



A Concept for **C**oordination of **C**ommunity **D**evelopment **C**apacity **B**uilding **S**ervices (CCDCBS) As Of December 1 2018

Overview

The purpose of CCDCBS, in general, is to better coordinate and align the capacity building services provided to Community Development Organizations and Grass Roots Organizations in Detroit, and then to properly resource those services to support a stronger and more effective community development system.

To prepare this concept, local and national research was conducted and added to data and input derived from a) a 2017 study of five cities, b) feedback from stakeholders from Detroit, and c) the 2017 BECDD Summit. Together this information was used to develop the following concept for review by the BECDD Intermediary System Task Force.

As noted in the research, there are a variety of *state-wide nonprofit associations* and *community development associations* that offer these kinds of services; and there are *models driven by funders and intermediaries*. The unique idea for a Detroit CCDCBS is to build from existing assets by creating a **centralized entry point** and add components such as: managing a **quality control** system to vet and assess TA providers, handling **intake and referrals**, **assessing the capacity and needs of CDOs and GROs** and providing both **fee-based and free access** to technical assistance (TA) service providers in a more formal way.



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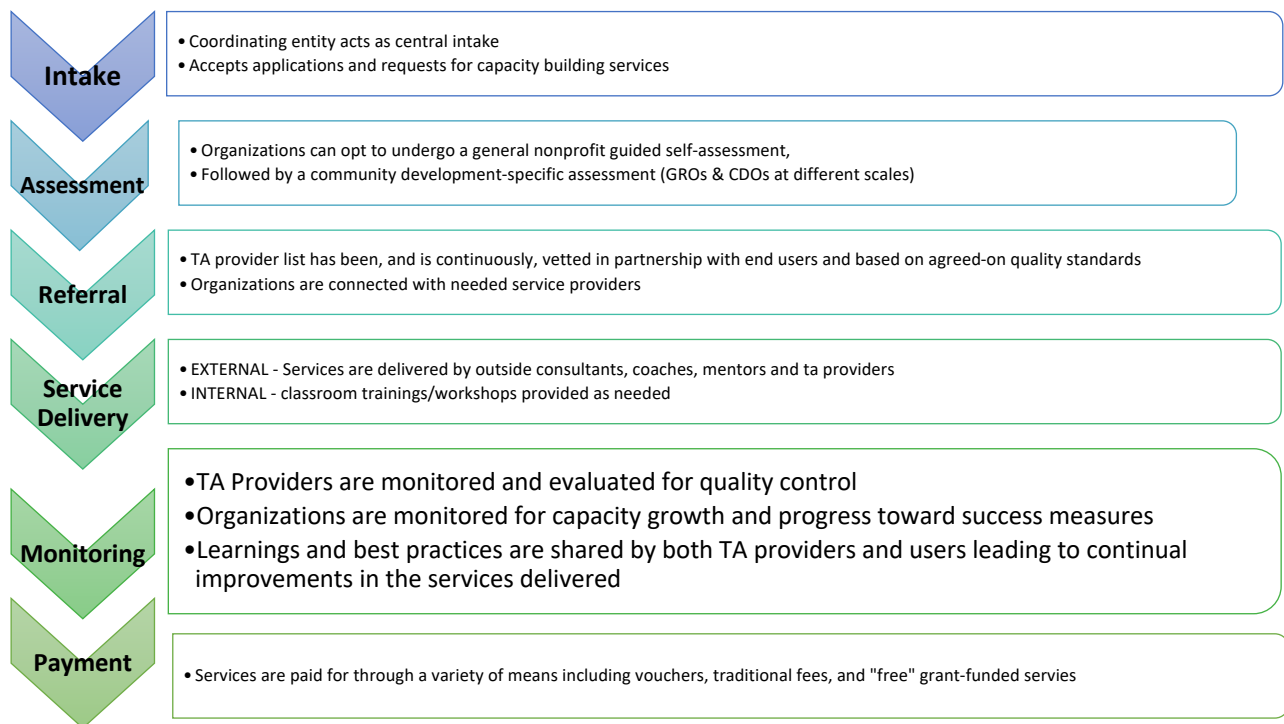
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Functions of CCDCBS:

CCDCBS would result in a variety of services as outlined below:



Overall Management of the CCDCBS Function

There are several approaches that could be taken to assure that this function is handled. These options will be vetted during 2019. As of this writing, the option that is being looked at closely is that an organization - presumably with experience in community development and/or experience with capacity building- would serve as the overall coordinator of the CCDCBS function, and work closely with key partners (capacity building providers and community development client organizations) to provide the services described in the next sections.

