



**COMMUNITY DEVELOPMENT
SUPPORT COLLABORATIVE**

ANNUAL EVALUATION REPORT

DECEMBER 1, 2000

COMMUNITY DEVELOPMENT
SUPPORT COLLABORATIVE
1825 K Street, NW, Suite 1100
Washington, DC 20006

PREFACE

This annual evaluation report of the Community Development Support Collaborative (CDSC) was prepared by the Association for the Study and Development of Community (ASDC). Martin J. Mellett, executive director of the CDSC, provided guidance and leadership on this project. The ASDC Evaluation Team included David Chavis (project director), Theresa Singleton, and Helene Clark. Damien Heath was the project coordinator and assisted in the production of this report.

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EXECUTIVE SUMMARY

Background

The Community Development Support Collaborative (CDSC) was formed in 1992 to bring funders together to concentrate their resources. CDSC uses these resources to build the capacity of local community development corporations (CDCs) to revitalize and stabilize neighborhoods in the District of Columbia. Now in Phase III, the Collaborative funded eight local CDCs in the 2000–2002 funding cycle:

- Development Corporation of Columbia Heights (DCCH);
- East of the River CDC (ERCDC);
- Latino Economic Development Corporation (LEDC);
- Manna, Inc.;
- Marshall Heights CDO (MHCDO);
- New Columbia Community Land Trust (NCCLT);
- North Capitol Neighborhood Development, Inc (NCND); and
- Wheeler Creek Estates CDC (WCECDC).

These groups will share in CDSC's \$3.5 million budget to support their core operations and training and technical assistance activities over the next three years.

The goal of CDSC is to revitalize D.C. neighborhoods through the strengthening of nonprofit community development corporations (CDCs).
To that end, the Collaborative will:

1. Strengthen the capacity of local CDCs.
2. Provide funders with an opportunity to identify community development grantees and learn about development needs and processes.
3. Help organizations build new relationships with the District of Columbia government.

The goal of the evaluation summarized in this report was to examine the operation of the Collaborative and to determine how effectively it has met its goals during the first half of year one of the Phase III funding cycle. This report examines two levels of CDSC operation:

1. CDSC's management capacity, structure, and operation; and
2. Grantee activities and accomplishments over the first six months of Phase III.

Evaluation Design and Methods

The evaluation team used the following methods to collect the information needed for this report:

- Reviewed CDSC's management systems, which included an interview with the CDSC director and an on-site examination of files and information-keeping systems;
- Developed a self-administered questionnaire that asked CDSC steering committee members to provide feedback on meetings, committees and structures, leadership and representation, and grantee relations. Twelve of the thirty-four steering committee members (35 percent) responded to this questionnaire;
- Analyzed the grantees' quarterly reports and supporting documents;
- Conducted open-ended interviews with the directors of seven of the eight CDCs that received funding in Phase III; and
- Attended the CDSC learning session with grantees and funders to identify internal and external challenges confronting CDCs.

Summary of Findings

CDSC Management

Overall the management of CDSC is running very well. The director is clearly the central coordinator and has created a system that, for the most part, performs its intended functions, which are to select grantees and monitor their projects. The CDSC director has a close, hands-on knowledge of all grantees, and packages necessary information in a way that appears to be useful and effective for the steering committee.

From the perspective of the director, the steering committee functions well and meets its responsibilities. However, several areas for future improvement were identified:

- Development of targets and outcome measures;
- Improved ability to provide public information on community development efforts;
- More systematic tracking of technical assistance and technical assistance providers;
- Financial information on grantees that shows fiscal health and projections; and
- Retooling of organizational assessments and selection of consultants to conduct them, should this need arise again.

The management information system is well organized. There is some duplication of information; however, this is actually helpful because it ensures that needed information can be easily found. Financial management is also very straightforward.

The steering committee is satisfied with the structure and effectiveness of the CDSC governing body and its meetings. However, several members feel that they are not sufficiently knowledgeable about grantee activities and would be interested in receiving more detailed information on the grantees. Several grantees also expressed interest in having increased contact with the steering committee, specifically on technical assistance issues.

The current grantees are extremely happy with the CDSC management of their grants. The funding and exceptional technical assistance and training they have received over the first six months of the program year have aided them in hiring and training staff, improving technology, and enhancing operating procedures.

CDSC Grantee Accomplishments

Organizational Development

Overall the grantees have been successful in addressing their internal development goals. All have made progress in building organizational capacity through staff and board trainings and technology enhancements. Several groups took advantage of the technical assistance made available through CDSC to increase their ability to manage neighborhood revitalization efforts. CDSC has offered workshops on board development, and held discussions on human resources issues and resource development in which grantees and their boards of directors have participated. Several groups agreed that these discussions had a positive impact on internal operations.

Neighborhood Revitalization

Neighborhood revitalization efforts, including real estate and business development activities, are progressing well for most of the organizations. Overall the grantees are working on the development or renovation of more than 430 single-family and multi-family housing units. While most of the development project goals for the grantees were targets for the entire year, many of the groups made substantial progress towards completion of housing development projects over the first six months alone. In addition to creating and rehabilitating housing for local residents, several organizations have been engaged in community organizing campaigns to address displacement issues that have affected residents in local neighborhoods.

