

CRA STRATEGIC PLAN 2021

Discovery Phase

April 21, 2021

99 Bishop Allen Drive



Forward Fund Grant
Program



Kendall Substation
Development



The Foundry



DISCOVERY PHASE

AGENDA

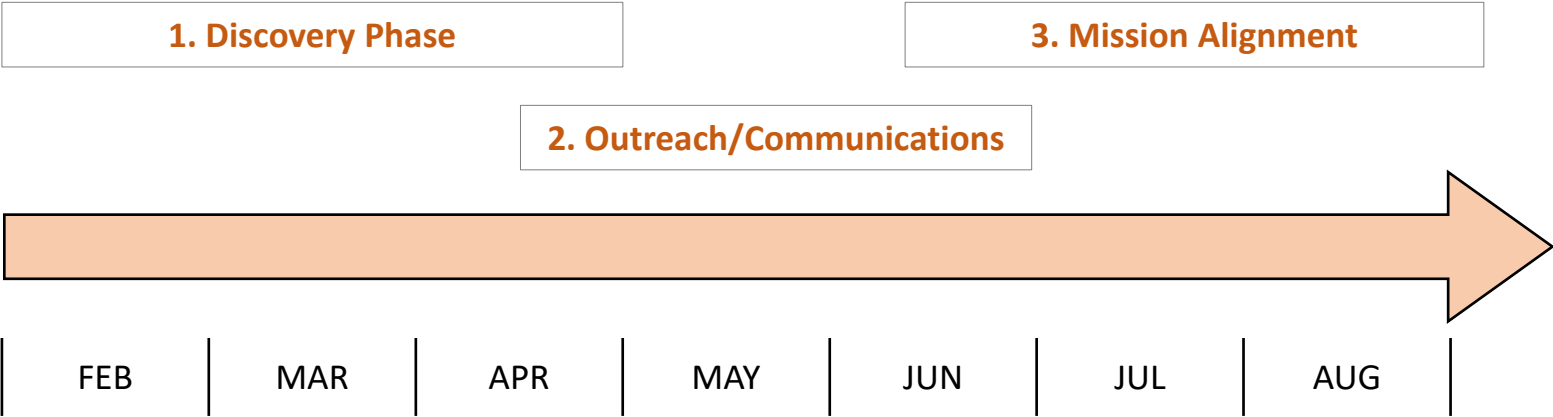
1. External Activities
2. Internal Operations
3. Financial Considerations
4. Outreach and Learning
5. Next Steps



Adapted from Kaplan, Robert and David Norton, "Linking the Balanced Scorecard to Strategy."

CRA STRATEGIC PLAN 2021: PROCESS GOALS AND TIMELINE

- 1. CRA staff to manage and shape plan with input from Board**
- 2. Critically evaluate CRA’s strengths and challenges
- 3. Identify current needs and gaps in community
- 4. Determine how to complement and partner with other organizations and agencies
- 5. Establish criteria for project decisions
- 6. Establish priorities for funding and funding tools



CAMBRIDGE REDEVELOPMENT AUTHORITY MISSION

Aspiration: The Cambridge Redevelopment Authority is committed to implementing imaginative, creative development that achieves social equity and environmental sustainability.

Constituency/Operation: Our goal is to work in the public interest to facilitate infrastructure investments and development projects that integrate commercial, housing, civic and open space uses.

Identity: We are a public real estate entity with a unique set of redevelopment tools, working in close partnership with the City of Cambridge and other organizations.