Intake

A central "entry point" of intake would provide information on general services that are being offered to potential client organizations through a variety of means: in-person, through social media, referrals by other organizations and the web. Intake could be face-to-face or electronic. Hard copy applications or requests for services would be accepted.

The intake would allow organizations to self-identify their capacity needs; both "baseline" nonprofit needs as well as needs specific to community development work. The intake would also allow client organizations to opt in or out of an *overall* organizational assessment.



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Assessment

for a collaboration between the community development sector specifically, and the Nonprofit Similarly, the assessment tool could allow organizations to self-identify their capacity needs, with the guidance of professional staff; and pair that with a series of questions that allow for a neutral third-party review of capacity needs. Two kinds of assessments would be important: one, to identify baseline nonprofit capacity needs and two, to identify those needs specific to the community development sub-sector.

For instance, if a partnership were developed with the Center for Nonprofit Support, the Center could use the Assessment process created by MNA to identify general nonprofit capacity needs while adding a secondary assessment process specific to community development.

The assessment would first identify whether an organization is

- ✓ a Grassroots Organization (GRO) (volunteer block clubs, neighborhood associations, business groups, school groups, etc.)
- ✓ or a professional Community Development Organization (CDO).

Because the roles are different between these two types of organizations, the capacity building services would also be different.

Next, if an organization is identified as a CDO, the assessment could further refine community development needs based on the maturity of the organization (IE a smaller or start-up CDO versus a more mature and/or complex CDO).

As part of the start-up of the Wilson Foundation-funded Center for Nonprofit Support (*recently re-named "Co.act Detroit"*), the Michigan Nonprofit Association (in partnership with Michigan Community Resources and the UM Technical Assistance Center), is working on an intake and assessment function for the general nonprofit sector. This could create excellent opportunities Center. While MNA has drafted an intake & assessment tool for general nonprofit capacity needs, it has not yet been reviewed for

relevancy to the BECDD concept of a clearinghouse. It likely mirrors the self-assessment provided by the [Standards for Excellence Instituteⁱ](#) which identifies "6 major areas of nonprofit governance and management which contain 27 different topic areas...with specific benchmarks and measures..." An assessment could combine the Standards of Excellence with the Performance Imperative's Seven Pillars and cover the following topics:

- Mission, Strategy, Programs & Evaluation
- Adaptive, People-Centered Leadership: Board, Staff & Volunteers
- Legal Compliance & Ethics
- Financial Health & Operations
- Resource Development & Sustainability
- Public Awareness, Engagement & Advocacy

Assessment components specific to community development could combine concepts from the BECDD definition of Community Development Organizations, NeighborWorks® PROMPT® OAS Assessment Process, Success Measures Community and Resident Engagement Measurement Tools. ⁱⁱ, and LISC's CapMap to include:





- Community/Resident Engagement
- Convening & Facilitating
- Neighborhood Planning
- Economic Development including real estate development, compliance & risk assessment, and
- Resident Support

For example, within the above categories for assessment, a very recent analysis by BECDD of more immediate CDO capacity needs included three items within the “general nonprofit: category: a) data management, b) comprehensive resource development c) organizational strategic planning; and one item specific to community development: Single Family Housing strategies.

Referral

Once the application and/or assessment process is completed, the CCDCBS staff would work with the client organization to prioritize its capacity building needs and timeline and then connect them with appropriate Technical Assistance (TA) provider(s).

Based on recent assessment of CDO-articulated capacity needs, and within the “assessment” categories listed in the previous section, the emphasis for services would be on one-to-one (high-touch) service provision. When the training needed is more universal or the frequency of its request is often enough, the clearinghouse may work with its partners to deliver classroom-style training. This may be especially important for Grass Roots Organizations, many of which are requesting board training, conflict resolution, and training on how to deal with for-profit developers coming into their neighborhoods.

The referral system can connect client organizations with:

- Intermediary/support organizations (not-for-profit or low-profit) that can provide technical assistance such as data management;
- For-profit consultants who provide services such as strategic planning, fund development evaluation; as well as technical professionals who could provide pro-bono technical services (such as legal, accounting, communication, planning, design, engineering, environmental technicians, real estate development, etc.). There are models in both Detroit (MCR) and Philadelphia (PCDC) that use this approach.

