

2. Community Investment Plan

Section 1: Who We Serve

For two decades, the Community Development Partnership (CDP) has led the way in expanding opportunities for people to live, work and thrive on Lower Cape Cod. The CDP plays a major role in improving the lives and livelihoods of individuals and families with low-to-moderate incomes (LMI). Our work starts with creating affordable homes. They are essential to a healthy economy, but a real challenge in communities like ours where seasonal and vacation dynamics drive the housing market beyond the reach of many who live and work locally year round. We also help launch entrepreneurs and strengthen local businesses through training, technical assistance and micro-loans—work that spans a diverse array of businesses, from fishing and farming to art and hospitality. We believe a vibrant future depends on sustaining traditional industries and inspiring new ones—especially when they’re based on renewable natural resources such as fishing, farming, art and hospitality. In all that we do, we aim to protect the natural environment around us, preserving the character and sustaining the future of this special place we call home.

The CDP serves the eight towns of the Lower Cape Cod Region: Harwich, Brewster, Chatham, Orleans, Eastham, Wellfleet, Truro and Provincetown, with a focus on LMI residents. Although the population swells in the summer, off-season the Lower Cape is sparsely inhabited. Six of the eight towns, or 75% of the region overall, have year-round populations of less than 7,500 residents, qualifying as rural areas under DHCD guidelines.¹

The total year-round population of the Lower Cape is 46,706, with 5.5% of the population comprised of racial and ethnic minorities. Minority populations in each town range from a low of 4.2% in Eastham and Wellfleet to a high of 11.5% in Provincetown.

Jutting 30 miles into the Atlantic, the region’s striking natural beauty combined with its unique character make the Lower Cape a world-class tourist destination and an attractive place for off-Cape dwellers to invest in second homes and retire. At the same time, the remote location and seasonal nature of the local economy present significant challenges for many individuals and families trying to make a home here. Year-round jobs are scarce; the revenue cycle for a seasonal business is a short 10-12 weeks; and unemployment rates skyrocket in the off-season. In January 2016, unemployment rates in the towns of the Lower Cape were all well above the statewide average of 4.9% and reaching a high of 27.7% in Provincetown.² Countywide, fully 39% of households have an annual income in the low-to-moderate range,³ and over 5% of

¹ According to the 2010-2014 American Community Survey 5-Year Estimates, the populations of each town are as follows: Harwich (12,205), Brewster (9,858), Chatham (6,129), Orleans (5,874), Eastham (4,932), Wellfleet (3,011), Truro (1,738), and Provincetown (2,959). Accessed through FactFinder.

² According to the Massachusetts Department of Labor and Workforce Development, unemployment rates in January 2016 in the eight Lower Cape towns were as follows: Brewster (6.7%), Chatham (8%), Harwich (8.8%), Orleans (6.3%), Eastham (9.9%), Wellfleet (15.1%), Truro (18.5%) and Provincetown (27.7%).

³ U.S. Department of Housing and Urban Development’s (HUD’s) Office of Policy Development and Research (PD&R). 2006-2010. Comprehensive Housing Affordability Strategy (CHAS) Data Query Tool.

http://www.huduser.org/portal/datasets/cp/CHAS/data_querytool_chas.html (accessed January 23, 2017). Data limited to the Lower Cape region is not available.

families living in Chatham, Provincetown, Truro and Wellfleet (half of the CDP's service area) have household incomes below the federal poverty level, with Truro the highest at 10.6%.⁴

Local housing prices, inflated by the off-Cape incomes of second homeowners and retirees, far out-pace the incomes of local families. The average affordability gap across the eight Lower Cape towns is \$62,014.⁵ That's the difference between the annual income required to finance and reasonably afford a median-priced home and the actual median income of year-round residents. Even more concerning, the affordability gap has nearly doubled since 2010 when it was \$33,250. In addition, because nearly half (49%) of the region's physical area falls within the boundaries of the Cape Cod National Seashore, undeveloped land is scarce and costly.

Affordable rentals are also out of reach for many residents of the Lower Cape. Year-round rental stock is suppressed due to the premium placed on high-priced weekly rentals from Memorial Day through Labor Day, and lower-wage workers cannot afford fair market rents for the limited number of apartments and houses that are rented year-round. HUD's Fair market rent countywide for a two-bedroom apartment is \$1,457 per month. For a household to spend the recommended 30% of income on rent and utilities, two working adults would need a combined income of \$58,280 annually, or \$28.02 an hour assuming a 40-hour work week.⁶

Lower-wage workers and those with seasonal jobs come up short. For example, two minimum-wage employees making \$11 an hour would each have to work 51 hours a week, or the household would need a third minimum-wage worker to afford this apartment.⁷ Even among renters who earn an average wage—roughly \$20 per hour—there is an affordability gap.⁸ As a result, there's a staggering and largely unmet need for affordable rental housing. On February 7, 2017, for example, Fred Bell Way in Wellfleet—a 12-unit property of one, two and three-bedroom houses—had a waiting list of 124 families.

With the exception of Orleans and Provincetown, where 9.3% and 9.9% of all housing is designated affordable (although supply still doesn't meet demand), none of the other Lower Cape communities that the CDP serves are anywhere close to meeting the common goal statewide of having 10% of a town's year-round housing stock be affordable. Percentages range from less than 2% in Eastham to 5.4% in Harwich.⁹

These realities make it especially difficult for younger individuals and families to make a home on Cape Cod. As a result, in the decade between 2000 and 2010, there was a 26% drop in the number of residents between the ages 25 and 44 across all of Barnstable County.¹⁰ The Lower Cape in particular has a markedly older population. In every town except Provincetown,

⁴ U.S. Census Bureau, 2011-2015 American Community Survey 5-Year Estimates.

⁵ Calculations are based on the median sales price of a home in 2015 (source: *Banker and Tradesmen - TownStats - Real Estate Transactions by Town by Year*) and median income as documented by the 2011-2015 American Community Survey 5-Year Estimates.