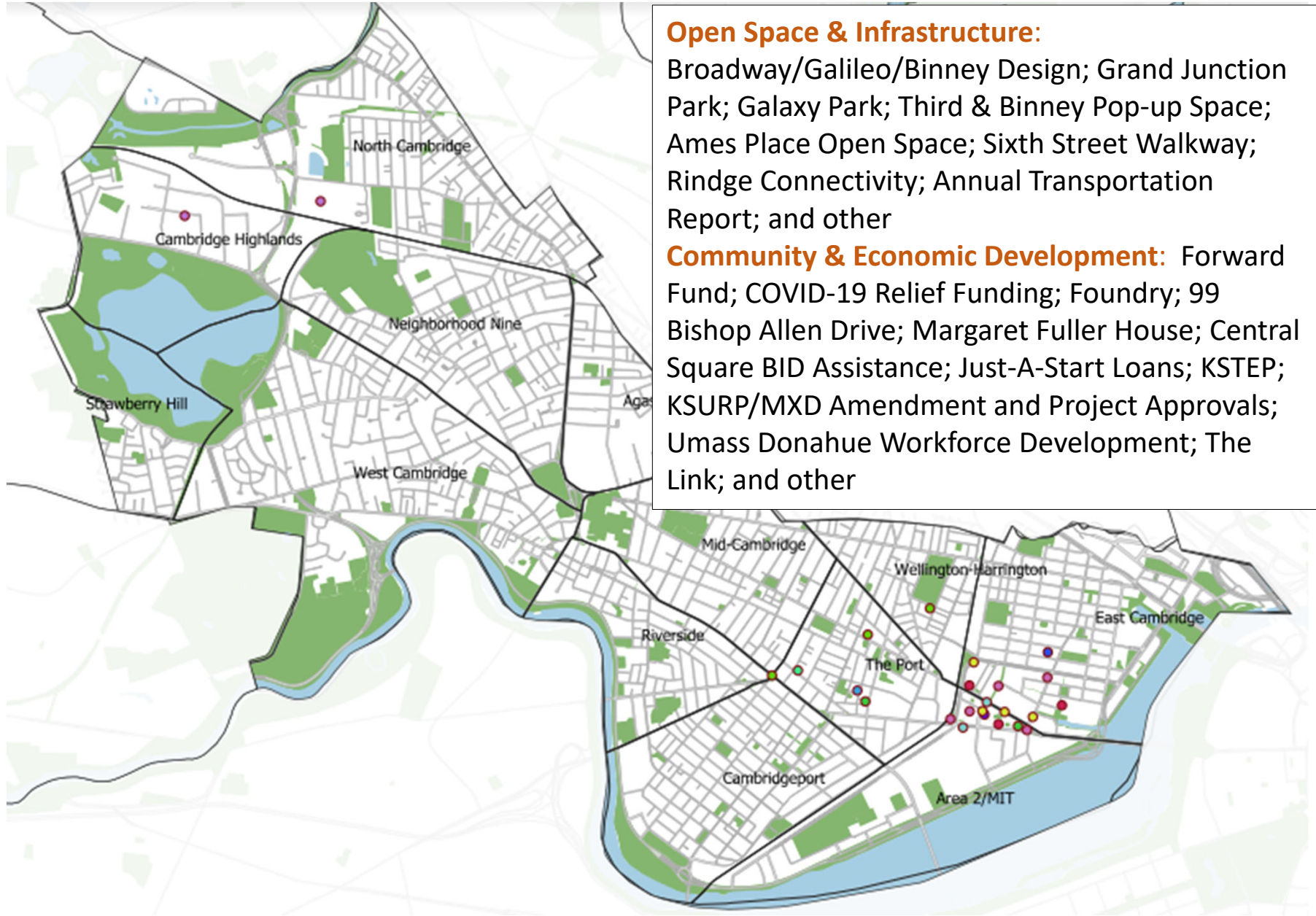


The mission was developed as part of the 2014 Strategic Planning Process.

EXTERNAL ACTIVITIES: KEY PROJECTS 2014-2021

EXTERNAL ACTIVITIES & PROJECTS

How does our work advance our mission?