Economic development and community service programs are adding much-needed resources to the grantee communities. Overall the grantees provided several job trainings and placed more than 300 residents in jobs and work experience positions during the first six months of the year. In an effort to help community residents build wealth, three organizations now offer Individual Development Account (IDA) programs. Several organizations are active in improving neighborhood quality of life by organizing neighborhood clean-up campaigns and storefront facade renovation programs. Community leadership programs have been continued by two grantees. Several grantees have made progress in developing innovative community facilities, two of which will serve as small business resource centers and will provide office space for local businesses and nonprofits. Grantees have also devoted resources to the creation of local business associations to strengthen bonds in the local commercial community.

The impact of strengthened internal operations on neighborhood revitalization is an important connection to make. As noted above, grantees have had access to various training and technical assistance resources, as well as to increased operational support. The connection between CDSC efforts to achieve improved capacity and the revitalization of local communities can be identified in several ways.

In the most limited sense, grantees have been able to take the funds made available through CDSC and hire staff to do the work that needs to get done. Grantees have also been able to approach CDSC, their colleagues, and consultants for assistance to address specific development challenges. For newer CDC directors, these resources have been invaluable.

The training activities have also had an indirect impact on community development. For example, several CDC directors mentioned the fundraising training session as an activity that has had a considerable impact on their development activities. Over the first six months of the program, many grantees have either met or exceeded their resource development goals for the entire year. With these added resources, grantees are able to have a much greater impact on their communities.

The factors preventing grantees from meeting their milestone goals are often structural conditions and in many cases the barriers are shared. While some issues seem to have been addressed by the Collaborative, like human resources, others, like the micro lending program problems that several groups are experiencing, have not been addressed. Several groups noted that they have had difficulty meeting their goals because of conflicts and delays related to working with the city government. At least one grantee expressed the hope that CDSC might take a stronger role in addressing the contextual issues that face local CDCs, specifically in working with the city government.

In summary, the core functions of grant making and grant monitoring work exceedingly well. The steering committee does its job well, and the CDSC director is the hub for all finances, communications, and information. The grantees are supported adequately with technical assistance and other resources in ways that have made them more productive in their communities.

Recommendations

The following recommendations are based primarily on needs expressed by the CDSC director, reflections of the steering committee, interviews with the grantees, and observations of the evaluation team.

CDSC Operations

- Develop a method for monitoring and evaluating the technical assistance, internships, and other services provided by CDSC. Consultants and clients should complete an evaluation form at the completion of each service. The Association for the Study and Development of Community (ASDC) can help develop the needed forms and tracking tools.

- Set criteria for selecting technical assistance providers. For example, in addition to specific content expertise, providers should have knowledge of Washington, D.C. communities or prior experience working with CDCs or should satisfy some measure of cultural appropriateness.
- Require grantees to provide a cash flow statement and balance sheet on an annual basis in order to determine the CDCs' financial strength and weaknesses and anticipate any impending problems. Under special circumstances, CDSC could request these financial reports more frequently.
- Consider requiring semiannual, rather than quarterly, reporting. The longer period of time would give grantees an opportunity to apply the learning they receive from trainings and allow time for development activities to have an effect. Briefer quarterly reports could be requested for monitoring purposes.
- Provide opportunities for grantees and steering committee members to interact more often in order to understand each other's needs. Two or three topical forums each year for reflection and joint planning should be considered. Grantees could benefit from the expertise that these funders may bring to the table.

CDC Internal Capacity

- Expand efforts to systematically address the human resources issues (e.g., recruitment and retention) that are plaguing many of the organizations. For example:
 - Encourage grantees to use human resources professionals made available through CDSC;
 - Help CDCs identify ways to address career path issues;
 - Add more schools to the Human Capital Development Initiative (HCDI);
 - Create a speakers' program to attract high school and college students;
 - Recruit experienced staff outside of Washington, D.C. by using cooperative advertising methods in national newspapers and trade journals; and
 - Develop mentoring relationships and peer learning sessions between CDC leadership and staff to bridge the knowledge gap that is affecting training exercises.

CDC Neighborhood Revitalization

- Investigate the problems that several CDCs are experiencing with micro lending programs and identify technical assistance to address these issues.
- Work with CDCs to consider overall indicators of their impact on neighborhood revitalization. A series of forums are recommended to discuss the types of strategies that lead to larger neighborhood impacts, the capacity building needs to operate these strategies, and intermediate and long-term indicators of progress toward neighborhood revitalization.

Addressing Larger Issues

One of the goals of Phase III of this project is to broker new relationships with the city government. Below are some suggestions to address this issue.

- Work to improve relations with the city by engaging the steering committee to work collaboratively with the Department of Housing and Community Development (DHCD) and the city council on CDC issues. For example, agency staff could be invited to attend some CDSC meetings, or a city representative could be asked to join the steering committee.
- Sponsor forums and meetings to address policy issues facing CDCs and their missions. CDSC is developing grantee capacity in such a way that they may be better able to advocate for themselves. However, CDSC is in the position to convene meetings to bring key players together to work collaboratively on the issues affecting city neighborhoods.