⁶ *Out of Reach 2016*, data for Barnstable County, published by the National Low Income Housing Coalition, accessed at http://nlihc.org/sites/default/files/oor/OOR_2016.pdf

⁷ Ibid

⁸ In June 2016, the average weekly wage of a resident of Barnstable County was \$833, or roughly \$20 per hour based on a 40-hour work week. This ranked as the lowest average weekly wage among large counties in Massachusetts. Source: https://www.bls.gov/regions/new-england/news-release/countyemploymentandwages_machusetts.htm

⁹ Department of Housing and Community Development, Chapter 40B Subsidized Housing Inventory (SHI) as of December 5, 2014.

¹⁰ U.S. Census Data, 2010

between 30% and 40% of the population is 65 years of age or older.¹¹ A striking 41% of Orleans residents are senior citizens.¹² Without active intervention to reverse these trends—to provide affordable housing, create jobs and grow the economy, and attract younger people as year-round residents—the future of the Lower Cape region is in jeopardy, and life today for LMI residents will not improve and could worsen.

Section 2: How We Involve Our Community in Our Work

Governance - As a membership organization, the CDP is firmly grounded in the communities the organization serves, and residents of those communities actively participate in developing, implementing and monitoring our goals and activities, including this Community Investment Plan. There are many ways in which the CDP keeps members informed about and engaged in our work, including through an Annual Meeting, which is also open to the public at large, and community forums such as a regional Affordable Housing Summit convened in the fall of 2015. CDP members also play a role in electing individuals to serve on the CDP's Board of Directors.

The composition of the Board and staff reflects our deep ties to the Lower Cape communities: All staff and Board members live year-round or work in one of the eight towns we serve; several Board members are affiliated with other organizations that serve LMI populations in our area; and our Board members include present or past small business development clients as well as a current resident in one of the affordable rental homes the DCP manages.

The CDP's 70-member Advisory Council is comprised of a wide array of business and community leaders and other local stakeholders who serve as resources for the organization. Advisory Council members receive a weekly update on the CDP's activities and some members serve on committees established and overseen by the CDP's Board of Directors.

Community members, individuals who serve on the CDP's Advisory Council, and of course members of our Board of Directors actively guide program development, implementation and evaluation here at the CDP, principally through their participation in three core committees: The Business & Credit Committee approves loans and advises on small business development programs. The Housing & Property Management Committee supports staff in managing real property assets and the CDP's affordable housing initiatives generally, and the Orleans Winter Farmers Market Committee guided the creation of a regional winter farmers market.

The CDP also partners with other organizations as a way to ensure that the community remains involved and invested in our work. The CDP is a member of each town's Chamber of Commerce, as well as the regional Cape Cod Chamber, and partners with numerous community-based organizations in the area. Those partnerships are described in Section 6 below.

Since 2001, the CDP has engaged in a comprehensive strategic planning process every five years. The current strategic plan, which informs the substance of this Community Investment Plan, was developed in the fall of 2015 through a process designed specifically to seek input

¹¹ According to the 2011-2015 American Community Survey 5-Year Estimates, the proportion of residents 65 years or older in each town is as follows: Brewster (30.1.5%), Chatham (36.4%), Harwich (29.6%), Orleans (41%), Eastham (32.3%), Wellfleet (36.1%), Truro (33.82%), and Provincetown (29.4%), accessed through FactFinder.

¹² Ibid

from key local stakeholders, most notably local residents and business and community leaders. The heart of the planning process involved conducting a series of facilitated focus groups followed by a strategic planning session with the CDP's Board of Directors.

The CDP's Board formally approved this Community Investment Plan on January 26, 2017.

To support the Board's and Advisory Council's roles in monitoring the implementation of activities outlined under this Plan, CDP staff issue a weekly email with important updates about our work. The Board of Directors holds 10 meetings annually in which they discuss Plan activities, and members of the Advisory Council participate in ad hoc meetings and discussions.

Section 3: Our Goals

Our Community Investment Plan is designed to achieve the following three goals:

- I. **Strengthen business sectors with a competitive regional advantage in ways that advance the interests of owners and employees—particularly those whose incomes are LMI—and the community overall.** Core strategies to achieve this goal:
 - a. Guide and nurture the creation of new businesses and the growth of existing businesses to create and retain jobs.
 - b. Provide access to capital for new and existing businesses.
- II. **Create and preserve safe, stable and affordable year-round housing for LMI residents.** Core strategies to achieve this goal:
 - a. Preserve and expand affordable rental housing.
 - b. Preserve the homes belonging to LMI residents.
 - c. Support LMI residents seeking to become first-time homeowners.
- III. **Promote green business and housing practices that benefit residents and the environment.** Core strategies to achieve this goal:
 - a. Support efforts of small businesses to increase energy efficiency and recycling, while reducing solid waste.
 - b. Realize greater energy efficiencies in both new and existing affordable housing.

While each of these goals is focused on a distinct issue (**business development, affordable housing and sustainability**), they are also highly inter-related. Businesses cannot take root and flourish without a diverse pool of potential employees and consumers. Those workers and consumers cannot reside locally without access to affordable housing and decent-paying jobs. Finally, energy conservation, including a greater reliance on renewable resources, creates economic advantages for individuals, families and businesses—especially valuable to those with LMI income—and promotes the long-term health of the physical environment. By pursuing these three inter-related goals, this Community Investment Plan takes a holistic approach to strengthening the Lower Cape region in ways that benefit residents now, particularly those with fewer financial resources, and will pay dividends in the future.

Section 4: Our Programs and Services

What follows are activities to be undertaken and their expected impact, organized by program goal.

I. BUSINESS DEVELOPMENT

1. Help residents with incomes below the area median to jump-start or grow small businesses, and promote the growth of business sectors that are poised to expand.