The process to qualify and monitor the technical service providers is discussed in the Monitoring section. The type of service is explained further in the Service Delivery section.

Service Delivery

The Assessment process would help to differentiate the service needs of different organizations, in part based on their type and scale (i.e. GRO or CDO: small CDO, mid-sized CDO, complex or mature CDO). Typically, budget and staff size are used as a proxy for the size and complexity of a CDO. The CCDCBS could use additional criteria for identifying what services a CDO could quality for, including a) the presence of a real estate portfolio or property assets, b) number of distinct services offered, and c) tenure of the organization or its executive leadership.





In addition to the type of service needed, the method of delivering the service has also surfaced through the BECDD process as an important component of this concept. Delivery method was viewed as an indication of the quality of the service.

Classroom Training

Training is seen as helpful by GROs, specifically for board development, dealing with developers and managing board conflict. CDOs tended to view classroom training as a helpful first step but wanted follow-up high-touch coaching to help the CDO practitioner apply the classroom learnings, especially in the area of real estate development.

Peer Learning & Mentoring

CDOs rated peer learning from local and national practitioners as an important component of capacity building. While the CCDCBS would not directly provide peer learning, it can help identify content areas, identify relevant practitioners and either pair practitioners together to address a given challenge, or convene a larger group of practitioners to learn from one-another.

Consultative Technical Assistance

CDOs rated “high-touch” delivery methodology as being the most conducive to learning. One-on-one direct service provision is seen as producing the most effective and efficient capacity building. In this format the services can be tailored to the specific needs of the CDO and can be provided over a long-term arrangement (versus the limited engagement of a one-time class or peer convening).

Monitoring

Monitoring is the ongoing process provided by the CCDCBS to assess the effectiveness of the capacity building services, learn best practices, and make continual improvements.

The Monitoring process includes services related to service providers, client community development organizations, and the overall capacity building system:

- *Vetting and quality control of TA service providers,*
- *Assessing client organizational progress* using agreed-on success measures being developed through the Co.act Detroit entity and the BECDD process (“Neighborhood Vitality”),
- *Analysis of service gaps and needs* across the whole community development system, and recommendations and/or advocacy for improvements.

- *Vetting Quality of TA Service Providers*

As noted previously, most standard non-profit associations do not provide extensive quality control systems and instead publish the names of TA service providers based on whether those TA Providers are paid membership in the organization (i.e. MNA, CAM, and CultureSource). In the proposed CCDCBS model, a more formal process would be created to vet, select, and monitor quality of the TA service providers. The process can be modeled after MSHDA’s process to pre-select a pool of consultants. An RFQ for consultants can be issued in a variety of areas, based on feedback of needs from CDOs. Those RFQs can be pre-screened for quality, experience, and rates per topic area. Those selected are then added to a list of pre-approved contractors available to partner organizations. CDOs can then have an opportunity to provide ratings and written reviews for the list of providers.





As TA providers offer their services through the CCDCBS, the client organizations can be given the opportunity to rate them (an example tool that could be used is available on NEW's website). Similar to Angie's List, the quality control can involve ratings, customer reviews, and an appeals process. To encourage client organizations to provide these reviews, users could be incentivized, or otherwise required, to rate their service providers as part of the process.

For for-profit firms or organizations offering specialized services (accounting, legal, planning, design), a determination can be made of their willingness to be added to a list of pro-bono service providers.

Finally, to ensure that the collective insights and best practices of all the stakeholders can enhance the overall system, service providers would be regularly convened together and periodically convened with CDOs and GROs to share their learnings with each other to jointly discuss system strategies and improvements that could improve CDO and GRO capacity.

- *Assessing Progress with Client Organizational Users*

Where a client organization has requested it, the assessment process can provide a baseline analysis of an organization's current capacity needs and then an evaluation of the same elements can be made after capacity building services have been provided, in order to measure organizational progress.

However, this "baseline" picture of the status of a client organization creates an incomplete picture of progress being made by CDOs and GROs towards strengthening of neighborhoods.

Therefore, a complementary process is needed to assess organizational progress towards agreed-on performance standards that support the "Neighborhood Vitality" success measures indicators that BECDD stakeholders are now developing. This was an important component of the feedback that came out of the 2017 BECDD Summit, which was to tie CDO and GRO performance to the elements of a "successful neighborhood."