1 INTRODUCTION

1.1 The Community Development Support Collaborative

The Community Development Support Collaborative (CDSC) was formed in 1992 to bring funders together to concentrate their resources. CDSC uses these resources to build the capacity of local community development corporations (CDCs) to revitalize and stabilize neighborhoods in Washington, D.C. Now in its third round, the Collaborative funded eight CDCs in the 2000–2002 funding cycle:

- Development Corporation of Columbia Heights (DCCH);
- East of the River CDC;
- Latino Economic Development Corporation (LEDC);
- Manna, Inc.;
- Marshall Heights CDO (MHCDO);
- New Columbia Community Land Trust (NCCLT);
- North Capitol Neighborhood Development, Inc. (NCND); and
- Wheeler Creek Estates CDC (WCECDC).

These groups will share CDSC’s \$3.5 million budget to support their core operations and training and technical assistance needs over the next three years.

The goal of CDSC is to revitalize Washington, D.C., neighborhoods through the strengthening of nonprofit CDCs.
To that end, the Collaborative will:

1. Strengthen the capacity of local CDCs.
2. Provide funders with an opportunity to identify community development grantees and learn about development needs and processes.
3. Help organizations build new relationships with the Washington, D.C., government.

1.2 Purpose

The goal of this evaluation was to examine the operation of the Collaborative and determine how effectively it has met its goals during the first half of the first year of the Phase III funding cycle. This report examines two levels of CDSC operation:

1. CDSC's management capacity, structure, and operation; and
2. Grantee activities and accomplishments during the first six months of Phase III.

1.3 Evaluation Design and Methods

The evaluation team used the following methods to collect the information needed:

- Reviewed CDSC's management systems, which included an interview with the CDSC director and an on-site examination of files and information-keeping systems;
- Developed a self-administered questionnaire on which responding CDSC steering committee members could provide feedback on meetings, subcommittees and structures, leadership and representation, and grantee relations. Twelve of the thirty-four steering committee members (35 percent) responded to the questionnaire;
- Analyzed the grantees' quarterly reports and supporting documents;
- Conducted open-ended interviews with directors of seven of the eight Phase III CDC grantees; and
- Attended the CDSC learning session with grantees and funders to identify internal and external challenges confronting CDCs.

2 FINDINGS

2.1 CDSC Management & Operations Review

As part of an overall evaluation of the Collaborative's work, the Association for the Study and Development of Community (ASDC) undertook a review of CDSC's management systems and operations. The goal of this phase of the evaluation was to determine how well management, financial, and administrative systems are working to meet the priorities and decision-making needs of the Collaborative and its grantees. The following seven areas of CDSC operation and management were examined:

- Management Functions;
- Steering Committee and Governance;
- Grantee Information and Grants Management Systems;
- Communication Systems;
- Technical Assistance Systems;
- Financial Management Systems; and
- Overall Information Management.

Management Functions

The CDSC director is the central coordinator for grant-making and grant-monitoring functions and for other CDSC activities such as technical assistance. He convenes the steering committee and the subcommittees and provides them with information to help in their decision

making. The CDSC director keeps track of all funds provided by the funders and of grant disbursements. He also tracks all other financial information related to CDSC activities.

The director of the Local Initiatives Support Corporation (LISC) in Washington, D.C. is the CDSC director's supervisor and is also a member of the steering committee. The CDSC director believes that this relationship makes his supervisor a good sounding board for ideas, and that the relationship with LISC is mutually beneficial. The director of the Washington Regional Association of Grantmakers (WRAG), the fiscal agent for the Collaborative, is also on the steering committee and helps CDSC identify other resources and opportunities.

According to the CDSC director, management runs fairly smoothly and he has good relationships with LISC, WRAG, and the steering committee. All the individuals and organizations involved appear to have a clear understanding of their roles and are well qualified to fulfill them. The job descriptions for the director and the staff are outlined in the Phase III specifications but are not very detailed in terms of specific duties and obligations.

Overall the CDC leadership viewed CDSC staff as excellent managers of their grants. Five of the seven directors interviewed rated CDSC as "excellent," and two rated it as "better than fair." These perceptions were largely driven by the effort that the CDSC staff puts into each grantee.

Grantees consistently commented that the CDSC staff is extremely knowledgeable and dedicated to the program. For example:

There is an integrity about the work the CDSC director does. He cares about each organization and acknowledges the uniqueness of each group.

CDSC really listens to its grantees.

Several organizations did, however, remark that the CDSC staff was possibly too small, given its current and future responsibilities. For example, one CDC director commented that the organization might be understaffed. Although this is not a problem now, it may become one in the future. The grantee noted that as CDCs expand because of CDSC's efforts, they are going to ask for more support and services from the program. The Collaborative should be prepared for that and improve its capacity to address this need.

Summary

As the principal staff member of the Collaborative, the director is responsible for the program's overall management. The director coordinates the Collaborative's grant-making and grant-monitoring functions, in addition to providing other support and services to the grantees. The program's organizational design is effective and allows the program to operate smoothly. Grantees are pleased with the way in which their grants are managed. However, several grantees noted the small size of the CDSC staff and suggested that it may not be in proportion to the work the program generates.

Steering Committee and Governance

The thirty-four member steering committee makes all decisions about priorities, criteria, and funding for the Collaborative. It is divided into six subcommittees: executive committee, program evaluation committee, technical assistance committee, community relations committee, and two other subcommittees that meet as needed (i.e., the nominating committee and the program and management committee).