- a) **Operate a micro loan program.** Drawing on a revolving fund currently valued at \$300K, the CDP makes small business loans of up to \$40K to current and potential business owners whose income falls below the area median or whose business will benefit LMI populations. The CDP has operated the loan program for 20 years, making six loans a year on average in recent years. A Business & Credit Committee comprised of CDP Board Members and local business leaders reviews all loan applications and approves those with merit as funds are available. The CDP micro loan program is respected by local banks that often refer strong applicants for whom they would like to extend credit but can't because of rigid underwriting criteria. Going forward, the CDP will explore avenues to raise additional loan fund capital, in particular, a community loan fund that would give local residents a chance to invest in local businesses.
- b) **Provide education, training and technical assistance to small business owners.** CDP loan clients receive education, training and technical assistance—services funded through interest on the micro loans as well as grant and CITC leveraged funding. These same services are also available to all small business owners on the Lower Cape. The CDP partners with the Cape Cod Chapter of SCORE, an organization whose members are retired business executives, as well as other nonprofits in the region to provide business development assistance. In FY16, the CDP provided in-depth assistance (five hours or more) to 74 businesses and served 212 individuals through workshops and classes.
- c) **Actively promote the growth of business sectors that are poised to expand.** In addition to working with individual businesses, the CDP takes an active role in identifying and nurturing sectors of the local economy that are poised to expand, currently farming, aquaculture and the arts. This work takes the form of facilitating connections among businesses with common goals and interests, providing technical assistance, and acting as a broker between growing sectors of the economy and sources of financing and other support. In the recent past, for example, the CDP hosted seminars for local food producers that led to the development and launch in January 2015 of a semi-monthly, regional winter farmers market in Orleans open two Saturdays each month. Building on its success, in December 2016, the CDP joined forces with the Orleans Farmers Market to create and co-manage a weekly market in the gap season from December through April. With flexible funding provided by the Community Investment Tax Credits, the CDP can engage in more creative activities like this.

Why we do this work and its impact: Small businesses are the engine of the Lower Cape's economy, so their success is essential to the well-being of the community overall. While some

residents have the resources to start and grow small businesses, for those whose income falls below the area median finding the capital and guidance to put creative ideas and a sound business plan into action can be nearly impossible. To date, the CDP has provided roughly \$2.7 million in micro loans to 136 small business owners who could not get a loan from a bank. By coupling financing with business assistance, and also nurturing growing sectors of the local economy, the CDP has created 70.5 new jobs and preserved 92.8 jobs over the past two years.

2. Work in partnership with the Cape Cod Commercial Fishermen's Alliance and Wellfleet Shellfish Promotion and Tasting (SPAT) to strengthen and preserve small-boat fishing and shellfishing/aquaculture businesses.

- a) **Lease scallop quota at below-market rates.** The CDP leases federally regulated scallop quota to local fishermen at below-market rates, enabling small, often family-owned businesses to compete with larger enterprises.¹³ In exchange, the owners agree to hire local crew and pay fair wages, ensuring that profits remain within the region to benefit residents and to support the long-term viability of small-scale fishing on the Lower Cape.
- b) **Operate a lease-to-buy scallop quota program.** Launched in 2014, this loan program gives small boat fishing businesses the opportunity to actually own scallop quota, increasing the value of their small businesses, through a three-year lease-to-buy program. The program serves owners who either wouldn't qualify for a bank loan or would have to use their home as collateral to secure a loan. Mass Growth Capital Corporation has provided a \$250K line of credit to finance this program. Because of a spike in the price of scallop quota and a volatile market overall, this program has only made one loan since its inception. The CDP believes that as quota prices decline there will be more demand for this loan program.
- c) **Administer a \$250K loan fund to support growth and innovation among ground fishermen.** With financial support from the Mass Department of Marine Fisheries, via the National Marine Fisheries Service, the CDP offers loans to help ground fishermen purchase equipment to diversify their catch or to implement energy efficiency upgrades to their boat, making their small businesses more profitable. Loan funds also can be used to purchase ground fish quota for plentiful species such as monk and skate.
- d) **Expand micro-loan program for shellfishing businesses.** In 2016, the CDP and Wellfleet SPAT created a micro-loan program specifically for Wellfleet shellfishing. Initially capitalized with a \$60,000 contribution from Wellfleet SPAT, microloans of up to \$20,000 are available to help shellfishing businesses purchase higher quality seed and new and more efficient gear, including coolers and ice machines to comply with new food safety regulations. Community investment tax credits, will allow the CDP to raise additional loan capital and expand the loan fund to serve shellfishing businesses in Lower Cape towns beyond Wellfleet.
- e) **Provide business education and technical assistance.** Along with leases and loans, the CDP provides business education and in-depth technical assistance to help local

¹³ Capital to purchase the initial quota and lease quota at affordable rates was provided by the Ford Foundation, other private sources and through loans from local banks.

fishermen transition to a new way of doing business that relies on planning, strong financial management and access to capital.

Why we do this work and its impact: Fishing and shellfishing are integral to the Lower Cape's history, culture and economy. There is perhaps no other business more cherished. Yet the men and women who fish and farm for a living today face the challenges of a changing ocean and a changing marketplace. The CDP's work in this area began in 2008 when the Cape Cod Commercial Fishermen's Alliance established the Fisheries Trust and asked the CDP to manage the leasing of quota and provide business assistance. To date, this work has preserved at least 58 LMI jobs, is associated with roughly \$10 million in revenue circulating in the local economy, and arguably has preserved the Lower Cape's historic tradition of small boat fishing. Our work has also helped shellfishing businesses adapt to more stringent food safety regulations and expand through the use of new propagation techniques and higher quality seed.