In regard to CDO organizational performance standards based on "best practices," these are not yet created. BECDD is committed to support working with stakeholders, including CDOs, through 2019-2020 to develop performance standards and a "performance certification" process. Given the time it will take to develop performance standards for Detroit CDOs, against the urgency of building CDO capacity now, it seems that providing an annual assessment process could provide a quick guide to a CDO's ability to positively impact the community it serves. The "Neighborhood Vitality" success measures would then be added to a more robust evaluation tool as the success measures are finalized.

- *Service Gap Analysis and Advocacy for Additional/Improved Services*

An annual or bi-annual process for analyzing service gaps could be added to the CCDCBS scope. This includes surveys and convenings of both TA service providers and client organizations. The results of this research could be a regular part of the discussion facilitated by the CCDCBS "Coordinating" organization when it convenes services providers separately, and service providers and client organizations together.

Payment System

The services noted above could include a combination of fee and "free" services. They have been categorized in the following four segments:





- ✓ Free and Voluntary Services,
- ✓ Pro bono Professional Referrals,
- ✓ Open Market Fees, and
- ✓ Voucher System

Different forms of these payment approaches are currently available but not easy to understand by client organizations in terms of accessibility, availability, cost or quality and would therefore be better coordinated through this strategy. The voucher system is a new concept and is discussed separately.

Free and Voluntary Services

The “lighter touch” services or those that are needed by a majority of organizations could be offered through CCDCBS partners, as workshops or classroom trainings. While the CCDCBS itself would not create new programming, it would help in determining what trainings are needed, if they are currently offered by a partner, need to be upgraded or need to be created. It would also keep the calendar and registration system for all available classroom trainings.

Since the CCDCBS partners that are providing classroom would need their training costs covered, these “lighter-touch” services would need to be funded directly through philanthropy or other TA Providers’ earned revenue.

Pro bono Professional Referrals

A robust pro bono referral system through the CCDCBS or one of its partners could provide a variety of “free” professional services to organizations using Michigan Community Resources’ (MCR) model for pro bono legal services as well as Michigan APA’s model of connecting CDOs with pro bono planners, or the Philadelphia Community Design Collaborative model.

The CCDCBS intake and assessment process would provide data that could help determine what services are necessary; and the monitoring system would make connections to the technical professions, while maintaining the list of participating professional architects, engineers, planners, developers, etc.

Voucher System

A hybrid approach “voucher” system could also be added to the system. A pre-determined amount of funding for services would come from a pool of funding provided through philanthropy and public allocations, and be made available to the client organization in the form of a “voucher,” based on agreed-on standards and criteria.

Some voucher examples can be found in the small business community and include:

- Voucher for Technical Assistance (VTA) program run by the Development Bank of Jamaicaⁱⁱⁱ. In this program, small businesses receive “vouchers in various denominations to be used to access business support services provided by accredited Business Development Organizations”.





- The Institute for Capitalizing on Creativity at the University of St. Andrews, UK offers vouchers up to \$3,000 for small to medium creative enterprises in need of management solutions. The caveat is that participants must purchase their support from ICC consortium researchers.

With the voucher system, instead of the funder or intermediary deciding who the service provider is, or what the services should consist of, a set of guidelines and parameters would be in place to indicate types and uses of funds; but the client organization would ultimately choose how to use those funds for capacity building within those guidelines. This capacity building voucher concept accomplishes three important elements:

- Gives the client organization more control over the services (thereby building the CDOs capacity to manage the consultant),
- Provides straight-line accountability between the TA provider and the client organization so a genuine TA partnership can emerge,
- Gives the TA Providers more options for which CDOs and GROs they can offer their services to, and
- Assures that the TA provider receives payment for services.

Open Market Fees

Client Organizations can pay open market fees and directly connect, through the CCDCBS function, with technical assistance professionals that have been pre-vetted and monitored for quality control. These service providers could be provided on a list along with a rating feedback system.

Next Steps

- **Input and refinement of the concept through the BECDD process**
The BECDD Intermediary System Task Force recommends this concept for further development and implementation, and seeks feedback from the BECDD Summit in December 2018.
- **Interim agreements and a system to meet immediate CDO capacity needs.**
The BECDD Intermediary System Task Force could facilitate agreements among various TA providers to understand and then find ways to meet, more immediate CDO capacity needs while the rests of the elements of CCDCBS is being developed.
- **“CCDCBS Champion” facilitates planning and development of the function**
With support of an Advisory Group, a stakeholder is needed to facilitate the remaining next steps throughout 2019 with organizational partners, with a goal of helping to launch implementation before 2020. Basic criteria that the CCDCBS champion could meet include:
 - ✓ Experience – both with basic nonprofit organizational capacity-building and with community development capacity building,
 - ✓ Capacity – current capacity and or demonstrated past abilities to generate and sustain the staffing and funding expected for the services,
 - ✓ Adaptive Management – development ecosystem as well as balance its responsiveness to the Governance Board and system-wide stakeholders while maintaining accountability to its own Board of Directors,





- ✓ Trust of Partners – a foundation of trust with community development organizations, funders, and the City would be ideal.