Steering Committee Operation

All twelve of the steering committee members responding to the survey agreed that the subcommittees were effective and that they met frequently enough to stay well informed. The majority of respondents (75 percent) felt that enough time was spent reviewing and analyzing budgets and financial statements during the meetings; however, two members were not sure, and one felt that not enough time was dedicated to this activity.

Two respondents commented on specific issues about which they would like to know more:

[I] would like more time spent on reviewing and analyzing budgets and financial statements during steering committee and executive committee meetings.

[I] do not [have] a good understanding of overhead costs of this program, which I find excessive.

All but one of the respondents felt that there were enough active members and sufficient leadership on the steering committee. The majority of the steering committee survey respondents, $n = 7$ (63.6 percent) reported that they believe the steering committee is the right size and has the right people on it to operate effectively. However, several comments from steering committee members suggested that the body may be too large, and that the committee's size may be affecting its ability to work effectively for some members. For example:

[The] steering committee is too large, which leads to political issues among funders with more focus on personalities than focusing on the needs of the industry.

30-plus members is large.

Seems large, but I support each donor having one vote.

Might be good if there were smaller subparts [to the steering committee].

The CDSC director indicated several areas for future steering committee development. Although the steering committee seems to be functioning well, he reported that he would like to find more active members, broaden diversity (which is limited because the committee comprises funders), and perhaps offer the steering committee some training and more information about grantees. Additional information and training could provide the community relations committee with the resources it needs to actively publicize the accomplishments of the CDC industry and could help the program evaluation committee develop overall measures for CDC activities in neighborhoods.

Decision-Making Process

The steering committee and CDSC staff work closely to decide which CDCs become grantees. Eighteen proposals were received from local CDCs for Phase III funding. Two of the applications did not meet the threshold requirements and thus were not included in the final rankings. The CDSC director read and ranked each of the remaining proposals. Funders were organized into five teams to review and rank two or three proposals. Each team then presented its rankings to the full committee, and, after discussion, each funder individually voted for up to ten organizations. Six of the proposals clearly distinguished themselves as standouts during this initial vote, and two others were later selected for funding.

The WRAG board has final authority on all large program expenditures. Thus, it makes the final decision on which CDCs are funded. According to the CDSC director, there has never been a disagreement between the steering committee and the WRAG board over funding decisions made in the manner described above.

Summary

The CDSC director and members of the steering committee agree that the committee is an effective body. Although most committee members are satisfied with the present structure, several are concerned about the large size of the steering committee and its ability to work well with the number of people who participate. Funding decisions are based on processes that reflect deliberation and access to a range of information.

Grantee Information and Grants Management Systems

Grantee information appears to be complete and very well managed. The CDSC director knows each group exceptionally well and manages its grant and all information related to it. He also puts together all information about the grantees that goes to the steering committee. The CDSC director seems to have a good hands-on relationship with the grantees and to be well informed about their activities.

The director expressed a need to know more in the areas of finances and outcome measurement. First, in addition to audits, the director would like to have a better means of knowing how organizations are doing financially and whether they are becoming stronger or weaker. Second, he would like to develop a clearer sense of neighborhood outcomes that can be measured in order to evaluate the effectiveness of the funded projects.

Information about grantees comes from the following sources:

- Initial Phase III proposals;
- The funders' and CDSC director's personal knowledge of the organizations;
- Occasional follow-up questions and site visits;
- Organizational assessments;
- Workplans; and
- Quarterly reports.

Organizational Assessments

Organizational assessments were mandatory for each grantee in Phases I and II. Several organizations were undergoing an assessment before applying for CDSC support, and the CDSC organizational assessment became part of their original efforts. In other cases, the assessments were tailored to the organization's CDSC funding. Consultants were selected to examine the structure, management, and operations of the CDCs. The assessments have the dual purpose of providing the groups and CDSC with an accurate picture of the organization's structure and function and providing guidance in determining future efforts (i.e., yearly workplans).

According to the CDSC director, the organizational assessments did not all work out well in the early rounds, perhaps because of different consultants or because of a mismatch between CDCs and consultants. In several cases, the results were critical of the CDC, and the groups claimed the consultants did not understand what they had been told. These issues were taken into account for Phase III, and these problems have not been reported for the current round. The CDSC director also reported that several of the organizations conducted more limited assessments in Phase III, based on individual circumstances and needs.

Three of the seven CDC directors remarked on the organizational assessments conducted in either this round or previous rounds. Each commented that the assessment was a useful activity for his or her organization. One CDC staff leader remarked that the organizational assessment is an important part of a logical progression from organizational assessment to strategic plan to workplan.

Grantees commented on the benefits of doing the organizational assessment and the outcomes. For example:

The process facilitates progress.

The organizational assessment helped me think through things I didn't have time to think about. Because of it, we were able to do a three-year plan for the organization.

The CDSC director uses the organizational assessments to identify areas where the CDCs might want to target Collaborative funds, and he compares the CDCs' workplans with their assessments to make sure important issues are addressed. Development of the final workplan often involves several discussions between the director and the grantee. Once the workplan is agreed upon, the CDSC director sends each CDC a grant letter of agreement with the workplan and reporting requirements attached.

