CAPITAL & COLLABORATION:

An In-Depth Look at the Community Investment System in Massachusetts Working Cities

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THE KRESGE FOUNDATION

INITIATIVE FOR RESPONSIBLE INVESTMENT

FEDERAL RESERVE BANK OF BOSTON

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ABOUT THIS PUBLICATION:

This publication presents the work of the Capital & Collaboration Initiative, a cross-sector effort designed to increase the scale, efficiency and impact of investments in Massachusetts Working Cities. Included are reflections from the partners, summaries of research conducted to inform the group's deliberations, and calls to action from subgroups focused on downtown revitalization and small business development.

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INTRODUCTION

Away from the bright lights of Boston, many cities in Massachusetts are struggling to regain economic stability after years of deindustrialization and population decline. These cities of more than 35,000 people (excluding Boston), characterized by below-median family income and above-average poverty rates, have been termed "Working Cities" by the Federal Reserve Bank of Boston (the Fed). They share much in common with Gateway Cities, which are a priority for the Commonwealth of Massachusetts.[1]

In a predominantly white state, 15 of the 21 Working Cities have populations that are at least 25% nonwhite, and 13 of the 21 Working Cities are more than 15% immigrant, like Chelsea (49%), Lawrence (39%), and Brockton (25%).[2] Nearly a quarter of Massachusetts residents live in Working Cities, and these cities are often at the core of regional economies. Ensuring the health and well-being of the Working Cities is crucial to the future of the Commonwealth and its residents.

THE MASSACHUSETTS WORKING CITIES

In 2013, the Fed launched the Working Cities Challenge[3], a competition designed to incentivize cross-sector leadership and collaboration to benefit low- and moderate-income residents in these cities. The Challenge was initiated on the basis of research showing that leadership and collaboration are key to economic resurgence among struggling small and mid-size cities nationwide.[4] Resulting efforts have been focused on revitalizing key neighborhoods, creating and improving employment systems, increasing public safety, and supporting immigrant entrepreneurs.

In 2015, the Fed launched a companion process called Capital & Collaboration in order to strengthen how the community investment system serves the Working Cities. This work built upon the core Challenge goal of improving how private markets operate in the Working Cities. The effort specifically examined the delivery of capital for downtown revitalization, small business, and scattered-site residential development, the three areas identified by city teams and statewide leaders as key to successful city revitalization. The Fed convened a Working Group of nearly 40 stakeholders from public, private, and nonprofit institutions that are providing capital and services to communities in the Working Cities, and the Fed invited us to work with these parties to examine the community investment system, drawing on a framework that we had developed and have applied in cities across the country.[5]

Community investment, which we define as investment intended to achieve social, economic, and environmental benefits in underserved communities, nurtures economic and neighborhood vitality and can help make cities more equitable and sustainable. It works in places and sectors, like the Working Cities, where conventional market activity does not fully meet community needs.

[1] The Working Cities are a collection of cities defined by the Federal Reserve Bank of Boston (see the map of Massachusetts to the left). The Gateway Cities are designated by the Massachusetts state legislature as having below-average educational attainment and a median household income below the state average. There are 26 Gateway Cities; all but one of the Working Cities are also Gateway Cities. Our current work focuses on the Working Cities, although we expect it is also relevant to the Gateway Cities.

[2] Federal Reserve Bank of Boston, New England City Data, retrieved July 2012. ACS 2012 five-year estimates.

[3] See https://www.bostonfed.org/workingcities/.

[4] Yolanda Kodrzycki and Ana Patricia Muñoz, *Lessons from Resurgent Cities (Boston: Federal Reserve Bank of Boston*, 2009), https://www.bostonfed.org/about/ar/ar2009/lessons-from-resurgent-cities.pdf.

[5] Robin Hacke, David Wood and Marian Urquilla, *Community Investment: Focusing on the System*, March 2015, http://kresge.org/library/community-investment-focusing-system.

To better understand community investment, and with the hope of developing interventions that would permit such investment to achieve greater scale, efficiency, and impact, we have developed a framework that we call "capital absorption." The capital-absorption capacity of a city or region is that place's ability to attract and make effective use of various forms of capital in support of underserved communities. The capital-absorption framework goes beyond consideration of individual transactions to identify three functions that support effective community investment: the existence of community-supported strategic priorities, a robust pipeline of projects that supports execution of those priorities, and the enabling environment of policies, practices, and capacities that fosters or impedes the progress of the pipeline.

THE THREE FUNCTIONS OF THE CAPITAL ABSORPTION FRAMEWORK

Strategic Priorities	Pipeline	Enabling Environment
Ensure there is a coherent, community-endorsed vision to shape investments	Generate deals and projects that add up to the realization of the community's strategic priorities	Shape the context that promotes or impedes the execution of the pipeline

In Massachusetts, as we have done elsewhere, we came to understand how the community investment system worked by interacting with stakeholders including state and quasi-public agency leaders, banks and financial institutions, Community Development Financial Institutions and other intermediaries, advocacy organizations, developers, service providers, and other nonprofit organizations. During the assessment phase, our cross-sector Working Group examined the current system's strengths and gaps and evaluated how the three functions are currently being performed. In the action phase, the group began to consider how to change the existing system, identifying and then beginning to implement interventions intended to strengthen community investment.

Mural: Salem, MA

Focusing on large-scale mixed-use and commercial real-estate projects, small business development, and small-scale or scattered-site residential projects, we collected investment data and spoke with practitioners across the Commonwealth to better understand the capital barriers and challenges facing the Working Cities. The following briefing papers consolidate our findings and suggestions for possible paths forward. They rest on a sizable foundation of research, including the following:

- More than 50 interviews with developers, investors, policymakers, public officials, business owners, intermediaries, advocates, and other stakeholders engaged in the community investment system in the Working Cities;
- Five focus group conversations with more than 50 city-based public officials, for-profit developers, nonprofit developers, and entrepreneurs in Holyoke and Lowell;
- Quarterly well-attended and lively meetings with our Working Group;
- Data analysis on capital flows; and
- A day-long capital absorption workshop with cross-sector teams from 11 of the Working Cities.

We heard a lot of excitement about activity in the Working Cities, ranging from emerging businesses to major downtown redevelopment projects and efforts to think more broadly about building strong communities. We heard from public officials that economic development in the Working Cities was a priority and that developers are interested in expanding their footprint to new places. Our research and work over the last year leads us to believe that there is real opportunity for improvement and better coordination of existing resources to create transformative change for the Working Cities and the rest of the Commonwealth.

We are immensely grateful for all of the time and thoughtful engagement the members of the Working Group have dedicated to this project. We also wish to thank the many individuals and organizations that contributed to this effort by their participation in interviews and focus groups. In particular, we would like to thank our colleagues at the Fed, including Carmen Panacopoulos, Maggie Super Church, Anna Steiger, Prabal Chakrabarti, and Tamar Kotelchuck, who worked tirelessly for the past year to bring this work to fruition.

We would also like to acknowledge the contribution of the co-chairs of the task forces: Michelle Volpe (Boston Community Capital) and R. J. McGrail (MassDevelopment)—the Downtown Revitalization Task Force —and Larry Andrews (Massachusetts Growth Capital Corp.), David Parker (Entrepreneurship for All), and Seth Goodall (US Small Business Administration)—Small Business Task Force. They will now be assuming leadership of the effort.