The expectation is that in the first quarter of 2019, the BECDD Advisory Council will invite organization(s), based on agreed-on criteria and this concept framework, to step forward and agree to “champion” the next steps. Those next steps are:

- **Vetting service delivery models, timelines and budget**

An analysis of at least the following potential “Clearinghouse” structures will be needed, with partner-stakeholders:

1. One LEAD organization providing services in-house
2. One LEAD organization coordinating/managing services with capacity building centers, individual organizations & consultants.
3. Collaborative – A collective of organizations coordinating and providing services in-house and leveraging external partners.
4. Decentralized Services – Individual organizations, service providers and consultants self-selecting or bidding to provide discrete services defined by the needs of the CBO’s and GRO’s. (Note: The coordination of the selection/bidding process, quality control & evaluation, could be led by ONE lead organization or a Collaborative body).
These assumptions on the best structure will need to be tested with potential client organizations through surveys, focus groups and one-on-one discussions to an agreed upon service delivery model.

- **Vetting technical assistance (TA) service providers**

Criteria for selecting TA service providers needs to be developed. In part, this can be based on CDO capacity building needs paired with an analysis of quality, community development experience, and rates. A next level of analysis could include a rating and review system form community development organizations to assess quality of service.

- **Creating an intake and assessment process**

Assessment tools for baseline nonprofit functions, and specific community development functions, will need to be developed. A user-friendly intake process will have to be designed. Both of these functions could be completed, ideally, in partnership with the Center for Nonprofit Support

- **Designing CDO performance standards and certification**

Stakeholders, with BECDD support, will need to develop CDO Performance Standards and a certification process. This process should take into account the 5 CDO Roles; and within that context should look closely at the recommendation that came out of the various 2016 and 2017 planning processes and Summits, which is to encourage neighborhood-based partner organizations with expertise in one or more of those CDO roles, to develop the expertise and be certified to perform these roles.

- **Creating a voucher system**

Working with TA providers and other stakeholders, the cost of various capacity building services will need to be analyzed so that the “pooled funds” required for this system to work can be developed. A phased approach could be developed focusing first on the cost of more immediate CDO and GRO capacity needs, and eventually leading to an





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“ideal state” of funding for the capacity building system. Furthermore, the mechanics of the voucher system will have to be developed, including criteria for how a CDO or GRO client organization can access the vouchers.



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Intermediary Task Force

Research Memo

July 11, 2018

Overview

Below is a summary of research requested by the intermediary task force on three topics:

1. Clearinghouse models in non-profit capacity building.
2. Quality control systems in non-profit and community development capacity building including: TA provider standards.
3. “Fee or Free” accountability and payment systems in the provision of technical assistance.

A fourth research topic will be developed between July and September:

4. Community development and other nonprofit organization certification systems including the criteria and processes for certification of community development organizations

Clearinghouse Models

For our purposes here, we are defining a “clearinghouse” model as one where there is a central intake function for CDO and GRO client organizations to request capacity building services; there is an opportunity for client organizations to receive a community- development-specific organizational assessment to help the client understand all the services they might benefit from; and the clearinghouse keeps an updated, rated list of potential providers.

It has also been suggested through the BECDD process that the CD Clearinghouse also serve as a “coordinator” and “advocate”: convening providers to share learnings; identifying and advocating to fill gaps in service; and convening a quality assurance process.

What is typically found in other cities are **statewide associations** to support capacity-building of nonprofits more broadly, similar to Michigan Nonprofit Association (MNA) as well as **statewide and local community development organizations** similar to Community and Economic Development Association of Michigan (CEDAM) and Community Development Advocates of Detroit (CDAD). These associations offer some clearinghouse services, often without detailed quality control systems or financial support, and typically include:

- Training and Access to Educational Resources
- Policy Advocacy
- Research on Best Practices
- Networking Opportunities
- Consultant Listings
- Technology Services
- Job Boards
- Non-Profit Accreditation

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In addition, a limited number of financial *intermediaries* provide capacity-building resources and technical assistance to certain pre-determined CDOs or GROs with an emphasis on those that develop housing units; including LISC, MSHDA and Enterprise. These organizations do not necessarily act as a clearinghouse, but often have a pool of pre-qualified technical assistance providers that they offer for both fee and free to their CDO partners.