II. AFFORDABLE HOUSING

1. Manage and preserve existing affordable housing.

- a) **Manage and upgrade our own portfolio of affordable rental properties.** Since 1996, the CDP has acquired and now owns/manages 72 deed-restricted affordable housing units at 21 sites spread across the eight towns of the Lower Cape. At present, those units provide safe and stable homes for 149 people, including 57 children. Our work is guided by a Housing & Property Management Committee, which includes not only CDP staff and Board and Advisory Council members including one of our residents. In 2016, the CDP completed a series of capital improvements to many of these properties—preserving them for the long-term and making them even more affordable through energy efficiency upgrades. (For more information, see The Real Return, below.)
- b) **Increase the number of affordable rental units the CDP manages.** The CDP cannot grow its own portfolio of affordable rental properties incrementally. At this point, to manage more properties would require additional staff, and that's only economical on a larger scale. As a result, over the next three years, the CDP will seek to manage a 20+ unit property and explore potential partnerships with other Cape-based management entities to create a larger, more sustainable and locally controlled housing management entity on the Lower Cape.
- c) **Provide supportive services to at-risk residents.** This year the CDP will contract with the Homeless Prevention Council to provide supportive services to current residents who may be one hardship away from losing their home. These services will help people address recent job loss or falling income and any underlying problems, such as a family crisis or illness that may have contributed to a decline in their income.
- d) **Provide expertise and management services to local housing trusts and other municipal entities.** For towns that lack the know-how and resources to manage the affordable rental properties the town itself owns, the CDP is a trusted source of both guidance and day-to-day services that range from physical maintenance to running a housing lottery. The CDP currently manages 8 units for the Town of Eastham Affordable Housing Trust and 5 units in Truro owned by Town and Highland Affordable Housing.

- e) **Work with LMI residents to rehabilitate their homes.** With Community Development Block Grant funds, the CDP helps LMI homeowners make crucial upgrades to their houses, such as installing new roofing, windows and energy-efficient boilers, so that they can hold on to housing that is affordable. The CDP has been engaged in this work since 1992 and currently provides housing rehab services to LMI homeowners in Dennis, Wellfleet, Truro and Provincetown. Beyond benefiting individual homeowners—more than 380 over the past 18 years—the upgrades to their homes, from \$8.6 million in renovations, preserve the quality of neighborhoods and property values and help to fuel our economy by employing local contractors and crews. We will explore other sources of funding to support Housing Rehab programs in the remaining Lower Cape towns.

2. Make home ownership more accessible to LMI residents.

- a) **Educate and support first time home buyers.** The CDP is the sole provider on the Lower Cape of Citizens' Housing & Planning Association (CHAPA) certified First Time Home Buyer (FTHB) training. Over the past three years, the CDP has increased the number of trainings and people trained by 50%, greatly expanding the pool of local residents who are eligible for affordable mortgage products and ready to take on the responsibility of home ownership. 45 people on average participate in this series of workshops which is held three times annually. And as an alternative to in-person training, the CDP launched an on-line FTHB training in the fall of 2016, with aims to increase enrollment in it over the coming three years.

3. Develop new affordable housing.

- a) **Increase community support for affordable housing.** The lack of affordable housing on the Lower Cape is a crisis that impedes economic development in a region where 40% of households are LMI. The creation of affordable housing in the region has been stymied by some residents who resist proposals to build affordable housing and also by municipal officials who lack the knowledge or skill to support such complex and potentially divisive projects. In 2017, the CDP will launch the Community Housing Partnership Initiative—a comprehensive community-based strategy to increase public support for affordable housing and build the capacity of LMI residents, business and community leaders, and local officials to support the creation of more affordable housing on the Lower Cape. Plans feature a public relations campaign using traditional and social media to dispel myths about affordable housing and educate people about why it's needed here on the Lower Cape, along with an Affordable Housing Institute to prepare LMI residents and local leaders to become more knowledgeable and persuasive advocates for affordable housing. Community investment tax credits are essential to the CDP's ability to raise sufficient funds for this potentially groundbreaking work.
- b) **Pursue partnerships to develop affordable housing.** The CDP has not developed new affordable housing since 2010 when the 12-unit Thankful Chases Pathways, a LEED Platinum certified affordable housing complex in Harwich, was completed. While the CDP has worked with Towns to identify parcels of land that are appropriate for small- and medium-scale affordable housing developments, the Towns have not acted on these opportunities (in part because of the resistance described above). In 2016, the

CDP entered into a partnership with Stratford Capital Partners to develop 50 units of affordable housing on an 11-acre parcel in Eastham. With the added leverage of community investment tax credits, the CDP will be able to allocate additional staff resources to pursuing partnerships like the one with Stratford.

4. Provide affordable housing for people with special needs.

- a) **Meet ADA standards.** The CDP's portfolio of affordable housing properties features two units built or adapted to meet federal ADA standards.
- b) **Promote recovery.** The CDP owns and operates an 8-unit sober living facility for individuals who are at high risk of becoming homeless. We operate it in partnership with Gosnold on Cape Cod, the leading provider of addiction and mental health services on the Cape.

Why we do this work and its impact: Housing trends on the Lower Cape mirror troubling trends nationally but are more extreme here: Housing prices are way beyond the reach of LMI residents. Year-round rentals are in very short supply and too expensive for many individuals and families. And on the Lower Cape, the scarcity and high cost of undeveloped land makes it especially challenging to expand the stock of affordable housing. If the CDP did not take on these challenges, the situation in our communities would be even worse. Our work in the area of affordable housing directly benefits hundreds of LMI residents every year. It also benefits our economy by providing housing opportunities for employees of local businesses and by directly employing local contractors for housing rehab projects.

III. SUSTAINABILITY

1. Reduce housing costs, generate income and benefit the environment through wise investments in energy efficiency (The Real Return).

