporations administered by the  
Department of Commerce

FY2010-2011 YEAR-END REPORT  
NORTH CAROLINA ASSOCIATION OF  
COMMUNITY DEVELOPMENT CORPORATIONS  
July 1, 2010 – June 30, 2011

The mission of the North Carolina Association of Community Development Corporations (NCACDC) is to strengthen the North Carolina economy and create a better tomorrow for all North Carolinians by enhancing community development corporations (CDCs) in their role of creating prosperous communities for the long term. We provide customized strategies that put the economic well-being of the state's people and neighborhoods first. (*Brand Promise*)

Recognizing that when we allow one part of the community to weaken and struggle, it weighs us all down, resulting in a lower standard of living for our citizens. Therefore, NCACDC is an advocate for and enabler of economic justice, fairness and opportunity. We have rejected the short term, quick fix approach as a detriment to the common good.

Instead, NCACDC works serving as a catalyst for local community based partnerships that bring together interested community residents, business leaders and government to provide solutions to problems impacting the quality of life in their communities. These partnerships have strengthened and revitalized hundreds of communities across our state and attracted millions of dollars in leveraged investment. Our long track record of success demonstrates the power of CDCs and other local organizations to revitalize communities, and the important role residents play in executing change necessary to make a difference. Our work is particularly important in rural, inner-city, and distressed areas where the for-profit sector is not providing adequate employment opportunities and local governments lack the tax base to invest in activities beyond meeting basic needs.

Toward these goals, NCACDC provides leadership in advocating for the resources and structural support needed to properly under gird and strengthen the CDC profession. We also research dimensions of issues related to community improvement, with the aim of proposing policy solutions and/or creating new innovative and more efficient methods of carrying out planned CED objectives. NCACDC also offers to its statewide CDC affiliates training and technical assistance essential to ensure consistency of professionalism and high quality service delivery throughout the industry. We work collaboratively with a broad network of allies to furnish our members with the basic tools and services necessary to recruit, retain and foster a qualified and proficient workforce. In addition, NCACDC provides leadership through example as it effectively manages the operations and resources entrusted to it to carry out its mission.

### **FY 2010-11 Appropriation**

In FY2010-11 NCACDC was appropriated by the NC General Assembly an award of \$980,685. However, on or about August 26<sup>th</sup> the Office of State Budget and Management (OSBM) implemented a one percent (1%) annualized management flexibility reduction per Senate Bill 897 Session Law 2010-31 Section 2.3.(i) as a result of a partial restoration of Federal Medical Assistance Percentage (FMAP) funds for states through June 2011 enacted in federal legislation on August 11, 2010. In addition, on or about January 2011 Governor Beverly Perdue signed an

Executive Order reducing General Fund appropriations by another two and one half percent (2.5%) for a total reduction of three and one half percent (3.5%). Therefore, NCACDC received a total appropriation of \$946,361 during FY2010-11. These funds were administered by the NC Department of Commerce.

### **FY2010-11 Program Activities and Accomplishments**

NCACDC, an innovative, proactive, engaged and professional (*Key Attributes*) statewide intermediary designs its program activities, objectives and accomplishments to provide direct benefit to the state through: 1) Applying CED Innovation to reduce threats to the state's economy; 2) Leading, preparing and coordinating one of the state's most flexible and effective service delivery networks to achieve greater economic outcomes for its people and neighborhoods; 3) Developing and implementing replicable local/regional and statewide economic recovery models and 4) Protecting public and private investments in the state's local communities. The following Narrative Report summarizes the major program activities, objectives and accomplishments realized by the above named non-governmental entity during FY2010-11.

*The summary is organized and reported according to the organization's seven strategic plan goals: 1) Financial Stability; 2) Membership; 3) Capacity Building; 4) Partnership; 5) Marketing/Branding; 6) Communications; and 7) Transition/Succession Planning.*

#### **Goal #1**

**Financial Stability** – *Objective: Become an organization with a diverse financial base.*

**Accomplishment: Altered Status/Improved Conditions** –

- 1) NCACDC secured additional funding relationships resulting in the addition of 4 new funding sources during the reporting period: Wells Fargo; Z. Smith Reynolds; USDA and National Community Service Corporation. The total increased investment is approximately \$162,533.
- 2) Key NCACDC staff engaged in aggressive major donor campaign meeting with and soliciting pledged contributions totaling another \$15,250 from various private and nonprofit sources.
- 3) NCACDC, through its foreclosure advocacy was able to expand the investment of Wells Fargo in support of housing counseling.
- 4) NCACDC staff successfully advocated for and influenced the design of new Federal Home Loan Bank of Atlanta set-aside products resulting in up to \$2,500+ fees per transaction available to its network and others engaged in affordable housing activities.