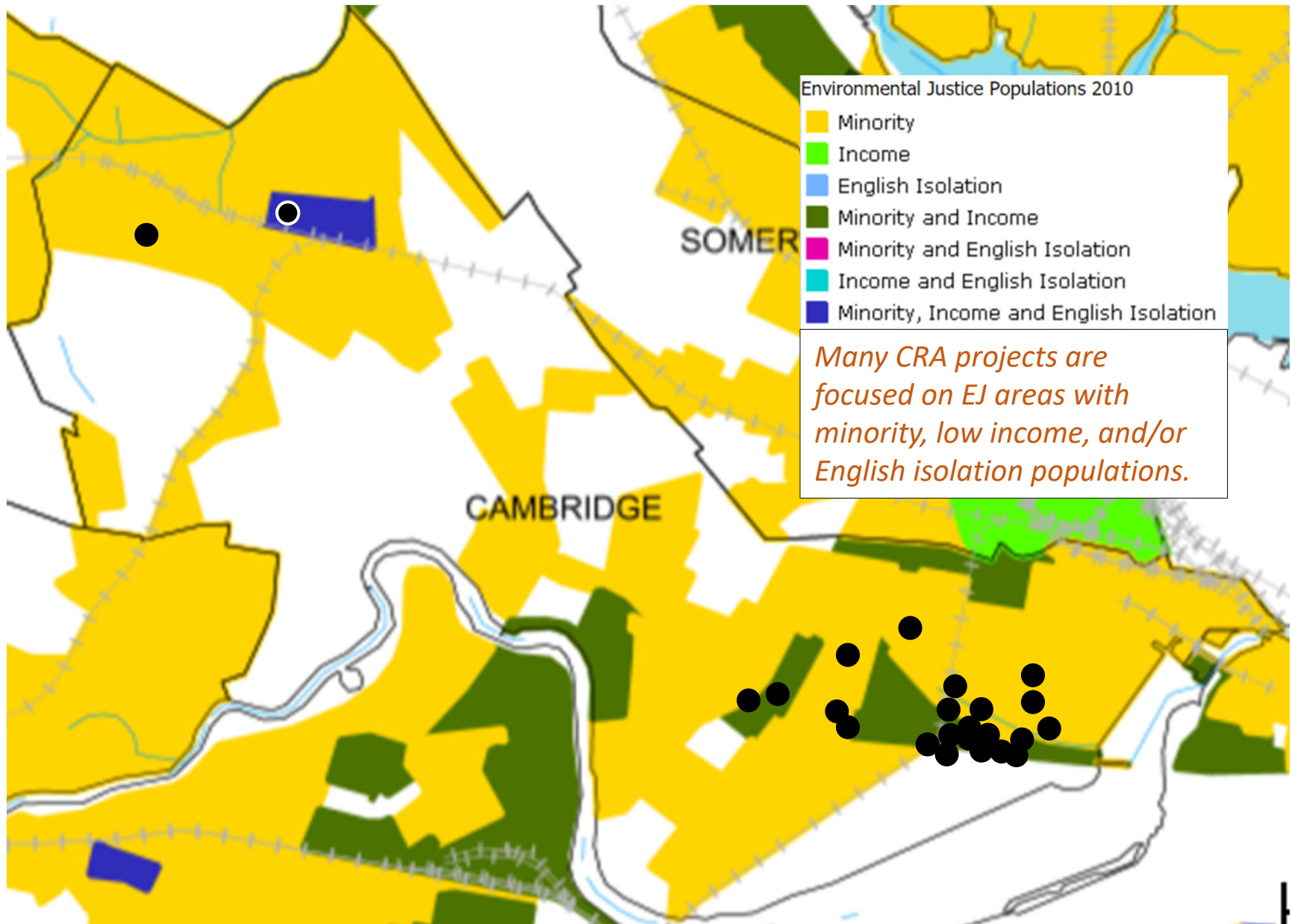


Open Space & Infrastructure:

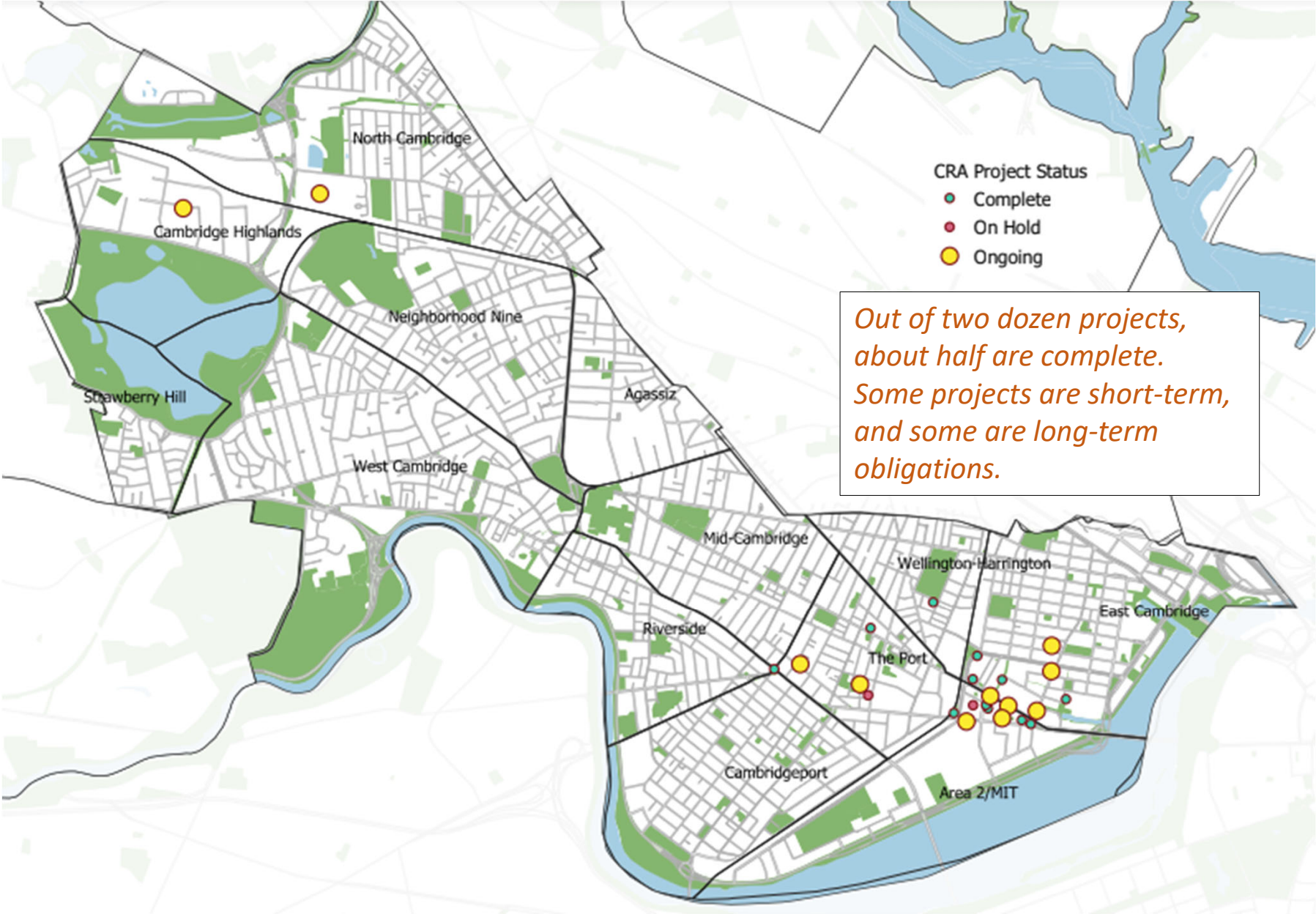
Broadway/Galileo/Binney Design; Grand Junction Park; Galaxy Park; Third & Binney Pop-up Space; Ames Place Open Space; Sixth Street Walkway; Rindge Connectivity; Annual Transportation Report; and other

Community & Economic Development: Forward Fund; COVID-19 Relief Funding; Foundry; 99 Bishop Allen Drive; Margaret Fuller House; Central Square BID Assistance; Just-A-Start Loans; KSTEP; KSURP/MXD Amendment and Project Approvals; Umass Donahue Workforce Development; The Link; and other