The Real Return leverages the benefits of solar energy in ways that preserve quality affordable housing and also protect the environment. The heart of the project has involved installing 250 solar panels on five CDP rental properties, bringing the total number of solar panels on CDP properties to 420. The project pays off in several ways: It provides a renewable source of electricity that partially offsets the cost of powering common areas in the CDPs rental units as well as the CDP's offices. It also generates credits (SRECs) with cash value that the CDP has used to finance capital improvements to 46 of our affordable rental units that we otherwise could not afford. This work, which employed local contractors, featured energy efficiency upgrades such as more fuel-efficient gas furnaces, on-demand hot water heaters, low-flow water fixtures and Energy Star appliances that conserve resources and reduce residents' utility bills. In addition, the project involved partnerships with Cape Light Compact and RISE Engineering and Housing Assistance Corporation to better insulate these units, conduct home energy audits and teach residents simple habits they can use at home to conserve energy. This innovative project benefits LMI households, the local economy, and the environment.

Altogether, the project is making life for our LMI residents even more economical and livable, hence the name the Real Return. The CDP rigorously tracks the financial benefits to residents in the form of lower energy bills. Figures to date indicate that some residents' heating costs have been reduced by 30%. The Real Return has also lowered the CDP's own energy costs by roughly

\$12K annually. As we wrap up the final phase of this project, we're exploring the acquisition of an electric car and solar powered charging station to reduce the cost of site visits to our own rental properties and other housing projects—further demonstrating the CDP's commitment to practices that are good for business, good for people, and good for the environment.

2. Assist small businesses in adopting green business practices (Cape & Islands Green).

The CDP engages businesses on the Lower Cape in the Cape & Islands Green program, which helps them reap economic benefits while also benefiting the environment. Through a three-hour workshop followed by one-on-one support, business owners learn how to lower operating costs by conserving energy and water and reducing solid waste—practices that protect the Lower Cape's fragile environment and are increasingly attractive to consumers. To date, 72 businesses on the Lower Cape have been verified as Cape & Islands Green.

Why we do this work and its impact: Economic development is increasingly tied to energy conservation and environmental protection. Yet forging cost-effective programs is not easy, especially on a small scale and in a rural area. It's important for organizations like the CDP to take a leadership role in charting this new territory.

Section 5: How We Evaluate and Measure Our Success

The CDP has a sophisticated database to evaluate performance and progress on the three goals of this Community Investment Plan and the outcomes of the programs and services designed to achieve those goals. We issue mid-year and year-end performance reports as required by funders. And each year we publish an Annual Report so that the Lower Cape communities we serve can help to hold us accountable for meeting shared goals.

Specifically, CDP staff and Board track performance at two levels: 1) monitoring activities and outcomes, as measures of progress toward our goals in the areas of business development, affordable housing and sustainability; and 2) producing higher-level measures that reflect performance across the organization. Our key performance indicators are outlined below.

I. BUSINESS DEVELOPMENT

1. Help residents with incomes below the area median to jump-start or grow small businesses, and promote the growth of business sectors that are poised to expand.

Key indicators of productive activity:

- Number of micro loan applications received
- Number of micro loans approved and funded
- Number of micro loans approved for LMI business owners
- Average loan amount and total funds loaned
- Proportion of micro loan clients in good standing (i.e. current with their payments)
- Hours of business assistance provided and number of recipients
- Number of seminars and other events hosted to support the growth of a particular sector of the economy and number of participating businesses and individuals
- Number of partnerships and other relationships forged to support the growth of a particular sector of the economy

Key indicators of positive outcomes (i.e. progress toward the goal):

- Number of new businesses created
- Number of businesses expanded and degree of expansion
- Number of new jobs created (full-time and part-time; seasonal and year-round)
- Number of jobs retained (full-time and part-time; seasonal and year-round)
- Growth of local sectors of the economy
- Estimated additional revenue generated from the creation and expansion of individual businesses and through the growth of local sectors of the economy

2. Work in partnership with the Cape Cod Commercial Fishermen's Association and Wellfleet Shellfish Promotion and Tasting (SPAT) to strengthen and preserve small-boat fishing and shellfishing/aquaculture businesses.

Key indicators of productive activity:

- Pounds of quota leased/purchased (leases and lease-to-buy)
- Number of loans made
- Number of small boat fishing enterprises that receive business assistance

Key indicators of positive outcomes:

- Number of jobs preserved and/or created
- Growth of individual small boat fishing businesses
- Additional revenue circulating in the local economy

II. AFFORDABLE HOUSING

1. Manage and preserve existing affordable housing

Key indicators of productive activity:

- Strong financial health of CDP affordable rental properties as indicated by positive cash flow and funding of sufficient capital reserves
- Good physical condition of CDP properties
- Overall increase in the number of units the CDP manages
- Number of advisory sessions, memos and services provided to local housing trusts and officials
- Number of homes owned by LMI residents that are rehabilitated to improve safety, energy efficiency and comfort, and to extend the lifespan of these houses
- Number of residents at risk of losing their affordable home who receive supportive services

Key indicators of positive outcomes:

- Number of individuals and families with children that directly benefit from living in affordable rental units
- Number of home owners and families with children that directly benefit from the rehabilitation of their homes
- Number of individuals and families at risk of becoming homeless who are able to keep their affordable home

Key indicators of cross-cutting benefits (i.e. progress toward another CIP goal):

- Number of local contractors and staff employed
- Dollar value of this construction work

2. Make home ownership more accessible to LMI residents.

Key indicator of productive activity:

- Number of LMI individuals that enroll in FTHB workshops

Key indicators of positive outcomes:

- Number of FTHB participants who complete the process and become eligible for affordable mortgage products

3. Develop new affordable housing.

Key indicators of productive activity:

- Number of potential development projects identified and evaluated
- Number of new developments green-lighted
- Number and proportion of projects that are completed on or under budget

Key indicators of positive outcomes:

- Number of new affordable units created and available for occupancy

Key indicators of cross-cutting benefits (i.e. progress toward another CIP goal):

- Number of local contractors and staff employed
- Dollar value of this construction work

4. Provide affordable housing for people with special needs.

Key indicators of productive activity:

- Track and assess local need

Key indicators of positive outcomes:

- Number of new or rehabilitated ADA units created
- Number of new or rehabilitated units created for residents other special needs

III. ENVIRONMENTAL SUSTAINABILITY

1. Operate the Real Return.

Key indicators of productive activity:

- Installation of solar panels
- Number of CDP affordable housing units upgraded to improve energy efficiency
- Development of systems (e.g. WegoWise) to monitor results

Key indicators of positive outcomes:

- Reductions in energy usage
- Reductions in utility bills
- Income generated and reinvested in CDP properties

1. Engage Lower Cape Businesses in the Cape & Island Green program.

Key indicators of productive activity:

- Number of local businesses that the CDP approaches
- Number of local businesses that start the program
- Number of local businesses that are verified "Cape & Islands Green"
- Ratio of number engaged to number verified

Key indicators of positive outcomes:

- Estimated cost-savings per business

- Estimated conservation value, per business and regionally
- Estimated additional revenue, per business and regionally

PERFORMANCE ACROSS THE ORGANIZATION

In an effort to break down silos and monitor performance across the organization, the CDP is working to produce higher-level measures that are feasible to generate given available data and resources, and that are also meaningful. Most notably, the CDP produces accurate counts of the total number of residents and businesses that directly benefit from the CDP's combined programs and activities over a period of time. We also measure our performance in areas of work that affect the CDP's capacity to be successful, and that signal to what extent members of the communities we serve view the CDP as a valuable and effective organization: We're measuring, the extent and results of our community outreach, the extent and fruits of our collaboration with other organizations, and our success in raising funds, especially locally.

Our efforts to measure and evaluate performance have been greatly aided by the use of Salesforce.com to improve data collection across the organization, consolidating the many individual databases that CDP staff had created over the years. The Salesforce.com database provides the CDP with the ability to generate reports and track program data in real time.

Our increased capacity to evaluate our work and its impact has strengthened our relationships with the communities we serve and with institutions and individuals who currently support our work and those who might become funders. While the CDP is well on its way to having rigorous systems in place, the flexible funding provided by these tax credits will allow us to devote additional staff resource to enhance our data collection and evaluation efforts.

Section 6: Our Partners and Collaborators

The CDP works with numerous entities on the Lower Cape and farther afield to carry out the activities described in this Community Investment Plan. Whether they are formal partners like the Cape Cod Fisheries Trust or informal collaborators such as the Hyannis-based Housing Assistance Corporation, our relationships with these groups, many of them long-standing, help us achieve our goals as outlined below. Our key partnerships are described in more detail in Section 4 of this plan in the context of specific activities we're undertaking together.

Goal #1: Strengthen business sectors with a competitive regional advantage in ways that advance the interests of owners and employees—particularly those whose incomes fall below the area median—and the community overall. Our partners and collaborators help us to identify, engage and serve individuals on the Lower Cape who want to start or grow a business. Together we're working to strengthen the local economy.

Formal Partners:

Cape Cod Fisheries Trust; Cape Cod Commercial Fishermen's Alliance; MA Department of Marine Fisheries; Mass Growth Capital Corporation; Cape Cod Chapter of SCORE (Senior Corp of Retired Executives); Wellfleet Shellfish Promotion and Tasting (SPAT); Orleans Farmers Market

Collaborators:

Barnstable County Extension; Chambers of Commerce in each of the eight towns on the Lower Cape; Cape Cod Chamber of Commerce; Local Banks (Cape Cod Five Cents Savings Bank, TD Bank, Seamen's Bank, Cooperative Bank of Cape Cod); South Eastern Economic Development Corporation (SEED) ; Coastal Community Capital; WE CAN; Economic Development Committees in the town of Chatham, Provincetown and Wellfleet

Goal #2: Create and preserve safe, stable and affordable year-round housing for low-to-moderate income (LMI) residents. Partners and collaborators help us to increase opportunities for LMI individuals and families to find or retain safe, stable and affordable housing.

Formal Partners:

Eastham Affordable Housing Trust; Highland Affordable Housing (Truro); Gosnold on Cape Cod; Stratford Capital Partners; Homeless Prevention Council

Collaborators:

Town Boards of Selectmen, Community Preservation Committees, Housing Authorities; Housing Trusts; Councils on Aging; Provincetown Year-round Rental Housing Trust; Housing Assistance Corporation (HAC); Homeless Prevention Council; Cape Cod Commission; Business Round Table; Cape & Islands Regional Network to End Homelessness; MA Homeownership Collaborative Advisory Committee; Lower Cape Outreach Council; Family Pantry of Cape Cod

Goal #3: Promote green business and housing practices that benefit people and the environment. Our partners help us build and deliver innovative programs that connect economic development, affordable housing and natural resource conservation.

Formal Partners:

Barnstable County Cooperative Extension; Cape Cod Chamber of Commerce; Cape Light Compact; RISE Engineering; Town Recycling Committees; and Housing Assistance Corporation

Other Key Partnerships that advance our work overall:

Cape Cod Young Professionals (CCYP) – The CDP collaborates with CCYP on programs such as First Time Home Buyers training and other efforts designed to retain young people on the Cape.

Philanthropy Partners – The CDP's Executive Director serves on the Board of this organization for nonprofit fundraising professionals on Cape Cod.

WOMR-FM & Lower Cape TV (LCTV) – One of the primary ways the CDP gets its message out is through *This Place Matters*, a weekly radio and television show on WOMR Radio and LCTV.

Section 7: Our Work within the Broader Community Vision

As described above in Section 3, the three goals of this Community Investment Plan are highly inter-related and mutually reinforcing. Our work to create and preserve affordable housing expands the pool of potential workers and consumers and also stimulates the economy by generating construction jobs and associated revenue. Our activities to help jump-start and grow small business are the perfect complement. Finally, a commitment to pursuing green housing

and business practices permeates all of our work—the results of which are evident in the model programs we operate (Real Return and Cape & Islands Green); in Thankful Chases Pathways, the CDP’s Platinum LEED Certified affordable housing development in Harwich; in our work to promote economically viable and sustainable fishing practices; and in other activities.

