What are Community Development Corporations?

Community Development Corporations are nonprofit, community-based organizations focused on servicing low- and moderate-income populations and underserved neighborhoods with significant disinvestment. The organization typically supports community health and economic development.

The local Community Development Corporations operate programs to build new or rehabilitate housing as well as providing small business loans, business technical assistance, transportation, food accessibility, social services, and education.

Community Development Corporations accomplish several goals to improve community wellbeing including:

- Leveraging capital by developing or redeveloping residential and commercial properties, ranging from affordable housing to shopping centers to small businesses.
- Providing low- and moderate-income people living in the service area a greater voice in decision-making through extensive community outreach and an intentional consideration of the demographic composition of the Board of Directors.
- Receiving unlimited support from both private and public funders to support its programming though its tax-exempt status.
- Providing financing and technical assistance to emerging businesses.
- Operating various needs-specific programming for a specific area.

The Berkshire County Regional Housing Strategy, A Housing Vision for the Berkshires, identifies the exploration of regional housing trusts including possibilities of creating a Community Development Corporation to increase the viability of housing developments.

History:

Community Development Corporations originated in the 1960s as reimagined anti-poverty programs that empowered residents and activists to organize to address the challenges they face in their neighborhoods.

The first CDC, the Bedford Stuyvesant Restoration Corporation, began operating in 1967.

The Bedford Stuyvesant Restoration Corporation’s initial plans included creating job program, renovating, and rehabilitating housing, improving sanitation and recreational facilities, converting an abandoned bottling factoring into a town hall and community center, organizing a consortium to provide subsidized loans to homeowners, and launching market campaigns intended to attach private investment in a disinvested New York City neighborhood.

There are now more than 4,600 Community Development Corporations operating nationally.

BRPC PROGRAMS

Community Planning Program
Economic Development Program
berkshireplanning.org/programs

Information and links current as of May 2023. Please contact BRPC for updates.
Requirements:

In forming a new corporation, organizers should conduct a Priority Needs Assessment and align the programming with the targeted needs identified. A new organization will need bylaws, articles of incorporation, and tax-exempt status from the IRS under 501(c)(3).

The Commonwealth expects a Community Development Corporation’s Board of Directors to have at least 60% of its membership living in the service area. The Commonwealth requests the Corporation’s board demographic information to verify that the board is reflective of the community it serves in racial, ethnic, and economic composition. The Commonwealth also requests a corporation to show its staff and board members have the capacity to implement community development projects and programs.

The Massachusetts Association of Community Development Corporations is a resource for CDCs.

Certification:

The Massachusetts Department of Housing and Community Development can certify Community Development Corporations through a non-competitive process.

The Department of Housing and Community Development requires a Community Development Corporation include certain elements including: its purpose must be to engage the community and businesses to undertake community development projects; an organization as assessed the priority needs of its service area; proof that the Corporation’s activities specifically benefit low- and moderate-income populations; and that the Board of Directors has a meaningful representation of the constituency.

The Department of Housing and Community Development reviews applications throughout the year and attempts to certify organizations within 60 days. The certification is valid for four years; however, the Department of Housing and Community Development does maintain its ability to issue shorter certification periods if it deems circumstances warrant doing so.

Impact:

In 2021 MACDC reported that Community Development Corporations statewide:

- Created or preserved 1,717 homes and 6,744 jobs.
- Assisted 3,416 entrepreneurs.
- Served 86,124 families.
- Invested $1.45 billion