#### **Goal #2**

**Membership** – *Objective: Be a highly valued and effective statewide trade association.*

**Accomplishment: Altered Status/Modified Behavior/Increased skills** –

- 1) NCACDC experienced a 40% increase in membership during the reporting period.
- 2) NCACDC launched Project S.H.I.N.E. a coordinated campaign to showcase the work of its affiliates. Several members hosted Project S.H.I.N.E. events in their local communities; while others utilized the sample templates to develop marketing materials for their organizations.

- 3) Recruited and trained 3 affiliates in use of phone banking as a civic engagement tool, resulting in 2 organizations completing a demonstration of their learning. NCACDC staff, along with its partner NCCDI aided affiliates in the development of key messages.

### Goal #3

Capacity Building – *Objective: Be a recognized provider and catalyst for the enhancement of professional skills and improvement of core competencies within the CED sector.*

Accomplishment: Modified Behavior/Improved Conditions/Altered Status –

- 1) NCACDC provide more than 80 hours of training during weeks #2 and #3 of its signature CED Studies training. 22 practitioners and/or board members successfully completed the requirements for certification. NCACDC was also successful in garnering the support of 7 distinct investor organizations to critique and provide feedback to participants.
- 2) NCACDC continued to provide leadership and guidance to state's Foreclosure Counseling Agencies in a variety of ways:
  - a. Regularly convened Foreclosure Task Force to discuss challenges, share ideas and best practices as well as to plan for the industry's survival;
  - b. Conducted a statewide survey to both document current status of the industry as well as provide a baseline of information from which future strategies can be built upon;
  - c. Planned and convened industry-wide strategy meeting resulting in the commitment of 17 organizations to move forward with the design and implementation of a new collaborative service delivery structure for Foreclosure Counseling. 25 distinct counseling agencies, 4 intermediaries; and 2 or 3 quasi-governmental agencies participated as well as key private and quasi-governmental representatives.
  - d. Planned comprehensive follow-up activities and work plan aimed at guiding practitioners through a step-by-step process to identify operational efficiencies and/or establish a framework for a new collaborative model of service delivery.
  - e. Conducted outreach to two sister organizations to explore innovative statewide strategy to possibly secure new foreclosure and broader CED revenue sources.
- 3) Continued efforts to assist the Twin County Region in planning for recovery of its local economy, as follows:
  - a. Phase I: Provided initial vision and guidance leading to the engagement of Dr. Jim Johnson to complete a Competitiveness Study for the Twin Counties Region. The study was completed and various public debriefings were held in the region.
  - b. Phase II: Identified experienced consulting firm to lead visioning phase of region's master planning process;
  - c. Assisting leadership in documenting flaws in 2011 state Sustainable Task Force's funding allocation process that disadvantaged rural distressed communities;
  - d. Worked to position this region with various state entities as a means of securing needed resources to support area-wide planning efforts;
  - e. Outreached to other regions and/or jurisdictions recently awarded HUD regional planning grants to acquire information about their strategies and procedures to share with this region's leadership.
  - f. Researched municipal energy efficiency public policy models and strategies.

- 4) Launched Phase I (Planning) Green Economic Transformation through Energy (GETT-Energy) Initiative with a kick-off convening of a broad and diverse multi-sector Task Force. The 20-member Task Force is modeled on a network strategy designed to strengthen relationships among various stakeholders, capitalize on the special expertise of individual organizations and share leadership while focusing their collective energies to address comprehensively an identifies challenge and/or opportunity. NCACDC led the Task Force in creating 7 sub-committees; establishing specific goals as a part of a unified action plan designed to reach measurable efficiencies by year's end. GETT – Energy is intended to improve the housing stock in the region east of I-95 while also reducing energy consumption thus achieving cost savings for low wealth families throughout the region. Lastly, this initiative is designed to stimulate job growth in the construction sector.
- 5) Uniting with two historic allies, NCACDC provided leadership to convene the Leadership Institute-NC (LI-NC). LI-NC was designed to begin a conversation about the future of NC's CED industry and our network's effectiveness and sustainability going forward. In addition to confronting challenges associated with management through the current economic crisis, LI-NC's goals include examination of opportunities for innovation among CDCs. The majority of NC CDCs attended the event and participated in a pre-event survey. In total about 130 CED practitioners, intermediaries, investors, and allies attended and engaged during this event. NCACDC tabulated information gathered during the small group discussions and from written feedback and evaluations completed by participants. That information has been shared with our partners and is being used to shape the next LI-NC planned for later this year.
- 6) NCACDC continued to provide technical assistance to a number of affiliates in the areas of fiscal management, project/program development and implementation to governance and board development.