We hope that aligning the many state, regional, and local actors who care about the future of the Working Cities will strengthen the community investment system and create opportunities for all the residents of Massachusetts to thrive.

Katie Grace, Initiative for Responsible Investment

Robin Hacke, The Kresge Foundation

DOWNTOWN REVITALIZATION AND COMMUNITY WEALTH BUILDING THROUGH MIXED-USE AND COMMERCIAL DEVELOPMENT: A CALL TO ACTION

Our Downtown Revitalization Task Force has been working to surface opportunities to improve the system by which capital is invested in mixed-use projects in Gateway Cities to catalyze revitalization, and perhaps more importantly, wealth creation for low-income families.

Most people agree that mixed-use development is difficult in softer markets and there is broad agreement on the challenges:

- The cost to build commercial space often exceeds the cash flow that can be generated by market-rate commercial rents.
- The developer's need to identify an anchor tenant 36 months in advance of delivering space in order to secure project financing does not align with the timeline of most businesses and organizations seeking space.
- The users of commercial/retail space that are most likely to contribute to the goals of community development are often the least likely to be able to afford the space.

The result is a stunning level of commercial vacancies, with over 5,800 empty commercial spaces across the Working Cities; great reluctance to develop and finance mixed-use space; and inadequate facilities for businesses with the potential to grow, add jobs, and contribute to economic vibrancy.

La Fogata restaurant: Pittsfield, MA

Instead of asking "What can be done?" the task force has been asking a slightly different question. "What can we do—at each of our organizations and in collaboration with others—to achieve a different set of results?" We are at the start of this journey, not at the end. But we are pleased to share our initial thoughts.

- We need to consider and support the range of proven and new models that address building wealth in communities.
- We need to align existing tools more strategically—directing tax credits, flexible loan capital, and developer capacity—to support strategic projects that build on local capacity, infrastructure, and planning investments.
- We need a different set of financing tools, including soft debt, patient capital and flexible terms to support development, tenant improvements, and affordable rents.
- We need to include key community stakeholders who may be able to support mixed-use development through the use of contributed space, philanthropy, procurement contracts, guarantees and/or master leasing.
- We need a different approach to leasing space with deeper connections to the community, strategic planning processes, and the small business ecosystem.

Our next step is to get started! We are in the process of identifying cities, districts and projects that are appropriate to pilot this new approach.

Michelle Volpe, Boston Community Capital
R. J. McGrail, MassDevelopment

MIXED-USE AND COMMERCIAL DEVELOPMENT: A FRAMING PAPER

DEFINITION

Large-scale real-estate projects that can combine a mix of residential (affordable and market-rate), commercial, and/or cultural uses into a single building or block. In the Working Cities, mixed-use and commercial development projects are frequently tied to downtown revitalization and historic building rehabilitation efforts.

WHY FOCUS ON MIXED-USE DEVELOPMENT? WHY DOES THIS MATTER?

Reasons to support mixed-use and commercial development projects include the following:

- Creating wealth for communities in the Working Cities, including increased opportunities for employment and higher wages;
- Anchoring and focusing revitalization efforts to generate visible evidence of change and potential in order to attract more capital and activity (so-called catalytic projects);
- Creating spaces where job-creating enterprises can locate;
- Increasing the commercial tax base;
- Creating attractive, walkable places that serve existing residents and attract new residents like millennials and seniors, as well as businesses seeking vibrant locations.

Outdoor market: Lowell, MA

WHAT'S GOING ON NOW?

Economic conditions in the Working Cities make market-rate redevelopment inherently financially challenging. In the Working Cities outside of the Boston Metro area, residential and commercial rents are low, while costs for rehabilitation of older buildings or new infill development tend to be high. The abundance of commercial vacancies has left many with deserted downtowns and disintegrating buildings.

The affordable-housing system in the Commonwealth, while vastly outstripped by need, is relatively efficient at channeling subsidies to the Working Cities, which receive a percentage of the Low-Income Housing Tax Credit subsidy proportional to their poverty rates relative to the state as a whole. (Thirty-eight percent of the state's population living below the poverty line reside in Working Cities.) In many cases, the robustness of the affordable-housing subsidies and their rough equivalence to market-rate rent in the Working Cities means that there is an established and comparatively straightforward process for developing such projects, so long as there is local political and community support.

The commercial piece of a mixed-use development, on the other hand, is an "odyssey of odysseys." There is no system at the state or local level in the Commonwealth designed to support the nonresidential portions of a mixed-use development. Because the market for commercial space is so soft in these cities and desired local tenants may not be creditworthy, subsidies intended to support other attributes of a project, like brownfields funding or infrastructure grants, often end up subsidizing build-out of commercial space. The additional costs, risks, and uncertainty stemming from the need to carry the commercial portion of what is often a large mixed-use development is a significant burden for nonprofit and for-profit developers.

To date, mixed-income projects have been cobbled together with numerous layers of different capital and subsidy sources, which creates significant headaches for the developer, increases the level of sophistication required to get a deal done, and lengthens deal timelines. In many of our interviews and conversations, the uncertainty created by the confusing allocation of state historic tax credits was a particularly significant challenge, as many of these developments are in historic buildings.

EXPLORATION OF THE CHALLENGES

Hurdles to overcome include the following:

a. Projects require greater subsidy than the sources available.

b. Resources don't coalesce or are challenging to organize because subsidy and capital sources are siloed, and because individual sources are too numerous, each with its own set of requirements and processes.

c. Larger-scale projects like these in cities with depressed economies are risky, especially when they are not part of a larger vision/plan at a city level.

d. Commercial spaces are considered particularly risky and are hard to finance traditionally, so the costs of building out and carrying empty commercial space are an immediate drain on a project.

e. Finding suitable ("desirable + bankable") tenants is difficult.

f. Obtaining financing for build-out/tenant improvements is hard, because there is an aversion to subsidizing business activity.

g. In regard to lead time, developer needs for rental commitments and enterprise needs for immediate space solutions are mismatched.

h. Resident preferences may not support selection of credit tenants.

POTENTIAL SOLUTIONS

Possible solutions are multifaceted. We cite a few here:

a. Ensuring the availability of more subsidy/ organizing resources

- Encourage state actors to align, coordinate, and target subsidies and funding streams to support mixed-use development.
- Support mission-oriented developers who lack experience in this type of project with best practices, networks, and training.
- Coordinate/align subsidies and incentives across silos to facilitate mixed use, perhaps through a one-stop application process.
- Address allocation concerns with state historic tax credits.
- Create set-asides or preferences for high-priority, catalytic projects within approval or subsidy processes at a state or local level.
- Engage nontraditional stakeholders as potential investors (e.g., utilities, etc.).
- Expand the uses of the Elevator/Sprinkler Fund with patient capital to finance code-triggering rehabs.
- Tap individuals and families who care about Working Cities for soft funding.

b. Reducing risk with vision

- Encourage cities to update local plans and zoning to support mixed-use projects.
- Encourage cities to bring in potential developers to the planning process, so execution becomes part of the visioning.

c. Financing and building out commercial space

- Get master leases from financeable entities to make more projects financeable, even with non-creditworthy but community-desired tenants.
- Develop soft sources to finance tenant improvements.

d. Finding tenants

- Have a master plan to attract higher-education entities and other anchor institutions and take into account the potential of locating catalytic facilities strategically.
- Aggregate demand for space into accelerators, incubators, and shared spaces for nonprofits.
- Enhance credit for potential tenants or subsidize rents.

e. Reducing conflicts in timing

- Create a tenant pipeline to reduce time to lease up.