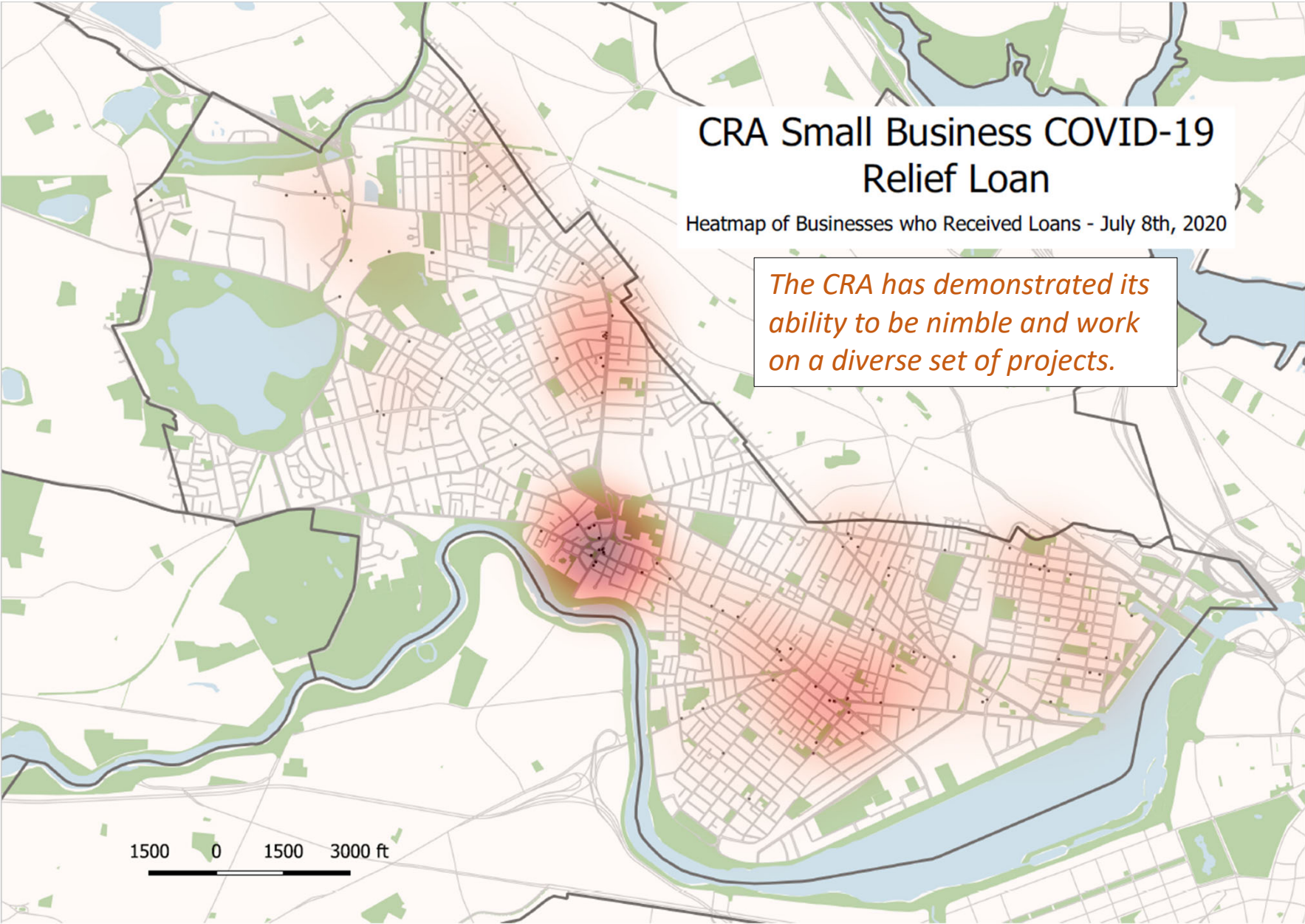
EXTERNAL ACTIVITIES: PROJECTS BY ENVIRONMENTAL JUSTICE (2010)



EXTERNAL ACTIVITIES: PROJECT STATUS



EXTERNAL ACTIVITIES: PARTNERSHIPS / NIMBLE RESPONSE TO NEED



EXTERNAL ACTIVITIES

Preliminary Findings

- **Project management:** experience with contracts; consultant management; project data; design and construction processes; building materials
- **Partnerships:** invest in strategic planning to set goals; recognize need for ongoing capacity building; manage challenges with multiple parties and divergent goals
- **Diversity, equity, and inclusion:** integrate DEI more thoroughly in outreach, leadership, procurement, and services
- **Advisory committees:** can help to amplify community networks, outreach, and project expertise
- **Strategy:** manage phasing; early feasibility assessment; coordination with many other entities
- **Regulatory Framework:** acknowledge the constraints within which a Redevelopment Authority works

A more formal process for project Go/No Go decisions is needed. This will help ensure that a project aligns with the CRA's mission, that the agency has sufficient staff capacity, and that the project meets funding goals.

INTERNAL OPERATIONS

INTERNAL OPERATIONS

What operating processes will help us achieve our mission?

Analysis

- Staff are managing close to two dozen projects of varying sizes, budgets, and complexities
- Professional consultants are used to provide specialized experience
- Coordination meetings between staff members are key because of project overlap and shared teamwork
- A range of administrative vendors keep office systems operating smoothly; maintenance contractors also support CRA operations
- CRA operations are guided by several internal policies, which are posted online; all require Board approval.

The size of the staff has grown from 1.25 employees to 7.25 employees, who work closely with the five-member board.