#### Goal #4

Partnership – *Objective: Become recognized as a valued ally among core CED partners, historic allies, strategic partners and new constituencies.*

Accomplishment: Modified Behavior/Changed Attitudes/Improved Condition/Altered Status –

- 1) NCACDC and its affiliate network were sought out to partner with various public, private and nonprofit entities during this reporting period:
  - a. NC NAACP – NCACDC expanded its partnership with this historic partner collaboratively working to organize an Education Summit and develop a Practical Handbook on Education Advocacy.
  - b. Legal Aid of North Carolina – Facilitated a CED tour and presentation for the board of directors of this historic allied organization further solidifying their re-commitment to aid with community economic development activities statewide.
  - c. NCACDC participated in Sustainability focus group and/or task force meetings held by:
    - i. Division of Community Assistance and
    - ii. Governor Beverly Perdue.

- d. USDA's state Director of Rural Development sought NCACDC's assistance in developing a housing related partnership between USDA and NC CDC network with potential to generate new revenue for membership while also increasing utilization of federal resources by eligible NC residents.
- 2) NCACDC was able to successfully partner/collaborate with its historic CED allies in planning and convening the Leadership Institute – NC (LI-NC). Although NCACDC was lead in coordinating this initial effort, each partner remained fully engaged throughout all phases as well as to financially support the effort. The success of the initial LI-NC convening has helped to re-constitute the partners commitment to working together to move the industry and its affiliates through the current challenges facing the CED industry.
  - a. NCACDC was successful in expanding and deepening its collaborations with traditional allies such as LANC, NAACP, HK on J Partners, NC Center for Nonprofits and others during this report period moving beyond its customary endeavors to explore new opportunities to work together.
  - b. Secured ability to utilize the new video-presence network established between NCACDC partner LANC and NCCU.
- 3) Jointly submitted funding proposal with electric membership cooperative in an effort to forge a new working partnership in support of green business development in rural distressed counties.
- 4) NCACDC boosted its partnerships and collaboration with non-traditional allies included in the convening of the Work Group associated with GETT – Energy. More than 20 distinct and varied organizations committed to move forward with NCACDC in this effort to advance energy efficiency in low to moderate households.
- 5) Continued to pursue partnership with NeighborWorks America regional office in support of green professional training and other benefits to its affiliates.

## Goal #5

Marketing/Branding – *Objective: Become a recognized authoritative voice for the CED industry in NC and beyond.*

- 1) NCACDC provided technical support to other nonprofit intermediaries in the area of messaging by engaging a Messaging Consultant with Action Media. As a result 2 to 3 NC CED intermediaries revised and/or developed key core messages for their organizations.
- 2) NCACDC partnered with the NC Community Development Initiative to provide leadership and training to a small group of CDCs in the utilization of VAN technology as a means of making residents more aware of the work of the industry.

## Goal #6

Communications – *Objective: Become a highly respected and sought after source of CED information.*

Accomplishment: Modified Behavior/Altered Status –

- 1) Staff expanded and updated website adding new pages and more informative and interactive features.
- 2) NCACDC advanced rapid communication protocols to position itself to establish a blog and other like communications strategies.

## Goal # 7

Transition/Succession Planning – *Objective: Become a model enduring organization.*

Accomplishment: Modified Behavior/Improved Condition/Altered Status –

- 1) Submitted preliminary VISTA application based upon an industry-wide concept aimed at addressing the transition and succession planning challenges of our affiliates. As a result, NCACDC was asked to submit a full application.
- 2) Research and develop model Retrenchment Planning Protocol/Procedural Guidelines.
- 3) Provided internship experience for three interns during the reporting period. Specifically, developed work plans, interview guide, and structured learning opportunities for summer interns. In addition, NCACDC staff provided supervision and weekly guidance to ensure interns were supported and mentored appropriately.
- 4) Provided professional development and/or other key participant opportunities for its staff:
  - a. Co-op Conference;
  - b. Lunch –n-Learn on Water Cisterns;
  - c. White House Council on Jobs Meeting;
  - d. Emerging Issues Retreat on ‘Generation Z’
  - e. National and/or regional board and advisory council meetings.
- 5) Amended by-laws to extend term limits of board directors. However, NCACDC continues to recruit new affiliates and allies to fill expiring terms of Board Directors and Advisory Council Members.