As a regional entity, the CDP strives to provide value and have a positive impact across town boundaries. None of our initiatives are limited to a single town, and we work with a number of other regional entities to meet the shared needs of the communities we serve. They include the Cape Cod Chamber of Commerce, the Cape & Islands Regional Network to Prevent Homelessness, the Cape & Islands Selectmen & Councilor’s Association¹⁴, The Cape Cod Commission, and The Cape Cod Economic Development Council.

In particular, this Community Investment Plan for the Lower Cape aligns closely with the Cape Cod Commission’s 5-Year Comprehensive Economic Development Strategy (CEDS).¹⁵ Created in 2014 with participation from the CDP, CEDS has four main goals, and the activities described in this Plan help to further each of them. Specifically, our green building approach to the creation and preservation of small and medium-scale affordable housing answers the Commission’s call for “low-impact and compatible development.” We help to foster a “balanced economy” with “quality employment opportunities,” as CEDS states, by nurturing business sectors with a competitive advantage—from fishing and farming, to hospitality, to construction—and by focusing on current and potential small business owners who have fewer resources and less access to investment capital. All of our activities pay dividends close to home, meeting the Commission’s goal of “retaining and attracting income to the region” to promote “regional income growth.” Finally, while the CDP does not focus on expanding or improving traditional “infrastructure,” such as transportation and waste management systems, as CEDS prioritizes, the CDP’s investments in solar energy increase reliance on renewable energy on the Lower Cape.

Section 8: Our Funding Sources & Making Use of Community Investment Tax Credits

The CDP funds the activities described in this Community Investment Plan through a combination of grants, program income and donations from individuals and corporations—sources of funding in which the CDP has a strong track record as outlined below. A full budget is contained in our Annual Report and is accessible at www.capecdp.org.

Government and Private Foundation Grants

The CDP has a long history of successfully competing for government funding (municipal, state and federal) and grants from private foundations to finance the organization’s activities. Historically, grant funds account for 65% to 70% of the CDP’s annual revenue. Beginning in 2010 grant funds declined to 50% of annual revenue due largely to reductions in federal and state funding. Many of the CDP’s grantors have supported the organization by awarding grants that span multiple years and/or by providing funding year after year. However, the current trend is

¹⁴ As a Truro Select Board member, the CDP’s Executive Director Jay Coburn also participates in this regional association of selectmen.

¹⁵ Cape Cod Commission Comprehensive Economic Development Strategy (CEDS) <http://www.capecodcommission.org/index.php?id=249>

clearly marked by level funding, coupled with a desire among governments and foundations to fund new and innovative initiatives rather than ongoing and successful programs, even those with significant local value. This trend makes it especially important for the CDP to increase the support it receives from the private sector, especially local donors.

Below is an accounting of grant funds received in FY15 and FY16, as well as commitments to date for FY17 for each of our three program areas. We anticipate receiving support from many of these funders in future years and are working to identify new sources of grant revenue.

I. BUSINESS DEVELOPMENT

1. Micro lending & business development

SOURCE	FY 14	FY 15	FY 16	FY 17
Barnstable County		\$5,000		
Cape & Islands License Plate Fund	\$24,250	101,966	\$54,457	\$86,330
Mass Growth Capital Corporation	\$45,000	\$72,496	\$78,307	\$40,000
Mass Office of Business Development			\$30,000	\$21,250
USDA Farmers Market Promotion Program			\$33,312	\$65,000
USDA Rural Business Enterprise Grant	\$20,000	\$44,999	\$48,312	\$40,000
Cape Cod Five		\$10,000	\$7,500	\$7,500
Cape Cod Health Care		\$2,500	\$2,500	\$5,000
Cape Cod Foundation Chatham Fund				\$2,500
Cooperative Bank of Cape Cod			\$3,000	\$4,000
Eastern Bank Charitable Foundation				\$5,000
Seamen's Long Point Charitable Foundation				\$4,000
Sailors Snug Harbor		\$10,000	\$10,000	
Cape Air		\$3,000	\$10,000	\$10,000
Mass Society for the Promotion of Agriculture			\$5,000	
TOTAL	\$89,250	\$249,991	\$282,388	\$290,580

2. Work in partnership with the Cape Cod Fisheries Trust

SOURCE	FY 14	FY 15	FY 16	FY 17
Mass Growth Capital Corporation	\$20,000	\$23,809	\$4,818	
National Fish & Wildlife Foundation	\$46,821	\$26,903	\$29,107	
Marie-Louise & Ruth N. Eddy Foundation	\$10,000			
Sailors Snug Harbor Foundation	\$15,000	\$20,000	\$20,000	
Wellfleet Shellfish, Promotion & Tasting	\$2,500		\$60,000	
TOTAL	\$344,321	\$70,712	\$113,925	

II. AFFORDABLE HOUSING

1. Manage and preserve affordable housing

SOURCE	FY 14	FY 15	FY 16	FY 17
Cape & Islands License Plate Fund	\$110,000	\$80,706	\$88,366	\$75,670
CEDAC-Home Modification Loan Program		\$10,735	\$6,066	\$12,000
MA Community Development Block Grant funds	\$52,000	\$470,810	\$1,413,477	\$1,731,976

Towns for Housing Rehab Monitoring, Lotteries, Canal House, Management Study	\$18,940	\$80,663	\$30,950	\$29,250
Marie-Louise & Ruth N. Eddy Foundation		\$20,000	\$30,000	\$22,000
Sailors Snug Harbor Foundation				\$30,000
MA Community Based Housing-Sec. 8 Rental Assistance	\$94,116	\$93,116	\$121,434	\$115,000
USDA Rural Development	\$151,505	\$151,505	\$151,125	151,505
Local Churches & Misc Foundations	\$1,000	\$3,756	\$20,077	43,750
TOTAL	\$427,561	\$911,291	\$1,861,495	\$2,211,151

2. Develop new affordable housing

The CDP's partnership with Stratford Capital provides for a 10% share of the development fee.