INTERNAL POLICIES

Preliminary Findings:

- Add diversity, equity, and inclusion lens to CRA policies, especially procurement
- Replace Quickbooks with a more robust financial system to manage the current range and type of CRA projects
- Streamline the contract management and review processes
- Update the Personnel Policy to create an Employee Handbook

Board input and discussion:

- Plan ahead to add more staff or other outside assistance to carry out our projects and organize internal reporting accordingly
- Consider the use of advisory committees to complement and supplement the mandated small board of redevelopment authorities

CAMBRIDGE REDEVELOPMENT AUTHORITY

PERSONNEL POLICY

Amended and Restated: 1-15-14



FINANCIAL CONSIDERATIONS

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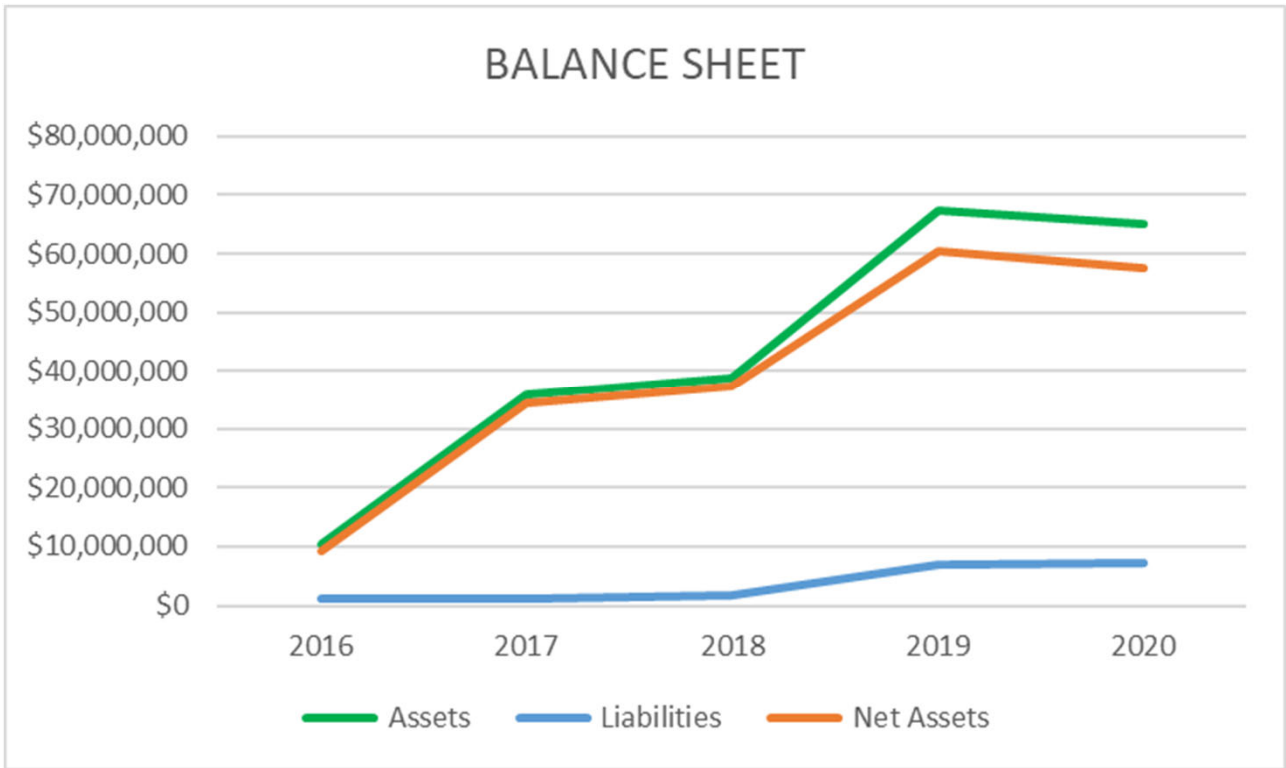
What endeavors will sustain our financial independence?

Assets

- Current assets are cash and investment portfolios.
- Long term assets are loans made to others, long term receivables.
- Fixed assets are property and land.

Liabilities

- Current Liabilities are accounts payable , short term debt, credit cards
- Long Term Liabilities are mortgage, credit lines and other loans, obligations (OPEB)



The CRA's assets have grown significantly over time. As the CRA takes on more complex projects, its liabilities also rise.