Quarterly Reports

Each CDC must submit a quarterly report forty-five days after the end of the quarter. The quarterly report presents a summary of the grantee's activities relative to the workplan and quarterly financial reports. Grantees report on the progress that has been made on each of the milestones that were set in the yearly workplan. The CDSC uses the quarterly reports to measure the grantee's progress relative to the workplan, identify any potential stress factors that could cause future problems, and detect possible financial difficulties.

CDC staff leadership had mixed opinions about the current reporting requirements for CDSC. Two of the seven directors interviewed completely disliked the grid format (Part I) of the current quarterly report and preferred a narrative format for reporting. Several other directors remarked that the CDSC format is somewhat better than that of most other funders because it allows the grantee to think about and focus on process rather than just outcomes. At least two of the directors remarked that the second sheet (Part II), on which grantees respond in narrative form, adds to the richness of the report.

Despite the limitations of the reporting instruments identified by several CDCs, most of the grantees interviewed use the CDSC quarterly report for internal operations. Three grantees use it in their communication with their boards of directors. Most of the grantees remarked that the document was easy to understand and effectively communicated to staff and board members the proposed goals and achievements of the organization.

Several grantees expressed concern that the timing of the reports does not allow for an accurate representation of their efforts. Three of the directors commented that organizational activities do not often have implications in the three-month period that is currently measured. These grantees suggested that reporting be done on a semiannual, rather than quarterly, basis to address this issue.

Summary

The CDSC director maintains a comprehensive array of information on each grantee in order to address the organization's needs. At least half of the grantees interviewed feel that the organizational assessments requested by CDSC were helpful to them as they worked to improve their operations and fulfill their goals. Although several grantees do not particularly like the grid format of the quarterly report, most of them use the report internally to monitor their progress or share information with their boards. The addition of the narrative section of the report allows groups to reflect on their activities and focus on their progress.

Communication Systems

The director is the hub of all CDSC communication. He works directly with grantees, presents information about grantees to the steering committee, and communicates with LISC, WRAG, and external organizations. The main formal means of communication between the CDSC director and the steering committee, in addition to informal phone and e-mail communication, are packages of material the CDSC director prepares for the steering committee and subcommittee meetings.

CDSC Staff-Steering Committee Communication

Steering committee meetings are held to decide on funding criteria, to select groups for funding, to review grantee information, and to decide on funding amounts. Steering committee members receive information necessary for making funding decisions prior to these meetings. They currently do not receive copies of the grantees' organizational assessments or the quarterly reports. The CDSC director creates a summary for each grantee specifically for the steering committee members. They also receive a copy of the budget, updates, and minutes from the previous meeting.

Grantee–Steering Committee Communication

Although all of the steering committee survey respondents felt that communication between the committee and CDSC staff was adequate, several respondents were somewhat concerned about grantee relations:

- Seven of the twelve steering committee respondents (58.3 percent) felt that they were well informed about financial matters regarding CDSC grantees;
- Eight of the respondents (66.7 percent) felt that they knew enough about the grantees, their progress, and the issues they face; and
- Six of the respondents (50 percent) felt that the steering committee has been effective in addressing the needs of the grantees.

Several respondents noted specific issues they would like to discuss with or about the CDC grantees. For example:

[I] would like to know more about how [the grantees] are doing.

[A] briefing strategy regarding CDC operations may need to be undertaken.

[I] would like to see more concrete evidence of progress among grantees besides things like “completing strategic plan.” [I] would like to [see] actual developments taking place.

[It] would be helpful to hear regular updates about grantees other than just the evaluation.

The disconnect between the steering committee and the grantees was also reflected in the CDC staff leadership interviews. Three of the seven directors interviewed commented that there was not enough direct communication between the steering committee and the grantees, specifically with regard to technical assistance matters. These grantees felt that the steering committee members had knowledge that could benefit the grantees when and if they were to involve the committee in the technical assistance aspect of the program. However, one grantee acknowledged that CDCs might not be comfortable with involving the steering committee in problem areas because they are trying to present the best possible impression to funders.

All but three of the CDC directors reported that both sides could benefit tremendously from increased direct contact with the steering committee members. Grantees could benefit from knowing what funders are looking for when they donate or lend money to nonprofit organizations. Funders could benefit from gaining a better understanding of the work that CDCs do. Several grantees were concerned that the committee does not fully understand the work CDCs do or the issues that confront them as community revitalization organizations.

One grantee made the following comment on increasing interaction between grantees and the steering committee and the potential benefits to CDSC:

If funders know where their money is going, it might help to sustain the process.

CDSC Staff–Grantee Communication

Communication between the CDSC director and grantees is frequent. The director receives quarterly reports from the grantees and contacts each group regularly to gather additional information about its projects and programs and to share relevant information. The director convenes a grantee meeting every quarter to discuss current programs and issues and set the agenda for future efforts. Routine communication is done through phone calls and e-mails. The director also conducts site visits with each of the grantees.

All of the CDC directors had high praise for the amount and quality of the communication with CDSC staff. The program expectations were made clear, and all of the reporting requirements were explained through e-mail messages, faxes, and phone calls. In addition to the programmatic communication conducted as part of the grant-monitoring process, CDSC has been a source of information and support for all of the grantees interviewed. Each of the directors commented that the CDSC director is both accessible and knowledgeable, providing much-needed information about their communities and the city.