Finally, organizations like The Citizens Planning Institute in Philadelphia and The Mel King Institute for Community Building offer capacity building directly to resident leaders instead of to organizations. The Mel King Institute “fosters vibrant and thriving Massachusetts communities by advancing the skills, knowledge and leadership ability of professional practitioners and volunteer leaders in the community development field.”

Is Detroit different? Analyses conducted through the BECDD process since 2016 offer some important findings. First, in some ways, Detroit is the same. It has many “intermediary” or “support” organizations, including those participating in the BECDD process, that offer capacity building services to non-profits, CDOs or GROs, and individual leaders. And Detroit is building more (i.e. the Ralph C. Wilson Center for Nonprofit Support). However, there are more of these types of organizations in Detroit than in other cities and as already acknowledged in this process, they do not specialize in community development capacity building; the services being offered don’t necessarily match the services CDOs are describing as high priority needs; they are not coordinated among themselves, producing what has been described as “lane confusion,”; and they are not properly resourced to play a significant role in preparing strong community development organizations to be as effective as they would like to be, in Detroit neighborhoods. .

This is due in part to the fact that Detroit has an abundance of philanthropic entities which have entered the capacity building space and are able to support a variety of capacity building projects being done by a number of providers. This variety of funders has led, in part, to an abundance of providers that were not required to be coordinated.

The concept of “coordinating” capacity building is now seen as critical and is coming from the ground up (i.e. via BECDD core partners and multiple stakeholders) instead of being prescribed by philanthropy. More formally coordinating all players into a community development capacity building clearinghouse from the ground-up would be a uniquely “Detroit” concept.

2017 BECDD Research and Summit Findings: Because of the plethora of capacity-building organizations and subsequent lane confusion, the Clearinghouse Model was suggested as a solution and is outlined below:

Overall Strategy: “Central Community Development Clearinghouse” Approach

- ✓ A clearinghouse function, embedded inside an existing organization, manages the process
- ✓ Clearinghouse manages a list of TA providers/consultants/coaches/trainers
- ✓ Clearinghouse handles central intake and

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- referral to providers
- ✓ Clearinghouse entity doesn't also provide one-on-one support to client organizations (CDOs and GROs), to avoid conflict of interest. Clearinghouse entity potentially do classroom training.
- ✓ Criteria for inclusion on the TA Provider list is co-determined and evaluated collectively, not solely by the Clearinghouse entity.

Key Design Guidelines for the Capacity Building "Clearinghouse" System

- ✓ Combination of "free" and "fee" to clients;
- ✓ the clearinghouse is vetting, assessing and referring CDOs and GROs to TA providers
- ✓ Services should be linked to neighborhood success metrics (ie "Neighborhood Vitality")
- ✓ Services should be more one-to-one: coaching, consulting, mentoring; not just one-to-many (classroom training)
- ✓ The clearinghouse should be a coordinator and advocate for the right services to be provided for community development
- ✓ TA Providers should be convened regularly to share learnings and best practices
- ✓ The clearinghouse creates guidelines for, and offers different levels of service, based on a client organization's capacity and tenure
- ✓ Evaluation of capacity building services is required, must include feedback from the client, and must be broadly-shared (with both clearinghouse and providers)

Nonprofit Sector Clearinghouse: As noted earlier, there are a variety of state-wide nonprofit associations such as Maryland Nonprofits, California Association of Nonprofits and Minnesota Council of Nonprofits that provide similar offerings as MNA including advocacy, training, job postings and a listing of TA providers¹.

In addition, there are associations specific to community development that also offer some clearinghouse services. The Massachusetts Association of Community Development Corporations (MACDC), Ohio Conference of Community Development (OCCD), The Ohio CDC Association (OCDA), Boston Community Development Collaborative (BCDC), Indianapolis Coalition for Neighborhood Development (ICND), Philadelphia Association of CDCs (PACDC), and Prosperity Indiana are statewide membership associations like CEDAM or local membership organizations like CDAD.