SMALL BUSINESS DEVELOPMENT TASK FORCE: A CALL TO ACTION

The Small Business Task Force recognizes the diversity of business sizes, stages, sectors, and owners that contribute to the Commonwealth's economic strength. Given the need to focus our efforts so we can make an impact, we have decided to concentrate on improving the ways the community investment system supports businesses which have fewer than 50 employees, particularly businesses owned by immigrants.

Immigrants are a significant portion of the population in Working Cities. In 13 of the 21 Working Cities, the immigrant share of the population is higher than the state average. Immigrants are also more likely than U.S.–born individuals to be business owners. According to research from the public policy think tank MassINC, in 2014 almost 19.5% of business owners in Massachusetts were immigrants, although they were only 15% of the population.[6]

The Capital & Collaboration effort confirmed that "immigrant entrepreneurs face unique barriers" in starting and growing their businesses.[7] The need for culturally appropriate resources that can help immigrant-owned businesses realize their potential has been a theme that consistently arose during the qualitative research process of the Capital & Collaboration effort.

During interviews and Working Group sessions, we heard about the importance of cultural awareness in designing effective mentorship programs, about concerns related to setting the timing and location of in-person networking and educational events, about the need to teach immigrants business terminology and U.S. business law and customs, and the hunger for information related to financing opportunities. Providing culturally appropriate resources goes beyond merely translating an English-language resource into another language. It also requires careful consideration of the content being delivered, who is delivering that content, and where it is being delivered.[8]

Beyond the need for culturally appropriate resources, we heard about the challenges immigrant entrepreneurs face in accessing capital. Entrepreneurs in our Holyoke focus group cited bank lending requirements around credit and income history and personal guarantees as a significant barrier to their ability to access capital to start or scale their businesses. A cursory comparison by ethnicity of 2011–2015 SBA 7(a) lending in the Working Cities shows that nonwhites are underrepresented in SBA loans relative to their proportion of city demographics in 15 of the 21 cities.[9] The lack of capital availability from mainstream sources opens the doors to predatory lending practices, which may further marginalize immigrant communities and communities of color. Engaging lenders in helping businesses prepare to become bankable will be critical in supporting the growth of these enterprises.

Much work already has been done by the organizations represented on the Capital & Collaboration Task Force around culturally appropriate resources, including EforAll's EParaTodos Spanish-language accelerator program, and Massachusetts Growth Capital Corporation's immigrant small business capacity-building grant. Yet more remains to be done. We believe that an intentional effort to publicize and expand the resources, networks, training programs, and mentorship opportunities tailored toward immigrant business owners will help them realize their full potential and enable growth. We also believe that we have an important role to play in developing a statewide strategy for promoting and assisting immigrant businesses by serving as a resource to local groups striving to foster the success of these businesses.

Larry Andrews, Massachusetts Growth Capital Corp.

Seth Goodall, U.S. Small Business Administration

David Parker, Entrepreneurship for All (EforAll)

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6 MassINC., *Going for Growth: Promoting Immigrant Entrepreneurship in Massachusetts Gateway Cities* (Boston: MassINC., April 2014, **http://massinc.org/research/going-for-growth-promoting-immigrant-entrepreneurship-in-massachusetts-gateway-cities/**.

7 Ibid.

8 See also Steve Tobocman, *Guide to Immigrant Economic Development* (Decatur, GA: Welcoming America, 2015, **http://www.welcomingamerica.org/wp-content/uploads/2015/06/Guide-to-Immigrant-Economic-Development_Final.pdf**.

9 The SBA does not collect citizenship status on SBA 7(a) loans. Here we use ethnicity as a proxy to illustrate the existing lending patterns of financial institutions.

SMALL BUSINESS DEVELOPMENT: A FRAMING PAPER

DEFINITION

Although the scope includes all businesses with fewer than 500 employees, the task force's focus is on businesses with fewer than 50 employees.

WHY FOCUS ON SMALL BUSINESS DEVELOPMENT? WHY DOES IT MATTER?

Reasons to advocate for small business development include the following:

1. **Jobs:** Nationally, small businesses employ half of the private-sector workforce and are the source of most net new jobs. In particular, small businesses can be the portal to employment for people with only basic employment skills (e.g., immigrants, youth, or those who lack higher education).
2. **Place-making:** Small businesses like restaurants and specialty retailers can contribute to the vibrancy of a place by providing needed goods and services, generating foot traffic, and helping define the identity of a neighborhood by catering to unique niches such as minority or immigrant communities (e.g., Seattle's International District and Boston's Little Italy). Vibrant, walkable places also can attract larger businesses whose employees tend to patronize such neighborhoods that are at close proximity to the workplace.
3. **Wealth creation:** Small businesses can increase personal income and wealth. For example, women-run households have average family incomes that are less than half of the national average. Yet, in 1998, the average income of female-headed households with a business was $60,892, compared to an average of $23,941 for female-headed households without a business. Additionally, small business can help generate community wealth by capturing economic activity that would otherwise occur outside of the community.

WHAT'S GOING ON?

To succeed, every small business—regardless of its size, growth, and sector—requires capital, appropriate space/facilities, management expertise, business networks, access to customers, human capital, and cooperative interaction with local authorities. Creating an environment that delivers these elements effectively can help small businesses thrive. The complexity comes from the fact that although all businesses need these elements, the specifics of their needs vary dramatically from segment to segment. When it comes to small businesses, one size does not fit all.

Small businesses can be segmented along three important dimensions. Segments have different needs.

- **Size:**
  - Sole proprietorship (0 employees)
  - Micro/small: 1 to 9 employees
  - Medium: 10 to 49 employees
  - Large: 50 to 499 employees
- **Stage of growth and growth potential:** Start-ups have special needs as compared with established businesses; "gazelles" with potential to grow rapidly also tend to have capital, marketing, recruitment, and space needs that are distinct from their more stable counterparts.
- **Industry clusters:** The range is broad, spanning technology, food, health, financial services, and others.

In addition to these segments, immigrant-owned businesses (regardless of other factors) face additional challenges and may have specialized needs.

Connecting small businesses with the right elements at the right time requires that the necessary elements be available, that businesses be made aware of existing resources, that they can navigate a currently fragmented system to obtain them, and that resources are sufficiently high in quality to effectively meet their needs.

