

June 5, 2018

Dear Members,

We are excited to announce that Cudell Improvement and Detroit Shoreway Community Development Organization (DSCDO) have entered into a strategic alliance. This new partnership will provide high quality community development services that leverage expertise and resources across the Cudell, Detroit Shoreway, and Edgewater neighborhoods. By collaborating, our organizations believe we can strengthen our ability to deliver services, raise funds, and continue the incredible momentum our near west Cleveland neighborhoods are currently experiencing.

Cudell Improvement and DSCDO recently signed a Collaboration and Shared Services agreement which takes effect on July 1st. This partnership will now provide DSCDO staff (augmented with former Cudell staff) to provide safety, economic development, neighborhood marketing, vacant and abandoned housing redevelopment, code enforcement, and community engagement to Cudell Improvement.

The decision to partner between Cudell and DSCDO was a thoughtful process that took over two years, during which time the organizations built trust and performed thorough due diligence. As our joint committee of board members and staff discussed the possibilities, we saw the shared values we both hold and also the shared assets that serve our neighborhoods and bind us together – the most obvious being the Lake Erie shoreline and Edgewater Park. We also came to believe that working together will unleash further potential for growth while maintaining the diverse and welcoming communities to which we are all committed.

This collaborative model for leveraging strengths across organizations is not new in the world of non-profits or community development, but it is also uniquely tailored to the needs and culture of Cudell and DSCDO. The strategic alliance will leverage expertise and resources across our neighborhoods, while also creating synergies and cost efficiencies that afford even better service to our residents, businesses, and community members.

Included with this letter you will also find a set of FAQs that spell out in more specifics the details of our collaborative alliance. Our joint board committee will continue to monitor progress on our collaboration, and we look forward to reporting to our respective membership and neighborhood residents and stakeholders about the good work we will be doing on your behalf.

Sincerely,

Dan Berry
Chair
Cudell Improvement, Inc.

Joe Tegreene
Chair
Detroit Shoreway Comm. Dev. Org.

Cudell/DSCDO FAQ

Q: What is the timing of the change?

A: The Strategic Alliance will commence as of July 1, 2018. In order to create efficiencies for Cudell and DSCDO, Cudell staff will transition to DSCDO's payroll.

Q: Does this mean that Cudell Improvement is going away?

A: No, the agreement maintains separate organizations with separate boards. Cudell Improvement and its Board will continue to operate and act as the leader in setting the strategy for community, economic, and physical development in the Cudell and Edgewater neighborhoods.

Q: Will there be an office in the Cudell neighborhood?

A: Yes, Cudell will continue to have a physical office space in the Cudell neighborhood where community meetings and office hours will be maintained.

Q: Where will Cudell and DSCDO provide services under the new alliance?

A: Under this new Alliance, services will continue to be provided in the DSCDO service area and to the Cudell and Edgewater neighborhoods, north of I-90 between West 117th St. and West 85th St.

Q: What are the benefits of this new partnership?

A: In a world of diminished funding for community development work, this agreement will maintain services for both neighborhoods and leverage shared expertise. We also believe that it will also present opportunities for new and increased funding, and promote joint development and planning that will leverage shared assets and opportunities for greater impact.

Q: How do I contact DSCDO or Cudell Improvement?

A: The contact numbers remain the same. You can continue to reach Cudell by phone at 216.228.4383 or via email at cudell@cudell.com. You can reach DSCDO at 216.961.4242.

Q: What happens to the current Cudell Improvement Staff?

A: Most staff will continue to serve the Cudell neighborhood and shall be managed by a program director. The program director will work closely with the Directors of Cudell and the Cudell Board will continue to provide oversight and direction as to Cudell's mission and strategies.

Cudell/DSCDO Strategic Alliance
Additional FAQ
July 2018

1. How will Cudell's 501C-3 status be impacted or affected by the Alliance?

The strategic alliance, which is governed by a Collaboration & Shared Services Agreement, will have no impact on 501(c)3 tax-exempt status for either organization.

2. Who actually initiated the first meeting in regards to forming an alliance between the two organizations?

Cudell Improvement is not going away and neither organization is absorbing the other. Cudell Improvement will still maintain offices in its service area. The organizations have developed their alliance to share resources. The community development industry in Cleveland faces a shifting funding environment, with Community Development Block Grants, a primary source of operating funds from the U.S. Department of Housing and Urban Development, decreasing year over year. In addition, collaboration between non-profits is favored and highly encouraged by funders and grant makers. Because of the similarities between the Cudell and DSCDO service areas in terms of housing markets, demographics, etc., both organizations have long seen collaboration as an opportunity. Furthermore, both organizations operate within Cleveland Ward 15. Cudell and DSCDO mutually consented to begin discussions.