The unique ideas for a Detroit community development clearinghouse include a desire to manage a **quality control** system of vetting TA providers, handling referrals, **assessing the capacity and needs of CDOs and GROs** and providing both **fee and free access** to TA service providers in a more formal way.

Non-community development Clearinghouse models: The research went beyond community development and traditional non-profit associations in search of clearinghouse models that also provide forms of quality control, capacity-assessment, and fee and free services. Construction, Recruiting and the Arts industries were assessed as follows:

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Construction Trades: In Michigan, the Construction Association of Michigan (CAM) acts as a clearinghouse and offers a resource guide of contractors in the construction trades based on their paid membership -- similar to MNA's contractor listing. This listing does not vet the contractors.

Nationally, there are a variety of websites that act as a clearinghouse and attempt to pre-screen, vet and connect residents with contractors. It is unclear what the pre-screening qualifications are, but these sites do not require a paid membership in order to include the contractors name. Presumably, funding for these clearinghouses comes from advertising sales:

- Homeadvisors.com
- Houzz.com
- Gencontractor.com

While these web-based clearinghouse services provide for broad access to providers, it is unclear how they pre-qualified contractors and how feedback on services can help inform the selection of others. The most well-known clearinghouse that offers these additional services is:

- Angie'slist.com

While it is free for a contractor to be listed on Angie's List, the ability for consumers to rate and review the provider is meant to serve as a quality control mechanism.

These national clearinghouses rely on a large marketplace of service providers. It is unclear if that scale is needed in order to make an online clearinghouse successful or sustainable.

Recruiting Industry: There are many national clearinghouses for job seekers and employers that provide easy access to qualifications (via resumes) and give control to job seekers or employers to search for the appropriate match including

- LinkedIn Jobs
- Indeed.com
- Moster.com
- Ziprecruiter.com
- Glassdoor.com
- LinkedIn Jobs
- Strategic Staffing Solutions (local)

Consultants often use the following clearinghouse sites to find contracting work:

- BidSync (used by City of Detroit)
- Findrfp.com
- Rfpdb.com
- Freelancer.com

Some sites use algorithms to connect job seekers and employers together. A comparable service for nonprofits to connect with consultants was not found.

Artists: A whole host of artist resource organizations and associations exist across the country that offer some clearinghouse services including: Chicago Artist Resource, City of Austin Texas' Artist Resource Center, the Vermont Arts Council, etc.

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Locally, Southeast Michigan has CultureSource, which “Strengthens the arts and culture sector in Southeast Michigan through advocacy, capacity building and marketing resources in order to cultivate an innovative, collaborative, diverse and engaged community.”ⁱⁱ CultureSource was driven by philanthropy via the Community Foundation for Southeast Michigan. While it is a great resource, it has struggled to remain financially sustainable.

Quality Control Systems

To ensure a high-functioning system that leads to strong and stable neighborhoods, quality of services needs to be addressed. What quality do we want to set up systems to determine?

- Assessing TA Service Providers
- Assessing community development organizations' capacity needs, based on agreed upon performance standards. This quality assessment will be addressed in a future research memo for BECDD on certification.

TA Service Providers: As noted previously, most standard non-profit associations and clearinghouses do not provide extensive quality control systems and instead publish TA service providers based on their paid membership (i.e. MNA, CAM, and CultureSource). The challenge of more extensive quality control is that it puts the "clearinghouse" in a difficult position of evaluating work that it experienced second-hand.

Further research is needed on the pre-qualification systems that national clearinghouses use (i.e. Houzz.com). Angie's List has taken on a form of quality control as its core business through customer reviews (paired with an appeals process.) Some critiques suggest that "good" consultants do not need a service like Angie's List because they have enough business through word of mouth and the contractors that "need" Angie's List are not of top quality.

Within the community development system, the following models of quality control for TA service providers was identified:

- MSHDA – MSHDA issues an RFQ for consultants in a variety of areas, screens those qualifications, and then makes the list of pre-approved contractors available to its partner CDOs. This is often paired with grant support to pay for those services.
- LISC, Enterprise, and some foundations – will pre-select a pool of consultants that their grantees can choose from. The fee is typically covered by the source and is tied to a longer-term project.
- Community + Public Arts Detroit (C+PAD): has built in a quality control and community engagement component that is managed by CCS.
- A variety of industries offer certifications and licensing to support quality control. This includes law, accounting, architecture, and planning.