One grantee characterized the relationship between CDSC and the CDCs as a partnership. The communication between the grantees and CDSC is viewed by all the grantees as direct, open, and honest. Several of the grantees commented that they are more comfortable telling CDSC staff about their issues and problems because of the amount of interest and concern the director shows for their individual projects. This relationship building and care was especially important for those who had more recently become executive directors.

Several of the newer executive directors remarked that they could not have done their jobs as effectively without the support of the Collaborative staff. For example:

Without the support that CDSC provides, our organization would not still be here.

I was new to this position and the area . . . He doesn't know it, but Marty has really been a mentor to me. His knowledge about my organization goes beyond typical funder knowledge.

Technical assistance, consultants, and Marty's wisdom were there when my organization and I needed it.

In addition to their communication with CDSC staff, many grantees identified the Collaborative as a method of communication with a broader audience. Four of the seven CDC directors viewed CDSC as a voice of the community development industry in Washington, D.C. These organizations look to CDSC to be their unified voice to the funders. In this way, CDSC has become responsible for “teaching” others about the community development industry, its needs, and its abilities.

Another, perhaps unanticipated, outcome of the Collaborative mentioned by many of the grantees was increased communication among CDCs. Four of the seven CDC directors interviewed commented that CDSC meetings gave them the opportunity to interact with their colleagues and discuss the challenges and solutions of community development in Washington, D.C. For several of these organizations, these discussions enabled the groups to identify common issues and create partnerships.

Summary

Although the communication with CDSC staff is effective for both the steering committee and the grantees, there is some concern about communication between the grantees and the steering committee. Several steering committee members are interested in knowing more about the programmatic outcomes of their funding efforts on a regular basis. Most of the grantees commented that they could benefit from greater interaction with the steering committee. More frequent meetings between the two groups would address these issues.

Training and Technical Assistance Systems

The overall purpose of CDSC's technical assistance and training is to strengthen the entire community development industry, including CDCs to which CDSC does not make core capacity building grants. Grantees and, on occasion, funders have made recommendations to the CDSC director about the types of training or technical assistance needed, and the director has developed an initiative or identified providers to address the issues raised. Most training and technical assistance is currently provided through the Human Capital Development Initiative (HCIDI).

Training

CDSC has a contract with the Coalition for Nonprofit Housing and Economic Development (CNHED) to provide trainings for local CDCs. CNHED is an umbrella membership organization that provides training and advocacy for the District of Columbia housing and community economic development industry. CNHED currently provides seven trainings per year for local CDC, government agency, and private corporation staff interested in community development issues. The 2000 training schedule included the following courses:

- Nonprofit Communications and Median Relations;
- Advanced Fundraising;
- Business Plans and Entrepreneurs;
- Understanding D.C. Housing and Community Development Programs;
- Comprehensive Neighborhood-Based Community Planning;
- An Asset Building Approach to Community Revitalization; and
- Financing an Affordable Housing Project from Beginning to End.

CNHED designs the training schedule on the basis of the recommendations of its membership. A yearly survey is conducted to determine the interests and needs of local nonprofit practitioners.

Three of the CDC directors commented that grantees might get more out of the training if they could attend only those workshops for which they identified a personal or organizational need.¹ Although the training topics come out of the grantee discussions, several organizations have found that they have not benefited from specific topics, or that the larger group setting is not a productive learning environment for them. All of these grantees acknowledged that organizing more individualized training would be expensive for the Collaborative.

¹ According to the CDSC director, grantees are under no obligation to attend the trainings.

Technical Assistance

During Phase I, CDSC set aside individual grantee budgets for technical assistance. On average, each organization used \$5,000 to fund its technical assistance needs. CDSC found this to be extremely costly for the program, and it could not afford to continue providing assistance in this manner. The administration of technical assistance has since shifted from an individualized process to a collective method under which all technical assistance needs are funded from the same budget. This change in process actually resulted in an increase in technical assistance funding in Phase III. According to the proposed budget for 2000–2002, \$740,000 was allocated for technical assistance. This was a 32 percent increase over the previous round.

Several grantees mentioned that they had benefited from one-on-one technical assistance from consultants facilitated by CDSC, including technology assistance, pro bono legal work, and organizational assessments. Overall grantees were pleased with the technical assistance provided and have benefited greatly from the services. According to the grantees, most of the consultants provided excellent service, and the organizations were improved because of these activities. The grantees were able not only to access important information and services but also able to devote their own resources to other needs rather than pay for the technical assistance out of their limited funds.

At least one grantee noted substantial difficulties working with a Web site consultant provided by the CDSC. The grantee admitted she had waited until the problem had escalated before notifying the CDSC director; consequently, the grantee was unaware that other grantees were having the same difficulties. The problem was frustrating and caused delays that the grantee acknowledges could have rectified. Once she notified the director of the problem, it was taken care of quickly and efficiently.

The formal trainings and technical assistance have been supplemented by the group discussions that occur during the quarterly grantee meetings. All of the grantees had participated in the quarterly meetings by the Collaborative, and most of the groups found the information given during these meetings helpful and informative. At least three of the grantees commented that the discussions around human resources and resource development were particularly useful and provided them with cutting-edge community development support. Several grantees also found the board development training offered by CDSC to be particularly helpful.