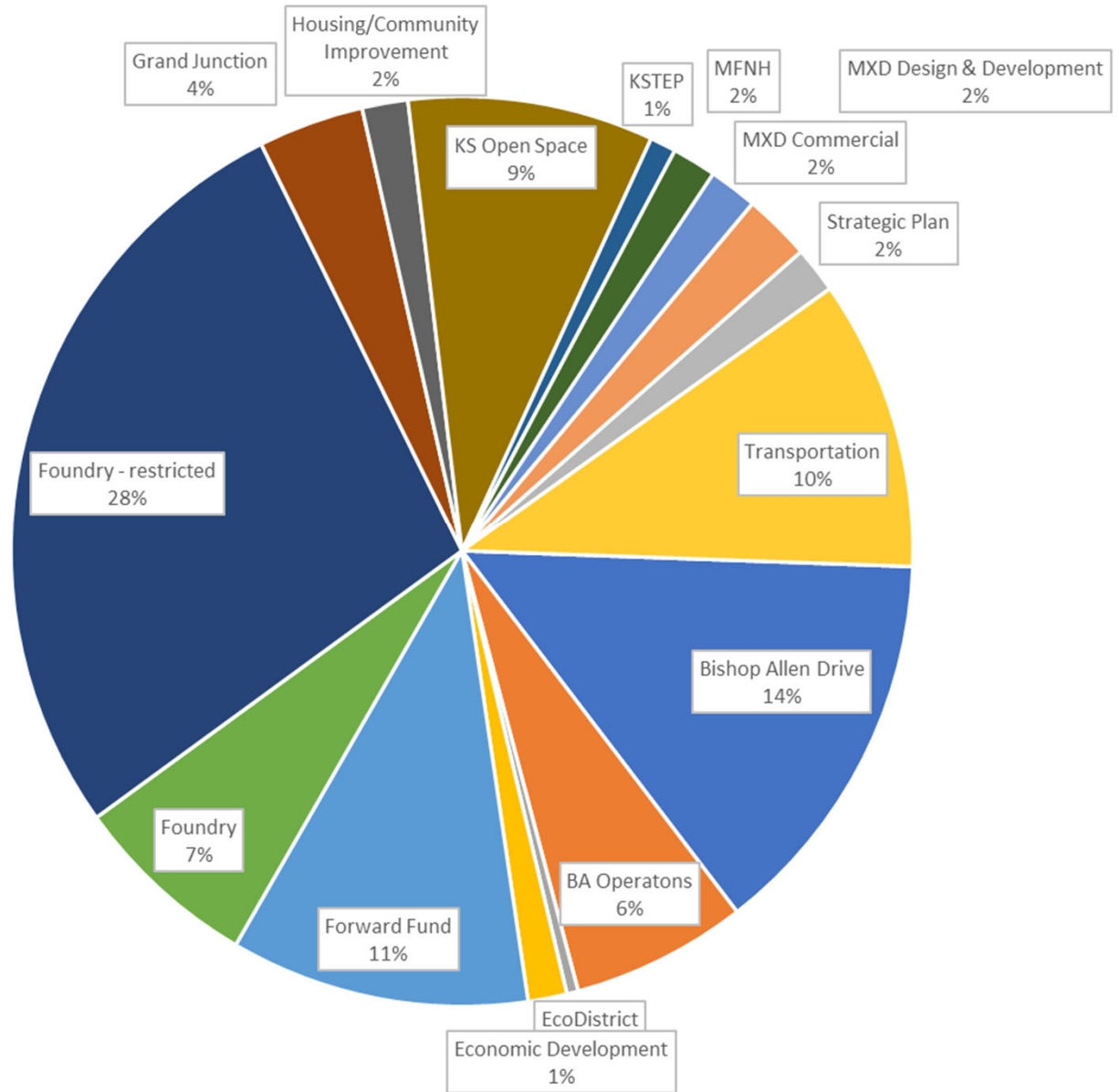
Other liabilities and restricted funds include the Foundry 50 Year Ground Lease and KSTEP restricted funds (currently footnotes on the balance sheet).