In March 2016, the City of Boston released a small business plan that surveyed the small business ecosystem in the city and recommended 20 initiatives to strengthen it.[10] At the core of the recommendations

[10] Martin J. Walsh, *City of Boston Small Business Plan* (Boston: City of Boston, March 2016), https://www.cityofboston.gov/images_documents/160330%20Boston%20Small%20Business%20Full%20Report%20-%20Web%20(144dpi)_tcm3-53060.pdf.

is a push to integrate fragmented systems, engage and connect partners, and enhance the collection and use of data. All of these principles are relevant in the Working Cities as well. Some of the specific initiatives, such as targeted mentorship programs for small restaurants and retailers, as well as a series of new, flexible models (subleases, incubators, pop-ups, etc.) to increase lease-up of underutilized ground-level space, may also inspire changes that would help meet the needs of businesses in the Working Cities.

EXPLORATION OF THE CHALLENGES

Hurdles to overcome include the following:

1. **Information:** Small business owners often do not know where to get resources, support, and capital that would assist them.
    - The small business system is fragmented and complex with many specialized organizations providing limited services and operating in relative isolation from each other.
    - Business needs are diverse and vary by segment (age, size, sector, growth potential).
    - Good information about the quality and availability of small business support is hard to find.
2. Small business owners sometimes struggle to obtain what they need (permits, licenses, incentives) from **local authorities**.
3. **Management expertise:** Small business owners may lack basic knowledge about how to operate and grow their enterprise.
4. **Capital:** Small business owners sometimes find it challenging to access the capital they need to start or grow their businesses.
    - Owners may lack access to money from friends or family or to personal resources.
    - New businesses lack the credit history required to tap conventional sources of financing.
    - Small-dollar loans are not cost-effective for traditional lenders.
5. **Space/facilities:** Finding space that is affordable, well-located, appropriately sized, and suitable for the needs of a particular business can be a challenge for business owners.
    - Financing the build-out of a space can be a barrier.
    - Some spaces are too large.
    - Capital expenditures (e.g., for a commercial kitchen) can be a barrier.
6. **Access to customers:** Small businesses may lack the resources or marketing skills to handle tasks such as branding, building an online presence, or tapping institutional customers, such as anchors or government contracts.
7. **Human capital:** Some growing businesses in the Working Cities have indicated that they face barriers in identifying employees with needed skills.
8. **Business networks:** Networks of peers, mentors, and service providers (such as lawyers, accountants, real-estate brokers, etc.) can be critical resources in supporting business growth. Small businesses in the Working Cities may lack access to appropriate networks.
9. **Culturally appropriate resources:** Immigrant-owned businesses face particular barriers in accessing information in their languages, in understanding local processes and norms, and in building networks of peers and mentors who can help them succeed.

POTENTIAL SOLUTIONS

Possible solutions are varied and can include the following:

1. **Information:** Small business owners often do not know where to get resources, support, and capital that would assist them.
    - Create or adapt material that synthesizes support for key business needs by category/ stage, and make this widely available online, in multiple languages, and through multiple organizational channels.
    - Create linkages among the organizations that serve small businesses (CDCs, Chambers, business permitting offices, lenders, SBDCs, etc.) and ensure that those entry points have the resources/ information to make proper referrals (“any door”).

- Simplify the application process for assistance and create a centralized application/database.

2. **Support from local authorities:**
    - Streamline the processes.
    - Create one-stop/concierge services.
3. **Management expertise:**
    - Propagate models like SPARK[11] and EforAll[12].
    - Map the availability, cost, and quality of existing technical assistance and management courses against identified business needs.
    - Develop/support targeted mentorship programs for key segments/sectors.
4. **Capital:**
    - Build the creditworthiness of businesses/business owners through financial literacy, credit-score building, and the FDIC Money-Smart curriculum.
    - Identify soft sources to credit-enhance business-risk–bearing loan pools.
    - Use innovative technology platforms to reduce the cost of originating/underwriting small-dollar loans (e.g., Square offers small-dollar lending that is repaid by charging a percentage of the credit-card transactions).
    - Adapt models for lending to small and micro enterprises, such as the Valley Economic Development Center in Los Angeles, microfinance provider Opportunity Fund of California, and the Grameen Bank.
5. **Space and facilities:**
    - Create shared spaces (e.g., commercial kitchens, co-working spaces; incubators, accelerators).
    - Develop innovative mechanisms to finance tenant improvements.
    - Explore business cooperatives and soft-money solutions to create permanently affordable spaces.
6. **Access to customers: Small businesses may lack the resources or marketing skills to increase sales.**
    - Support marketing by assisting with façade improvements, branding, and deliberate efforts to better connect local small businesses to potential customers such as anchor institutions and government.
    - Increase foot traffic for retailers and restaurants through place-making and the creation of district identity.
7. **Business networks:**
    - Create a statewide infrastructure for networks of peers, experts, contacts, mentors, service providers (such as lawyers, accountants, real-estate brokers) and ensure that opportunities exist for business owners to interact with each other, potential investors, and service providers.
    - Distinguish innovation networks from networks of neighborhood-facing businesses.
8. **Culturally appropriate resources:**
    - Ensure materials are available in languages appropriate to the needs of immigrant business owners.
    - Target outreach to immigrant communities.
    - Work on making Chambers of Commerce and other existing business organizations more diverse and inclusive.
    - Build networks of peers and mentors to help immigrant business owners succeed.

Chelsea Art Walk: Chelsea, MA

[11] See http://sparkholyoke.com/about-us/.
[12] See https://eforall.org/.

SCATTERED-SITE RESIDENTIAL DEVELOPMENT: A FRAMING PAPER

DEFINITION

Small (less than 20-unit), noncontiguous residential projects, primarily rehabs but also including demolition and new build.

WHY FOCUS ON SCATTERED-SITE PROJECTS? WHY DOES THIS MATTER?

Scattered-site residential projects are important because they can:

- Become building blocks of neighborhood revitalization and blight reduction.
- Support asset building through homeownership by low- and moderate-income communities.
- Support the creation of quality housing for city residents.

WHAT'S GOING ON NOW?

Many of the Working Cities have seen their populations decline over the past few decades, leading to increased vacancies in city neighborhoods. In addition, economic decline has reduced the ability of residents in these cities to buy, renovate, and maintain single-family and multifamily properties.

In Working Cities outside of the Boston real-estate market, the supply of residential housing is often greater than demand, which puts downward pressure on real-estate prices just when a rapidly aging stock requires increased investment to ensure that the housing are structurally sound and up to code. In many cases, the cost of renovations in these cities exceeds the market value of the properties, a disincentive to homeowners and investors.

Working Cities that are closer to the Boston metro region similarly face the necessity of upgrading an aging housing stock, but owners are experiencing rising housing values for their real estate as prospective buyers who are priced out of Boston proper venture into more affordable cities like Malden and Chelsea. This trend is raising valid concerns about the gentrification of certain Working Cities and the subsequent displacement of current residents as affordability slips out of reach.

In both hot and cold real-estate markets, the costs of buying and renovating a single- or multifamily property for low- and moderate-income families may not be financially feasible. From a developer and management perspective, the numbers in cold markets don't pencil out, and the management costs of overseeing small-scale and scattered-site properties are high. Where scattered-site renovation is occurring in these cities, it is often done by smaller, private "red truck" developers who are able to support renovation costs by doing most of the work themselves, and who are, in most cases, not accessing traditional community investment capital.