Interns and Volunteers

In addition to consultants, grantees have access to interns and volunteers under arrangements facilitated through CDSC. One of the interviewed grantees had benefited from the services of AmeriCorps volunteers and MBA and Howard University undergraduate interns to staff organizational projects. All of these supports were coordinated through CDSC and were productive for the organization. The grantee noted that he would ask for these services again.

Summary

Training and technical assistance are progressing well for those grantees who take advantage of these opportunities. Several grantees are concerned that the training sessions do not reflect their specific needs and suggest moving to smaller, more specialized trainings. The technical assistance resources are being used by most of the organizations; however, without a

mechanism for feedback and communication about the assistance received, it is difficult to determine the effectiveness of specific providers.

Financial Management Systems

The financial management system is simple and straightforward.² The CDSC director acts as the intermediary for all financial transactions. He keeps an electronic spreadsheet of all funder commitments and payments. Funders provide payments to him throughout the year, and he forwards the payments to WRAG. WRAG holds all the funds paid in by the funders, invests the money, and pays the grantees. LISC contributes to the Collaborative as a funder and bills WRAG on a quarterly basis for staff salaries and other expenses. When grants are awarded and grantee obligations are fulfilled, the director submits a payment request to WRAG for the CDC, and WRAG writes a check.

Six groups were funded \$100,000 in Phase III, and two organizations received less than \$100,000. All of the grantees reported that funds have been disbursed in an efficient manner. They were made aware of the requirements they had to fulfill before their funds would become available, and the CDSC made the grant available to them in adequate time to meet their needs. This was very important for several of the groups because it allowed them to plan for the future on the basis of the timeline developed by CDSC.

Summary

The CDSC director and WRAG have worked out a financial management system that operates efficiently. Grantees reported that they received all instructions and payments in a timely manner and were pleased with this part of the program's management.

Overall Information Management

The CDSC director maintains all information pertaining to CDSC operations. Information is organized by grantees, funders, and WRAG-related information. Financial information is stored in two places: in a file of all financial transactions and in each grantee's folder. This is a common feature of the director's system; information is stored in more than one place so that it is available under each category for which it is appropriate. Most information is also stored electronically in Microsoft Word, and finances are tracked in Microsoft Excel spreadsheets.

The files for each grantee contained the following information:

- Correspondence folder;
- Audit information;
- Grant agreement for Phase III;
- Phase III proposal;
- Workplan for the year 2000; and
- Grant award letter.

² The CDSC director reported that WRAG had some problems with CDSC's financial management systems in the past. However, those problems have been resolved and the system is working well.

The information listed above was consistent for each grantee file. In addition, files contained information specific to individual grantee organizations (e.g., flyers, program information). Background information on each grantee was submitted as part of its proposal. Each proposal contained a description of the CDC's workplan, budget and financial statements, mission statement, board members, and staffing and organizational capacity, as well as information about the geographic area served. The geographic information was not uniform across the grantees. Some provided detailed packets of information about their communities, including demographic information, development proposal maps, and community history. Other sites provided much less detailed information about the communities they serve.

Each grantee file contained the grant agreement and a letter of award for the Phase III funding cycle. The grant agreement outlined the guidelines and reporting procedures for the grantees. The workplans for each grantee were kept in these files as well. Information on grantees that were part of the previous grant rounds was filed separately from information relating to the current funding cycle.

In addition to keeping the grantee files, the director maintains files on each funder participating in the Collaborative and the technical assistance initiatives provided through CDSC. The funder files contain general information profiling each funder and their contributions. A more detailed description is kept electronically. Information on technical assistance initiatives is kept in hard-copy files in the director's office. The proposal and budget information on these initiatives are kept in Microsoft Word.

2.2 Evaluation of CDSC Grantee Progress (Excluded at Clients Request)

2.3 Summary of Individual CDCs' Progress (Excluded at Clients Request)

3 CONCLUSIONS AND RECOMMENDATIONS

3.1 Conclusions

CDSC Management

Overall the management of CDSC is running very well. The director is clearly the central coordinator and has created a system that for the most part seems to function as intended. The CDSC director has close, hands-on knowledge of all grantees, and he packages necessary information in a way that appears to be useful and effective for the steering committee.

From the perspective of the director, the steering committee functions well and meets its responsibilities. However, several areas for future improvement were identified:

- Development of targets and outcome measures;
- Increased ability to tell the community development story to a wider audience;
- More systematic tracking of technical assistance and technical assistance providers;
- Financial information on grantees that shows fiscal health and projections; and
- Retooling of organizational assessments and selection of consultants to conduct them.

The management information system is well organized. There is some duplication of information; however, this ensures that needed information can be easily found. Financial management is also very straightforward.

The steering committee is satisfied with the structure and effectiveness of the CDSC governing body and its meetings. However, several members feel that they are not sufficiently knowledgeable about grantee activities and would be interested in receiving more detailed information. Several grantees also expressed interest in having increased contact with the steering committee, specifically on technical assistance issues.

Overall the grantees are extremely happy with the CDSC management of their grants. They have received funding and exceptional technical assistance and training over the first six months of the program year that has helped them hire and train staff, improve technology, and enhance operating procedures.