	Benefit B.	DOC	FCC	ZSR	G. Fund	Lobbying	R LF	TOTAL
Ordinary Income/Expense								
Income								
4010 · Other Income	0.00	0.00	0.00	0.00	11,692.21	0.00	0.00	11,692.21
4090 · Membership Dues	0.00	0.00	0.00	0.00	21,457.00	0.00	0.00	21,457.00
4110 · Grants	9,497.40	900,843.35	2,521.48	15,907.55	2,000.00	0.00	0.00	930,769.78
4140 · Interest Income	0.00	0.00	0.00	0.00	260.60	0.00	2,511.92	2,772.52
4170 · Conf. Registration	0.00	0.00	0.00	0.00	360.00	0.00	0.00	360.00
4191 · Conf. Sponsorship	0.00	0.00	0.00	0.00	25,072.65	0.00	0.00	25,072.65
Total Income	9,497.40	900,843.35	2,521.48	15,907.55	60,842.46	0.00	2,511.92	992,124.16
Expense								
6010 · Employee Salaries	8,658.00	512,349.62	0.00	0.00	7,657.68	0.00	0.00	528,665.30
6020 · Payroll Tax	839.40	39,592.12	0.00	0.00	75.40	0.00	0.00	40,506.92
6025 · Health Insurance	0.00	79,186.93	0.00	0.00	0.00	0.00	0.00	79,186.93
6027 · Employee Retirement	0.00	29,561.76	0.00	0.00	0.00	0.00	0.00	29,561.76
6130 · Board Member Exp.	0.00	5,713.74	0.00	1,363.51	264.26	0.00	0.00	7,341.51
6135 · CDC Member Trainings	0.00	25,321.32	2,393.58	179.56	0.00	0.00	0.00	27,894.46
6140 · Contributions	0.00	0.00	0.00	0.00	2,100.00	0.00	0.00	2,100.00
6145 · Temporary Services	0.00	550.40	0.00	0.00	0.00	0.00	0.00	550.40
6150 · Depreciation Expense	0.00	0.00	0.00	0.00	2,348.40	0.00	0.00	2,348.40
6160 · Dues and Subscriptions	0.00	8,628.00	0.00	0.00	175.00	300.00	0.00	9,103.00
6180 · Insurance	0.00	5,773.00	0.00	0.00	0.00	0.00	0.00	5,773.00
6200 · Finance Charge	0.00	178.82	0.00	0.00	250.07	0.00	0.00	428.89
6235 · Staff Trainings & Meetings	0.00	6,587.89	0.00	0.00	0.00	0.00	0.00	6,587.89
6240 · Miscellaneous	0.00	0.00	0.00	0.00	279.49	0.00	0.00	279.49
6250 · Postage and Delivery	0.00	5,039.33	0.00	0.00	956.18	0.00	0.00	5,995.51
6260 · Printing	0.00	3,225.06	34.64	0.00	0.00	1,591.03	0.00	4,850.73



	Benefit B.	DOC	FCC	ZSR	G. Fund	Lobbying	R LF	TOTAL
6270 · Consulting Fees	0.00	30,910.65	0.00	0.00	0.00	0.00	0.00	30,910.65
6275 · Legal Fees	0.00	0.00	0.00	0.00	10,262.43	0.00	0.00	10,262.43
6280 · Accounting Fee	0.00	28,805.41	0.00	0.00	0.00	0.00	0.00	28,805.41
6283 · Audit Services	0.00	10,800.00	0.00	0.00	0.00	0.00	0.00	10,800.00
6289 · Facility Lease	0.00	47,849.74	0.00	0.00	5,338.23	200.00	0.00	53,387.97
6290 · Equipment Rental	0.00	8,660.19	0.00	0.00	409.45	0.00	0.00	9,069.64
6295 · Moving exp.	0.00	1,036.00	0.00	0.00	0.00	0.00	0.00	1,036.00
6300 · Maintenance	0.00	4,466.51	0.00	0.00	0.00	0.00	0.00	4,466.51
6340 · Telecommunications	0.00	9,668.17	0.00	0.00	0.00	0.00	0.00	9,668.17
6350 · Travel & Mileage Exp.	0.00	19,793.00	93.26	101.00	623.12	48.57	0.00	20,658.95
6370 · Meals & Entertainment	0.00	0.00	0.00	0.00	2,755.96	0.00	0.00	2,755.96
6452 · Contractual Labor	0.00	794.52	0.00	14,263.48	0.00	0.00	0.00	15,058.00
6550 · Office Supplies	0.00	6,222.66	0.00	0.00	4.28	0.00	0.00	6,226.94
6680 · TA for CDC Members	0.00	10,128.51	0.00	0.00	2,775.00	0.00	0.00	12,903.51
6681 · Public Policy Advocacy	0.00	0.00	0.00	0.00	25,271.12	0.00	0.00	25,271.12
6790 · Contracted Lobbyist	0.00	0.00	0.00	0.00	0.00	21,662.63	0.00	21,662.63
Total Expense	9,497.40	900,843.35	2,521.48	15,907.55	61,546.07	23,802.23	0.00	1,014,118.08
Net Ordinary Income	0.00	0.00	0.00	0.00	-703.61	-23,802.23	2,511.92	-21,993.92
	0.00	0.00	0.00	0.00	-703.61	-23,802.23	2,511.92	-21,993.92