POTENTIAL SOLUTIONS

Ways to support scattered-site residential projects could include the following:

1. **Support a better understanding of the existing housing stock**, the location of properties requiring work, and the type of rehab or repair work necessary.
    - Create an inventory of properties and needs.
    - Increase capacity/technology to support code enforcement.
    - Build site identification into MassDevelopment's Transformative Development Initiative (TDI) efforts.
    - Explore **land bank/land trust** models.
2. **Support execution of renovation through project development.**
    - Provide technical assistance on receivership to clear the titles of abandoned or troubled properties.
    - Facilitate a streamlined or accelerated permitting process.
    - Cultivate regional capacity building to support technical assistance for developers.

- Initiate a demonstration project to build momentum.

3. **Make it easier to gain access to capital to support renovation**.
    - Bundle together projects or create a pool to help finance projects that are too small or administratively burdensome for conventional finance.
    - Bundle together projects to create a tax credit– eligible proposal.
    - Create fund out of an entity like the Massachusetts Housing Investment Corporation for alternative financing with a cookie-cutter process and fast tracking to make accessing of capital easier.
    - Explore the opportunity to influence community-based infill carveout at the Department of Housing and Community Development, which will soon enter the Notice of Fund Availability design stage.
    - Explore replication of the Action for Boston Community Development model of grants to small-property owners with vacant apartments to support rehab and analyze the potential for anchor-institution involvement.

4. **Support homeownership.**
    - Expansion of Employee Assistance Programs for hospitals and other anchor institutions in Working Cities to include or broaden homeownership benefits (e.g., the Main South–Clark University Adam Institute model; Springfield College with Mass Mutual).
    - Shared-equity mortgages to support homeownership—perhaps explore a pooled risk fund.
    - Down-payment assistance programs.
    - Rent-to-own programs as demand generators for homeownership.
    - Explore the Coalition for Occupied Houses in Foreclosure Section 8 rehab model in hot markets to preserve affordability.

CLOSING REFLECTIONS FROM THE FEDERAL RESERVE BANK OF BOSTON

Prabal Chakrabarti, Senior Vice President, Federal Reserve Bank of Boston

In July 2015, the Federal Reserve Bank of Boston ("the Fed") launched the Capital & Collaboration initiative in partnership with the Kresge Foundation and the Initiative for Responsible Investment at the Harvard Kennedy School. Building on three years of support to local collaborative teams through the Fed's Working Cities Challenge, we set out to better understand the existing flow of public, private, and philanthropic capital to the 21 Working Cities in Massachusetts. Our effort focused on three types of community investment: mixed-use and commercial real estate, small business development, and scattered-site residential projects. Our goal was to identify a coordinated set of capacity-building and/or financing activities that would, over time, lead to transformative change. Today, I am pleased to report that the past year's work has culminated in a commitment to action by a number of key leaders, including representatives from the Commonwealth of Massachusetts, the U.S. Small Business Administration, Community Development Financial Institutions, banks, small business lenders, and technical-assistance providers.

Over the course of this initiative, we have worked closely with Robin Hacke of the Kresge Foundation, and David Wood and Katie Grace at the Initiative for Responsible Investment, and more than 40 Working Group members to deepen our shared understanding of the community-investment system in the Working Cities. Too often, in their words, successful transactions require heroic effort. The capital-absorption framework has helped us to better understand the relationships between and among local and state-level actors, to identify systemic barriers to public and private investment, and to explore what could be done differently both within and across institutions. Equally as important, the process of working together over the past year has deepened the level of collaboration and leadership among participants—many of whom did not know each other when this process began.

The Capital & Collaboration initiative has identified several cross-cutting priority areas for action that are important to achieving our broader goal of transformative change:

- Improving the capacity of public, private, and nonprofit leadership to address community needs with blended capital. Sharpening the ability of organizations and networks to collaborate at both the local and state level is vitally important to increasing the scale and impact of community investment in the Working Cities. By establishing platforms for regular communication and streamlining application and referral processes, we can reduce transaction time and costs, leading to better leveraging of limited resources.
- Improving the quality of information and measurement. There is a dearth of timely and transparent information about the types of investment being made in the Working Cities and the financial performance and social and economic outcomes associated with each of these investments. This can limit future investment by maintaining a perception of risk that may not be borne out by data, as well as undervaluing the social impact of these investments.
- Assuring that community needs are met. Investments should be structured both to meet financial targets and to address the needs of lower-income communities to benefit existing residents.

- Encouraging cities to articulate clearly their priorities and plans, so that investors understand and see tangible local commitment. Establishing shared priorities and aligning resources behind them are critical, particularly in places with significant needs and scarce resources.
- Better aligning state policy and the Community Reinvestment Act: motivated bank investment with local community investment opportunities. This process has highlighted the need to identify a pipeline of investable deals and businesses in the Working Cities that are aligned with local and state priorities and to more strategically target existing resources to support this pipeline.
- Increasing the availability and use of incentives and credit enhancements. These should be well-substantiated by evidence of market failure or the opportunity for strong and equitable public returns. Programs such as the Low-Income Housing Tax Credit and New Markets Tax Credit are examples of public investment that leverages large amounts of private capital through a relatively modest subsidy.

As Robin Hacke often says, "Capital follows coherence." We hope this document, and the larger body of work it represents, contributes to greater coherence and thereby drives more capital investment to the Working Cities. Ultimately, we want to see more thriving small businesses, vibrant neighborhoods, dynamic downtowns, and the job and quality-of-life gains that follow when places realize their economic potential.

Thank you to all who have given their time and creative energy to this effort with particular thanks to Robin Hacke, David Wood and Katie Grace, as well as Carmen Panacopoulos and Maggie Super Church representing the Fed. We look forward to supporting the ongoing work of the task forces and applaud their leadership and commitment to building an equitable, efficient, and inclusive community investment system for Massachusetts Working Cities.

Sincerely,

Prabal Chakrabarti
Community Affairs Officer
Federal Reserve Bank of Boston

ACKNOWLEDGMENTS

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None of this would have been possible without the leadership, dedication and commitment of our Working Group members and all those stakeholders who graciously gave us their time, including members of the 11 Working Cities teams that participated in a capital absorption workshop: Brockton, Fitchburg, Haverhill, Holyoke, Lawrence, Lynn, Lowell, New Bedford, Pittsfield, Springfield, and Worcester. We would especially like to note the contributions of Michelle Volpe (BCC) and R. J. McGrail (MassDevelopment) and Larry Andrews (MGCC), Seth Goodall (SBA) and David Parker (EforAll), who have agreed to co-chair task forces that will ensure that this work results in changes to the community-investment system that benefit the residents and small businesses of the Working Cities.

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APPENDIX: INSIGHTS FROM DATA COLLECTION ON COMMUNITY INVESTMENT IN THE WORKING CITIES

As part of our effort to understand community investment in the Working Cities, we attempted to gather information on capital flows into these communities relating to our three target areas of inquiry. This was complicated by a number of challenges including: the lack of an existing system that tracks subsidy and investment in the Working Cities (individually or as a group), a fragmented subsidy system that reports allocations in different formats, and the non-public nature of most investment data by private investors.