“Fee or Free” Accountability and Payment Systems

A variety of fee or free options are available for CDOs for TA capacity building from sources such as MNA, NEW and MCR, though many of these resources seem to be underutilized – either due to the type of services “needed” not being offered, lack of awareness of the services, or cost of the services.

Summary of models:

Free:

- Free Grant - direct-pay grant from long-term intermediary partner (i.e. LISC, Enterprise, MSHDA, MCR)
- Free Mini-Grant – mini-grant (i.e. MCR, DFC, Vermont Arts Council)
- Free Professional Services – pro bono connections (i.e. MCR connecting CDOs with pro bono legal services and TA services from ULI members, MI APA connecting CDOs with pro bono planners)
- Free Voucher – grant from foundation to cover specific types/uses of capacity building

Fee:

- Mandatory Fees – open marketplace (MNA, NEW, hiring individual consultants)
- Mandatory Fee – grant award to cover the service (i.e. Kresge operating grants)
- Membership Fees – membership services (MNA, CEDAM, CDAD)
- Hybrid Fees – Free workshops, Voluntary fees for trainings, mandatory fees for consultancy services (CEDAM and NEW)

Free: In Detroit, we typically see services provided or paid for directly by an intermediary such as LISC or MSHDA, or those whose costs are covered through a mini-grant such as MCR or Detroit Future City (DFC). In these programs the cost is covered by one organization (i.e. LISC or DFC), but the receiving CDO is limited in who is providing the TA based on a pre-selected candidate pool selected by the capacity builder. In addition, many organizations provide ongoing workshops or trainings that are free (though sometimes this is limited by membership fee) such as CEDAM and CDAD.

In addition, some pro bono services could be organized, filtered and delivered via professional associations as done by MCR to connect CDOs to attorneys as well as professional architects, planners or developers via Urban Land Institute). It appears there is room for growth in this role of connecting pro bono professional services to CDO clients.

It should be recognized that when services are offered “free” to a client organization they must be subsidized by the provider, presumably through philanthropy; and the TA Provider has no real accountability to the client organization, and accountability may be more skewed to the funder who is actually paying for the service instead of the client.

In response to this, the BECDD process has resulted in a suggested hybrid approach “voucher” system. Similar to the direct pay from an intermediary or an

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operating grant, a set amount of funding for services would come from a foundation to the client. However, instead of the foundation or intermediary dictating who the service provider is, a set of guidelines and parameters would be in place to indicate types and uses of funds, but the client can ultimately choose how to use those funds for capacity building within those guidelines. This capacity building voucher is an attempt to give the client more control while providing clear accountability between the TA provider and the client.

Some voucher examples can be found in the small business community and include:

- Voucher for Technical Assistance (VTA) program run by the Development Bank of Jamaicaⁱⁱⁱ. In this program, small businesses receive “vouchers in various denominations to be used to access business support services provided by accredited Business Development Organizations”.
- The Institute for Capitalizing on Creativity at the University of St. Andrews, UK offers vouchers up to \$3,000 for small to medium creative enterprises in need of management solutions. The caveat is that participants must purchase their support from ICC consortium researchers.

Fee: In addition to free direct-pay, mini-grant or pro bono services, there are four other fee-for-service models as described by the National Resource Center: mandatory fees, voluntary or requested fees, membership programs or a hybrid^{iv}. Many local capacity building organizations use a hybrid approach including an entry level of free services along with paid services using a mix of mandatory fees or membership programs.

This includes mandatory fees from individual consultants, subsidized services from organizations such as NEW, and membership services and TA discounts through groups like MNA or CEDAM. Most of these capacity-builders offer a hybrid of service payment types.

Psychology of pricing research suggests this is a good approach -- to offer something for free, but not everything and that those items offered for a fee should include a range of costs including an anchor “premium package” item at the high end as well as “bargain” items lower on the cost spectrum.

Further research is needed to determine what services are being offered by local organizations (in process via BECDD), what is still needed (in process via BECDD), the market rate of those services, and what CDOs are using those services already and what they are willing to pay for those services. It may be that some services should be provided “free” to every CDO while more advanced services can require a fee (be it fixed or a sliding scale).

ⁱ <https://mnaonline.org/membership/consultant-listing>

ⁱⁱ <https://www.culturesource.org/>

ⁱⁱⁱ <http://www.dbjvoucher.com>

^{iv} http://www.strengtheningnonprofits.org/resources/guidebooks/Understanding_Fee-for-service_Models.pdf