



2021 Strategic Plan

April 16, 2021

DISCOVERY PHASE: *DRAFT EXECUTIVE SUMMARY*

Over the last several months, the Cambridge Redevelopment Authority's (CRA's) staff have been engaged in the Discovery Phase of the 2021 Strategic Plan. Working in teams, they have evaluated each of the four elements of the balanced scorecard: external activities, internal operations, financial considerations, and learning and outreach.

External Activities

Staff conducted a review of the external project activities initiated, completed or ongoing between 2014 and 2021. To assess the activities, staff created a comprehensive list of projects, and mapped them to identify the CRA's impact within Cambridge by project type, geography, and funding allocation. Since 2014, the organization has been involved in a broad range of initiatives, including workforce development, loan and grant programs, open space, and streetscape design, and building rehabilitation and ownership. The CRA has shown over the last seven years, its ability to be nimble and work on a diverse set of projects. It is also clear that the number and scale of projects the CRA has started to undertake has grown, and that a better defined decision-making tool is needed to guide strategic plan initiatives and projects.

Internal Operations

The review of internal operations addressed the structure of the Board and staff organization, as well as outside services provided by administrative vendors, contractors, and professional consultants. The staff also evaluated the range of policies that guide the agency's work. Key issues that have been discussed include reporting structures, internal collaboration, inhouse capacity, and the need for greater capacity in some areas. With the growth in the number and complexity of CRA projects, more robust systems are needed to support the work, such as project management tools and contract approval and tracking. Strategies for incorporating diversity, equity, and inclusion need to be integrated with procurement processes. Various inhouse policies have been created and updated over the years, but the need to update the Personnel Policy into an Employee Handbook is a priority, especially as the size of the staff has grown.

Financial Considerations

Over the last seven years, the financial position of the CRA has grown due to development projects in the Kendall Square Urban Renewal Area. Among its assets are land, receivables

of development fees, and a loan portfolio. The current liabilities are accounts payable, credit cards, and Forward Fund grants committed but not yet distributed, as well as the underfunded pension and medical benefits and the obligations of the 50 year Foundry Operating Lease. The CRA has a rather unique financial structure that results in a very “lumpy” budget from year to year. It collects income from significant real estate development payments, which results in years with very high surpluses. Absent the development fees in a fiscal year, the CRA operates with a deficit. Most of the CRA projects reviewed in this period have resulted in significant cash outflow with little anticipated returns. Since the number of “business” lines of the CRA has been growing, the agency needs a more robust financial software system that can manage property management, real estate development, grant making, licensing agreements, loan portfolio and office operations, along with an increase in expertise in legal, insurance, tax, and human resources to support the portfolio of projects. A key point of discussion going forward is the ability to optimize the capital structure and use the available financial tools to maximize impact and to evaluate these investments over time.

Learning and Engagement

The CRA works within a complex public, nonprofit, and private network of entities with overlapping missions, which underscores the need for partnerships to execute most projects. For the Discovery Phase, the staff identified the partners with which the agency currently works or associates, analyzing the type of organization, topic, and nature of the relationship, and noting gaps and opportunities. Methods for building on these relationships, expanding them, and learning from them are under discussion. CRA projects typically include a robust community engagement process, and staff have been discussing how best to evaluate the nature of these past processes. Although the input for each project may be quite specific, we are asking what can be learned from strategies that were particularly effective and what are areas for improvement, especially around fundamental questions of diversity, equity, and inclusion. Professional development offers opportunities for staff learning and growth, and when done together, can build a stronger sense of team within the agency, as was the case for the KSA Inclusion Drives Innovation program.

Next Steps

Based on the work to date, the staff will continue to improve on some aspects of internal operations including project decision making, research into financial systems, and internal processes for collaboration and learning. The outreach phase will be strategic given the pandemic and needs to be built on a strong sense of the CRA story and how best to communicate that. The staff will also be developing financial scenarios as the basis for Board discussions about how best to leverage the CRA’s capital structure to make an impact. We also anticipate a process for reflecting on the mission and updating it as necessary.