To track investment in the Working Cities, we started with state and federal Historic, Low-Income Housing, and New Markets Tax Credits, and available 7(a) and 504 lending data, and supplemented with additional information as available, including MGCC lending, Community Investment Tax Credit (CITC) grants, MassWorks funding, Bank of America community development lending, Community Economic Development Assistance Corporation (CEDAC) investments, and Massachusetts state brownfields funding. We were interested in capital flows intended for low- and moderate-income (LMI) communities, or which could be used as gap-fillers in targeted projects (like Historic Tax Credits for mixed-use development).

The section below highlights some key takeaways from our data collection efforts.[13] We believe there is tremendous value in tracking community investment in the Working Cities, not only to evaluate the efficacy of subsidy, but also to provide a baseline for tracking activity over time, and identifying potential partners for improved and expanded work in these communities.

1. **Working Cities are important to the economic health and stability of the Commonwealth.**

The 21 Working Cities contain 23% of the state's population, but 39% of the state's population living below the poverty line.[14] As regional centers of economic activity outside of Boston, the success of the Working Cities is important not only to the Working Cities themselves, but to surrounding communities as well. MassINC has done extensive work on the value and opportunity of the Gateway Cities (which includes all but one of the Working Cities), beginning with Reconnecting Massachusetts Gateway Cities (2006) and most recently with Rebuilding Renewal (2016).[15] As noted by MassINC, the changing demographics of the Working Cities include a growing immigrant and minority workforce and the geographic distribution and existing infrastructure of the Working Cities create an opportunity to increase competitiveness throughout the Commonwealth and relieve housing and workforce pressures on the Metro Boston area.

2. **The Working Cities receive a share of state subsidy for community investment projects comparable to the Cities' share of the Commonwealth's population living below the poverty line.**

In our interviews with practitioners, we heard repeated concerns that the Working Cities weren't receiving their fair share of state and federal subsidies relevant to community investment. In examining the data and assessing the proportion of these subsidies received relative to the rest of the state, as compared to the proportion of residents living below the state's poverty rate, we found the Working Cities to be receiving, in general, a roughly proportional share of community investment funding programs over the five years from 2011-2015. In other words, 39% of the population living under the poverty line in Massachusetts resides in Working Cities, and a similar proportion of Low-Income Housing Tax Credits, State Historic Credits and Community Investment Tax Credits flows to the Working Cities.

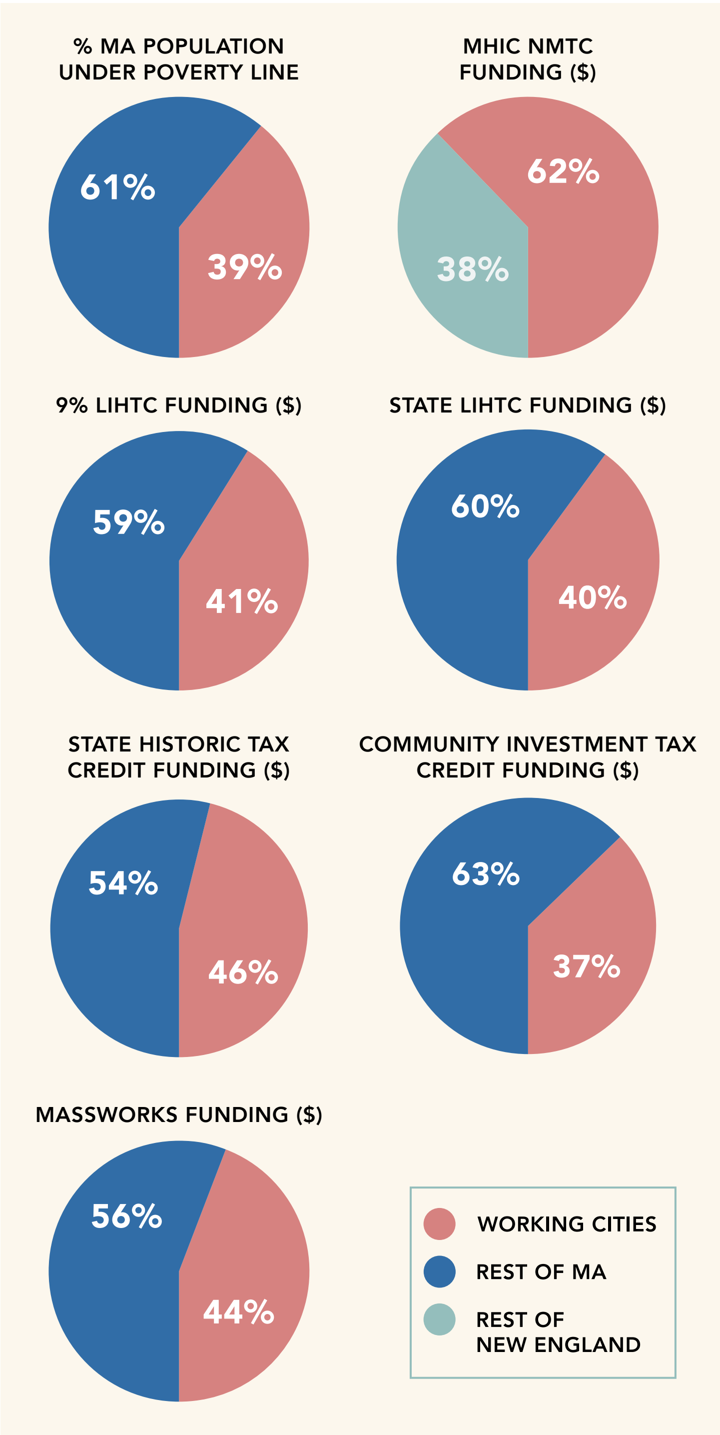
[13] Methodological note: all data is from 2011-2015. MHIC New Markets, state LIHTC, 4% and 9% federal LIHTC, 7(a) and 504 lending, and federal Historic Tax Credit data were provided by MHIC, the Massachusetts Department of Housing and Community Development, the Small Business Administration, and the National Parks Service, respectively. State Historic data was collated from the MA Secretary of State's website, CITC and MassWorks data from the MA Office of Housing and Economic Development website. Additional data was provided by Bank of America, CEDAC, the MA Treasury, Mass Growth Capital Corporation, MassDevelopment, and Boston Community Capital.

[14] Analysis based on population and poverty rates pulled from the New England City Data dataset hosted by the Federal Reserve Bank of Boston, available at: **https://www.bostonfed.org/data/data-tools/new-england-city-data.**

[15] MassINC and The Metropolitan Policy Program of The Brookings Institution. *Reconnecting Massachusetts Gateway Cities.* 2006. **http://massinc.org/wp-content/uploads/2016/06/Gateway-Cities-Report.pdf** and Hodge, Forman, Jakus, and O'Brien. Rebuilding Renewal. 2016. **http://massinc.org/wp-content/uploads/2016/05/Rebuilding-Renewal.pdf**.