FINANCIAL CONSIDERATIONS

Major Projects measured by time and expense:

- Foundry
- Forward Fund
- Bishop Allen Drive
- Transportation projects
- Kendall Square Open Space

TOTAL EXPENSES BY PROJECT 2016-2020



FINANCIAL CONSIDERATIONS

Preliminary Findings

- **Update financial system**
 - Track “lines of business”: loans, building and property management, licensing agreements, real estate development, office operations, grants
 - Provide regular project management reporting
- **Develop investment policy:** create endowment for property management and grant making operations
- **Optimize capital structure:** maximize impact, using debt and other financial tools to maximize impact of CRA investments

The CRA has a 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.

OUTREACH AND LEARNING

OUTREACH AND LEARNING

How can we continue to learn from the community and stay abreast of innovative practices?

Analysis

- CRA works within complex public, nonprofit, and private network with many overlapping missions
- Partnerships are a strategic and necessary way of executing projects
- CRA has relationships through contracts, collaboration, allies, constituents, and Forward Fund grants
- Partners are non-profit organizations, civic groups, government agencies, institutions, and corporate entities
- CRA is committed to a robust community engagement process on all their projects

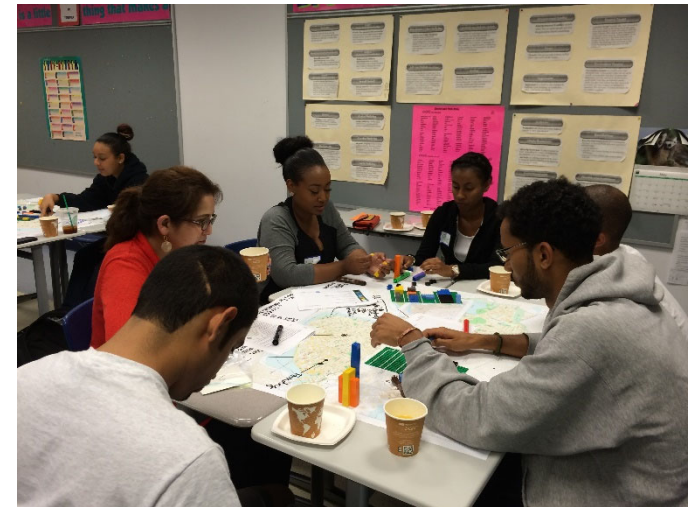
Foundry Workshop



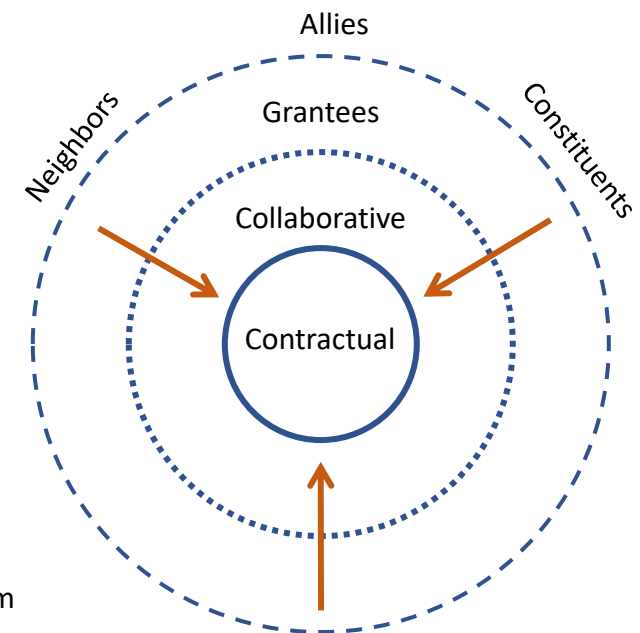
OUTREACH AND LEARNING

Preliminary Findings:

- Better communicate the scope of the CRA work and potential
- Reflect on lessons learned from past community engagement processes
- Identify areas of improvement in community engagement, especially related to DEI
- Nurture and build partner relationships
- Identify professional development opportunities to expand and deepen expertise and build teamwork



Workshop with Mayor's Summer Youth Employment Program staff



Partner Relationship Diagram

STRATEGIC PLAN NEXT STEPS

- 1. 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.
- 2. Outreach phase needs to be strategic given the pandemic and needs to be built on a strong sense of the CRA story and how best to communicate that.
- 3. Staff will develop financial scenarios as the basis for Board discussions about how best to leverage the CRA’s capital structure to make an impact.
- 4. Reflection and consideration of updates to the mission will follow.