3. What is the difference between a "Strategic Alliance" and a merger?

As stated above, both organizations remain separate and are governed by separate Boards of Directors. There has been no merger or consolidation of either organization into the other or into a new organization.

4. Cudell and DSCDO have stated "By collaborating, our organizations believe we can strengthen our ability to deliver services, raise funds and continue the incredible momentum our near west Cleveland neighborhoods are currently experiencing." In what ways do you envision this to be true?

Both Cudell and DSCDO will realize cost efficiencies by reducing overhead and streamlining staff. For example, the organizations will share accounting and human resources. On a service provision level, shared staffing will allow for strategies and synergies that transcend neighborhood boundaries. A combined housing department of three individuals will address vacant and abandoned housing, housing development strategy and code enforcement across all three neighborhoods. Safety personnel will collaborate on safety issues common to the contiguous service areas of both organizations. Similarly, economic development personnel will collaborate on business development common to the contiguous service areas. As stated above, funders encourage collaboration. DSCDO and Cudell expect that as a result of the strategic alliance, they will be more favorably positioned to jointly receive grant funding.

5. What was the process within the two years that led to the signing of the Collaboration and Shared Services agreement? When and where was the agreement signed and who signed it?

Board members of Cudell and DSCDO led the two year process. The Agreement was signed on May 8, 2018 by each organization's President, Joseph Tegreene and Daniel Berry. The Agreement is currently being reviewed and will be redacted, if necessary, to protect confidential personnel information. A copy of the Agreement will then be released.

6. Cudell and DSCDO have stated "This partnership will now provide DSCDO staff (augmented with former Cudell staff) to provide safety, economic development, neighborhood marketing, vacant and abandoned housing redevelopment, code enforcement, and community engagement to Cudell Improvement." Can you explain how the alliance will help Cudell do this?

Under the Collaboration & Shared Services Agreement, Cudell Improvement will not hire an Executive Director. Rather, DSCDO will provide a program director, who shall perform the traditional role of an executive director, supervise Cudell and DSCDO programmatic staff, and work closely with the Cudell Board. Other services will be provided through a 3-person housing staff (as described above); a new Economic Development & Marketing Coordinator (hiring process underway); and by the current Community Outreach Coordinator. The latter two positions will work exclusively within the Cudell and Edgewater neighborhoods, but will collaborate closely with their counterparts at DSCDO. Additionally, Cudell's longtime administrative assistant will be answering calls and directing inquiries to the proper personnel to help facilitate a smooth take-off for the alliance.

7. What due diligence was conducted during this process?

A professional consulting company, Strategy Design Partners, was hired by both organizations to facilitate the collaboration process and facilitate due diligence insofar as sharing of financial and other organizational documents.

8. During the alliance, how will the two boards interact-will they remain two, separate boards or become one board made of members of the boards, or will a completely new board be formed with no current board members on it? How often did the two separate boards meet within the past two years to discuss the alliance? If a smaller committee was formed, how was the committee formed among the sitting board members?

The committee guiding the collaboration process was formed from members chosen by each organization's Board of Directors and it included the President of each board. The full board of each organization received frequent updates from committee members about their work and extensively reviewed and discussed the Collaboration & Shared Services Agreement before signature. As indicated above, each organization will remain in existence with its own board of directors.

9. What is the overall message that Cudell and DSCDO would like to convey in regards to the Alliance?

The Collaboration & Shared Services Agreement responds to the current funding environment and an evolution in the operations of both organizations. The Agreement stipulates that the joint committee of Cudell-DSCDO Board members shall continue to meet on a regular basis to evaluate the progress of the scope of work of the agreement, offer guidance and strategic advice to staff, and provide updates and feedback to the boards of directors for each respective organization. There is an initial three year term of the Agreement and there is no obligation for Cudell or DSCDO to continue the Agreement beyond the initial three year term. Additionally, either party may terminate the agreement with one hundred eighty (180) days written notice. Strategy Design Partners interviewed and gathered input and feedback from stakeholders that included residents, funders, and others, and Cudell Members were advised at annual meetings that Cudell was in discussions with DSCDO concerning a new service delivery model. The Community Meeting on July 31, 2018 will be an opportunity to introduce the strategic alliance to the community, with additional opportunities and mechanisms for community feedback to be determined in the future.

10. When you go to the website for DSCDO, the letter announcing the alliance is posted on the home page of their site, but on Cudell's website, it is found under the Neighborhood Party Line page and about 2/3rds the way down the page.

The "Neighborhood Party Line" page is typically where news items are placed with the Cudell cover page serving as a welcome to the reader. That being said, part of the strategic alliance is a new Economic Development & Marketing Coordinator for the Cudell and Edgewater neighborhoods whose duties will include evaluating and improving the Cudell website as needed.

11. In the FAQs released in June 2018 you address what will happen to the current Cudell Improvement Staff, but not the staff of DSCDO.

See above for description of staffing arrangements.