While proportional, however, the total dollar amount of money for most programs is relatively small:

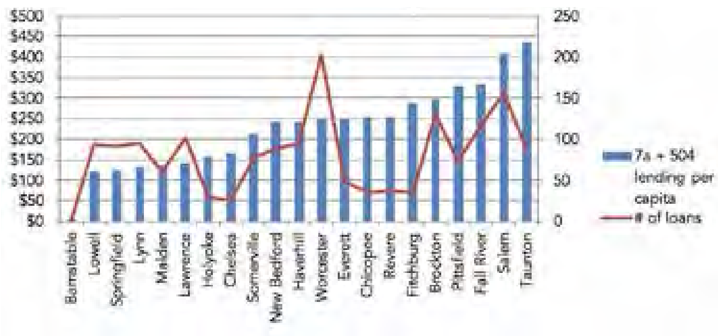
- MHIC NMTC investments in the Working Cities: $127,843,444
- 9% LIHTC: $30,397,724
- State LIHTC: $41,204,471
- State Historic Tax Credit:$116,722,000
- Community Investment Tax Credit: $2,705,000
- MassWorks Infrastructure Program: $143,584,545



3. The share of community investment activity and subsidy varies widely among the Working Cities.

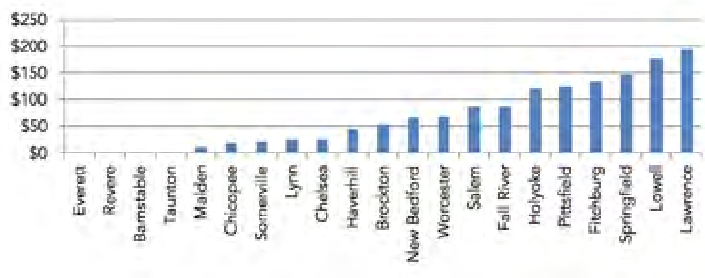
The share of community investment activity and subsidy among the Working Cities varies widely. As the following graphs demonstrate, Boston metro-area Working Cities (Revere, Lynn, Malden, and Chelsea) tend to receive relatively less community investment subsidy among the programs we looked at. It is possible that this may be explained by their relatively greater access to opportunity afforded by proximity to wealthier towns and capital providers, and access to economically successful areas. This may suggest that the relative lack of community investment activity in the Boston Metro-area Working Cities may be offset by greater access to conventional market activity. However, these closer-in cities also experience greater pressure on housing prices and need for affordable housing than their peers further from the Metro area.

7A AND 504 LENDING 2011-2015



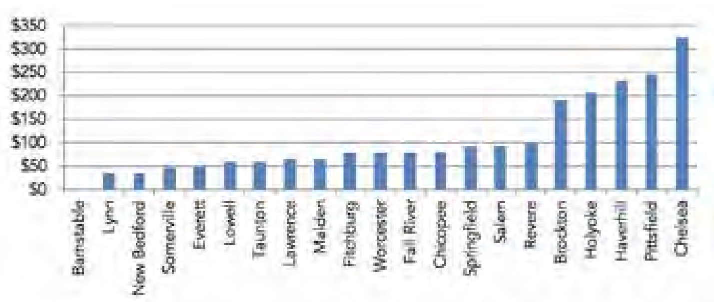
SBA 504 and 7a loans, which are intended to target and support small businesses, are originated by banks across the Commonwealth. The distribution of 7a and 504 lending by city, when paired with the number of loans, gives a sense for the nature of small business lending in each of the Working Cities.

STATE HISTORIC TAX CREDIT ALLOCATIONS 2011-2015, ADJUSTED PER CAPITA



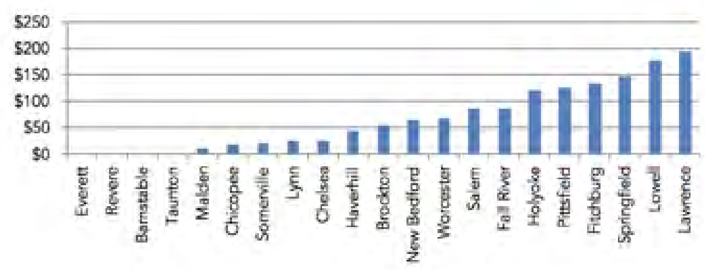
A number of the Working Cities have looked towards large scale mill revitalization as part of their economic development efforts, Lawrence and Lowell chief among them. The size and scale of those projects is significant, so it is expected that their historic tax credit allocations would also be sizeable. This chart also illustrates a weighting of subsidy distribution towards cities further away from Boston. The towns closest to the metro area—Everett, Revere, Malden, Somerville, Lynn, and Chelsea—receive far less subsidy than towns in Central or Western MA.

MASSWORKS INFRASTRUCTURE AWARDS 2011-2015, ADJUSTED PER CAPITA



MassWorks grants, which support infrastructure relevant to economic development including sewers, utility extensions and roads, is distributed relatively evenly across the majority of Gateway Cities on a per capita basis. The five cities that have received the most MassWorks funding per capita are spread across the Commonwealth, from Berkshire County (Pittsfield) and Hampden County (Holyoke) in the West to Essex County (Haverhill) in the North, Plymouth County (Brockton) in the South, and Suffolk County (Chelsea) in the East.

STATE LIHTC ALLOCATIONS 2011-2015, ADJUSTED PER CAPITA



Cities closest in to the Boston Metro area—Everett, Malden, Revere, Chelsea, Somerville, and Lynn—are the six lowest recipients of State LIHTC allocations on a per capita basis of all the Working Cities.

4. Illustrative list of projects and developers resulting from the data collection.

As part of the data collection process, we aimed to identify a set of actors engaged in the Working Cities on projects that received community investment subsidies. The following list of projects by location was created from analysis of recipients of State and Federal Historic and Low-Income Housing Tax Credits, and MassDevelopment and MHIC New Markets Tax Credits.

The list encapsulates the challenges of data collection. In cases where we could not confirm that a project which had received an allocation of tax credits had in fact moved ahead, or verify the developer or owner, we removed the project from the list. Some of the projects listed below, including educational facilities and hotels, do not directly target LMI communities, but have been included to highlight the mix of projects in a particular city that has received these subsidies.

The majority of developers we identified in this project worked on either one project, or exclusively in one city. The following developers were involved in projects in more than one city:

FOR-PROFIT DEVELOPERS

- Beacon Communities:
  Lawrence and Springfield
- Brady Sullivan: Lawrence and Worcester
- Dakota Partners: Barnstable and Haverhill
- O'Connell Development Group:
  Chicopee and Worcester
- Peabody Properties: Brockton and Lawrence
- Rees-Larkin: Lowell and Pittsfield
- Trinity: Brockton, Lowell, and Taunton
- Winn: Fall River, Fitchburg, Lawrence, Lowell, Lynn, New Bedford, Worcester

NONPROFIT DEVELOPERS

- Coalition for a Better Acre:
  Haverhill and Lowell
- Planning Office for Urban Affairs:
  Haverhill and Salem
- The Community Builders:
  Holyoke and Worcester
- The Neighborhood Developers:
  Chelsea and Revere

While the sample size is relatively small, the list is thought-provoking in terms of its implications for expansion of investment. For example, nonprofit developers working in more than one city are more likely to choose an additional city geographically close to the city they are already working in, while for-profit developers are more likely to travel farther afield. Mapping the location of the following projects showed that projects tended to be clustered in particular neighborhoods or general areas of each city. This may be a result of a coordinated development plan to focus on particular areas, a recognition of the value of co-locating near other emerging activity, or an indication that catalytic projects have spurred follow-on activity.