CDSC Grantee Accomplishments

Grantees are making progress toward meeting their milestone goals and improving their communities. Strengthening the internal operations of the CDCs and tracking the impact of their activities on neighborhood revitalization is an important indicator of program success. As noted earlier in this report, grantees have had access to various training and technical assistance resources, as well as increased operational support funding. The connection between CDSC efforts to achieve improved capacity and the revitalization of local communities can be identified in several ways.

In the most limited sense, grantees have been able to use the funds made available through CDSC to hire staff to do the work that needs to get done. Staff members have been able to access training and technology to make their work easier. Grantees have also been able to approach CDSC, their colleagues, and consultants for assistance to address specific development challenges. For newer CDC directors, these resources have been invaluable.

CDSC activities also have had an indirect impact on community development. For example, several CDC directors mentioned the value of the CDSC fundraising session. They noted that this was an exceptionally well done presentation that helped them approach resource development in a more informed way. Over the first six months of the program, many of the grantees either met or exceeded their resource development goals for the entire year. With these added resources, grantees are able to have a much greater impact on their communities.

Collectively, the grantees achieved many things over the first six months of the 2000 funding cycle. The grantees were working on the development or renovation of more than 430 single-family and multi-family housing units. While most of the development project goals for the grantees were targets for the entire year, many of the groups made progress toward completion of housing development projects over the first six months.

In addition to real estate development, grantees contributed to economic development activities in several communities. The grantees provided several job trainings and placed more

than 300 residents in jobs and work experience positions during the first six months of the year. In an effort to help community residents build wealth, three organizations are now offering IDA services. Several grantees have made progress in developing innovative community facilities, two of which will serve as small business resource centers and provide office space for local businesses and nonprofits. Grantees have also devoted resources to the creation of local business associations to strengthen bonds in the local commercial community.

The factors preventing grantees from meeting their goals are often structural conditions and shared barriers. While some issues seem to have been addressed by the Collaborative and still exist, like human resources, others, like the micro lending program problems that several groups are experiencing have not been addressed. Several groups acknowledged the difficulties that they have had meeting goals due to conflicts and delays related to working with the city government. At least one grantee expressed the hope that CDSC might take a stronger role in addressing the contextual issues that face local CDCs, specifically those that arise in working with the city government.

In summary, the core functions of grant making and grant monitoring work exceedingly well. The steering committee does its job well, and the CDSC director is the hub for all finances, communication, and information. The grantees are supported adequately with technical assistance and other resources in ways that have made them more productive in their communities.

3.2 Recommendations for Improving the Operation of CDSC

The recommendations in this section are based primarily on needs expressed by the CDSC director, reflections of the steering committee, and interviews with grantees.

CDSC Operations

- Develop a method for monitoring and evaluating the technical assistance, internships, and other services provided by CDSC. Consultants and clients should complete an evaluation form at the completion of each service. ASDC can help develop the needed forms and tracking tools.
- Set criteria for selecting technical assistance providers. For example, in addition to specific content expertise, providers should have knowledge of Washington, D.C. communities or prior experience working with CDCs or should satisfy some measure of cultural appropriateness.
- Select technical assistance strategies that are appropriate to an organization's developmental stage.
- Require grantees to provide a cash-flow statement and balance sheet on an annual basis in order to determine the CDCs' financial strength and weaknesses and to anticipate any impending problems. Under special circumstances, CDSC could request these financial reports more frequently.

- Consider semiannual, rather than quarterly, reporting. The longer period of time will give grantees an opportunity to apply the learning they receive from trainings and allow time for development activities to have an effect. Briefer quarterly reports could be requested for monitoring purposes.
- Provide opportunities for grantees and steering committee members to interact more often in order to understand each other's needs. Two or three forums each year for reflection and joint planning should be considered. Grantees could benefit from the expertise that these funders may bring to the table.

CDC Internal Capacity

- Expand efforts to systematically address the human resources issues (e.g., recruitment and retention) that are plaguing many of the organizations. For example,
 - Encourage grantees to use human resource professionals made available through CDSC;
 - Help CDCs identify ways to address career path issues;
 - Add more schools to the HCIDI program;
 - Create a speakers program to attract high school and college students; and
 - Recruit experienced staff outside of Washington, D.C. by using cooperative advertising methods in national newspapers and trade journals.
- Develop mentoring relationships and peer learning sessions between CDC leadership and staff to bridge the knowledge gap that is affecting training exercises.

CDC Neighborhood Revitalization

- Investigate the problems that several CDCs are experiencing with micro lending programs and identify technical assistance to address these issues.
- Investigate how CDSC can support increased social development and community building as part of its work, such as through community organizing or advocacy. There are examples of this in some grantees' work that should be explored and potentially expanded.

Addressing Larger Issues

One of the goals of this Phase is to broker new relationships with the city government. Below are some suggestions to address this issue.

- Work to improve relations with the city by engaging the steering committee to work collaboratively with DHCD and the city council on CDC issues. For example, invite agency staff to attend some CDSC meetings or consider asking a city representative to join the steering committee.
- Sponsor forums and meetings to address policy issues facing CDCs and their missions. CDSC is developing grantees' capacity in such a way that they may be better able to advocate for themselves. However, CDSC is in the position to convene meetings to bring

key players together to work collaboratively on issues affecting neighborhood revitalization.