BARNSTABLE

- Village Green: Dakota Partners

BROCKTON

- Station Lofts: Capstone Communities
- Scheibe Building: Brophy & Phillips
- Enterprise Block: Trinity Financial
- Smith & Howard Tolman Buildings: WB Mason
- Howard House for the Aged: Peabody Properties
- Vicente's Market: Vicente's Supermarket

CHELSEA

- Box District: The Neighborhood Developers and Mitchell Properties
- North Bellingham Veteran's Home: The Neighborhood Developers

CHICOPEE

- Ames Privilege Apartments: HallKeen Management
- The Kendall: Valley Opportunity Council
- Elms College Center for Natural and Health Sciences: Elms College
- Chapin School Veterans' Housing: Soldier On and O'Connell Development Group

FALL RIVER

- First Step Inn: Steppingstone, Inc.
- Fall River YMCA: Southcoast YMCA
- Knitting Mill Apartments: Liberty Affordable Housing (NY)
- Curtain Lofts: WinnDevelopment
- Mechanics Mill One: Anthony Cordiero
- Bradford Durfee Textile School/64 Durfee: Kevin Ryan, David Ryan, Benjamin Burbank (RI)

FITCHBURG

- Riverside Commons: Save-On-Wall Company (NH)
- Fitchburg Yarn Mill: WinnDevelopment
- Simonds Hall: Hakala Brothers Group (NH)

HAVERHILL

- Harbor Place: Planning Office for Urban Affairs and Greater Haverhill Foundation
- Tenney Place: Dakota Partners
- Winter Street School Apartments:
  lanning Office for Urban Affairs
- Haverhill Veterans Housing: Coalition for a Better Acre
- JM Lofts/Marsh Block: Traggorth Companies
- 98 Essex: Affordable Housing and Services Collaborative

HOLYOKE:

- Lyman Terrace: The Community Builders
- Chestnut Park Apartments: Weld Management
- Massachusetts Green High Performance Computing Center: UMass, MIT, Harvard, Boston University, Northeastern, EMC, CISCO, Accenture
- Holyoke Public Library: Holyoke Public Library
- Victory Theatre: Massachusetts International Festival of the Arts

LAWRENCE:

- Loft Five50: WinnDevelopment
- Saunders School Apartments: EA Fish Development
- Union Crossing: Lawrence Community Works
- Riverwalk Properties and Riverwalk Lofts: Lupoli Companies
- Sacred Heart Apartments: Beacon Communities
- Surgical Suite, Lawrence General Hospital: Lawrence General Hospital
- 108 Newbury Street: Lawrence Community Works
- Pacific Mill Lofts: Brady Sullivan Properties

LOWELL:

- Counting House Lofts: WinnDevelopment
- Adden Lofts: WinnDevelopment
- The Apartments at Boott Mills: WinnDevelopment
- Lowell Community Health Center: Lowell Community Health Center
- Father John's Apartments: APT Management Group
- Lowell Sun Building: APT Management Group
- Picker Building: Rees-Larkin Development and Mullins Company
- Appleton Mills: Trinity Financial
- 10 Canal Street: Trinity Financial
- Westminster Village: The Related Companies (NY)
- Mazur Park Apartments: EA Fish Development
- Acre High School Apartments: Coalition for a Better Acre
- Gorham Street Apartments: Coalition for a Better Acre
- Varnum School: Tom and Rick Underwood
- Western Avenue Studios and Lofts: Karl Frey (CT)
- Gates Block Studios: Nick Sarris
- 24 Merrimack: Tom Monahan (NH)
- Lowell Gas Light Building: Gallagher & Cavanaugh Law Firm

LYNN

- Gateway Residences: Hub Holdings and Neighborhood Development Associates
- Kipp Academy Lynn: Kipp Academy
- Lynn Community Health: Lynn Community Health, Inc.
- Cobbet Hill: WinnDevelopment

MALDEN

- McFadden Manor: Volunteers of America

NEW BEDFORD

- Manomet Place: WinnDevelopment
- Riverbank Lofts: Acorn Management
- Victoria Riverside Townhouse Lofts: Acorn Management
- Standard-Times Building: Columbus Group
- Verdean Garden Apartments: Cruz Development Corporation
- Ingraham Place: Women's Institute for Housing and Economic Development
- Oscar Romero House: Community Action for Better Housing
- Howland House: The Resource, for Community and Economic Development
- Seaman's Bethel and Mariner's Home: New Bedford Port Society

PITTSFIELD

- The Howard: Allegrone Companies
- Onota Building: Allegrone Companies
- Hotel on North: David and Laurie Tierney
- Silk Mill Apartments: Rees-Larkin Development
- Brattlebrook Village: Rees-Larkin Development and Berkshire Housing Development Corp.
- Central Annex: Preservation of Affordable Housing (POAH)
- Union Court: Preservation of Affordable Housing (POAH)
- Notre Dame Apartments: Scarafoni Associates

REVERE

- 189 Broadway: The Neighborhood Developers (TND)
- 525 Beach: The Neighborhood Developers (TND)

SALEM

- Salem Point Apartments: North Shore CDC
- Congress Street Residences: North Shore CDC
- 135 Lafayette: Planning Office for Urban Affairs (POUA)
- Lofts at 3 Webster: Salem Renewal
- The Merchant: Todd and Kimberley Waller

SOMERVILLE

- Mystic Water Works: Somerville Housing Authority
- 181 Washington Street: Somerville Community Corporation
- Saint Polycarp Village: Somerville Community Corporation

SPRINGFIELD

- Cross Town Apartments: Home City Housing
- Tapley Court Apartments: Home City Housing
- E. Henry Twiggs Estates: Home City Housing
- Kenwyn-Quadrangle Redevelopment: HAP Housing
- Memorial Square Apartments: NE Farm Workers Council
- Paramount Theatre: NE Farm Workers Council
- Gunn Block: DevelopSpringfield
- Merrick Phelps House: DevelopSpringfield
- City View Commons II: First Resource Companies
- Outing Park Apartments I and II: First Resource Companies
- Concord Heights Apartments: First Resource Companies
- Colonial Estates: Beacon Communities
- Hunter Place Apartments: Valley Real Estate
- Caring Health Center: Caring Health Center
- Fuller Block: New England Public Radio

TAUNTON

- Bristol Commons: Trinity Financial
- Lenox Green: Trinity Financial

WORCESTER

- Voke Lofts: WinnDevelopment
- Canal Lofts: WinnDevelopment
- Royal Worcester Apartments: Beacon Communities
- Osgood Bradley Building: Wyatt Development Corp.
- Junction Shop Lofts: Brady Sullivan Properties and Starr Development Partners
- Plummer Building: Ray Mantyla, Robert and Kate Oftring, and Ken Dearden
- Grout's Block and People's Block: SJ Realty
- 50 Prescott Street at Gateway Park: O'Connell Development Group
- Worcester Telegram and Gazette: Worcester Business Development Corp.
- Worcester Loomworks: The Community Builders (TCB)
- Austin Corridor: Worcester Common Ground
- Clark University Student Services and Offices: Clark University
- Fire Alarm & Telegraph Building: SpencerBANK
- 470 Pleasant St.: Planned Parenthood League of Massachusetts
- Printers Building: Davis Publications

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