III. SUSTAINABILITY

1. Cape & Islands Green

SOURCE	FY 14	FY 15	FY 16	FY 17
Cape Air	\$2,500			
Cape Cod Five Cents Charitable Foundation	\$7,500			
Cape & Islands License Plate Fund	\$28,350	\$9,328		
USDA Rural Business Enterprise Grant	\$10,000			
TOTAL	\$48,350	\$9,328		

2. The Real Return

SOURCE	FY 14	FY 15	FY 16	FY 17
Brehm Foundation	\$50,000			
Tern Foundation		\$1,000		
Charles Bank Homes		\$50,000		
Enterprise Community Partners	\$10,000			
Seamen's Bank Long Point Charitable Fund	\$5,000	\$5,000		
TD Bank Charitable Fund	\$20,000			
Towns of Truro & Eastham	\$24,000	\$218,475		
TOTAL	\$109,000	\$274,475		

Program Income

The second largest source of funding is program income, which over the past three years has accounted for 32% of the CDPs annual revenue. Figures below reflect income earned in FY 16.

I. ECONOMIC DEVELOPMENT

1. Work in partnership with the Cape Cod Fisheries Trust. Income is generated from the fees small boat fishing businesses pay to lease scallop quota from the CDP: \$120K in FY 16. The amount of income varies each year depending on the price per pound and number of pounds leased – roughly \$90,000 annually.

2. Micro lending and business development. Income is generated through interest and fees associated with the micro loans – roughly \$21,000 annually – along with an average of \$4,500 annually from workshop & seminar fees,

II. AFFORDABLE HOUSING

Preserve affordable housing. Income is generated through rent on CDP properties (\$730,000 in FY 16), consulting fees (\$17,000 in FY16), and housing rehab monitoring (\$30,000 in FY17).

III. SUSTAINABILITY

1. Cape & Islands Green. +/- \$1,000 is generated through workshop and seminar fees.

2. The Real Return. \$30K in SREC credits and energy credits from 250 solar panels annually.

Donations

Donations from individuals and businesses round out the CDP's financing. Donations provide a flexible source of funding, typically unrestricted to any particular activity and especially useful in the early stages of developing new projects and innovative programs that respond to the needs of the communities we serve. Below we report on gifts from major donors, other individual donations, giving by staff and board members, and money raised through special events. Giving in each of these categories has increased significantly due to the community investment tax credits and strong Board & staff fundraising efforts.

1. Major Donors. The CDP focuses on cultivating individual gifts of \$1,000 or more from current donors with the interest and ability to give more, and by identifying new donors whose philanthropic values align with the CDP's mission. Major gifts have been increasing annually—both the number of donors and the total amount raised—in large part as a result of the leverage offered by the tax credits.

	FY 14	FY 15	FY 16	FY 17 @ 1/31/17
Number of Major Donors	29	61	71	77
Amount raised	\$41,739	\$121,698	\$193,525	\$143,200

2. Other Individual Donors. The CDP conducts two direct mail campaigns each year (in May and November) to solicit gifts below the \$1,000 threshold. Contributions from individual donors, as well as the number of donors, has remained steady over the past three years. The Board Development Committee is working on a plan to grow the CDP's small donor base.

	FY 14	FY 15	FY 16	FY 17 @ 1/31/17
Number of Individual Donors	253	194	265	200
Amount raised	\$34,336	\$22,630	\$30,119	\$23,394

3. Board & Staff Giving. All staff and Board members give annually.

	FY 14	FY 15	FY 16	FY 17 @ 1/31/17
Board & Staff Giving (100% participation annually)	\$6,745	\$22,508	\$27,660	\$20,550

4. Special Events. The CDP holds two to three special events annually that provide opportunities to raise money and raise awareness about the needs in our communities and what the CDP does to meet those needs.

	FY 14	FY 15	FY 16	FY 17 @ 1/31/17
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Special Events	\$25,776	\$29,829	\$23,599	\$26,402
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Making use of Community Investment Tax Credits

The CDP has a track record of making good use of community investment tax credits, receiving and “spending” more every year since 2014.

Year	Tax Credits Received	Tax Credits Carried over from previous year	Total Tax Credits available	Tax Credits Granted	Utilization rate
2014	\$80,000	\$0.00	\$80,000	\$79,900	99.9%
2015	\$130,000	\$99	\$130,099	\$113,282.50	87%
2016	\$120,000	\$16,500	\$136,500	\$118,762.50	87%*
2016-supplement	\$30,000			\$0.00	0%

Section 9: Our History and Track Record & Sustainable Development

The activities outlined in this Community Investment Plan reflect a mature body of work by the CDP. In each area, the CDP has a track record of responding to local needs, successfully financing projects, putting plans into action, and producing positive, innovative results. In other words, this plan is not a dream of what might be; it’s a clear roadmap for deepening and expanding successful lines of work to realize even greater benefits for the communities and individuals we serve.

Some of the highlights of the CDP’s accomplishments over the past two decades include:

- Developing, owning and managing 75 affordable rental homes, including the Platinum LEED Certified Thankful Chases Pathways.
- Repairing and upgrading over 333 homes for LMI families while putting local contractors to work—contracts valued at more than \$7 million.
- Developing 28 affordable homes for purchase by LMI families.
- Lending over \$2.7 Million in micro-loans to +130 local small businesses.
- Providing technical assistance to over 1,400 locally owned small businesses.
- Creating a micro-loan fund specifically for shellfish growers with loan capital provided by Wellfleet SPAT, a local non-profit working to promote Wellfleet oyster and clams.
- Developing the nationally recognized Cape Cod Fisheries Trust that retains over \$10 million in fishing revenues in the local economy each year and provides direct technical assistance and support to the local day-boat fishing fleet.
- Fostering the creation of a year-round farmers market to serve the Lower Cape.

The start-up and evolution of the winter farmers market in Orleans is just one example among many of the CDP’s entrepreneurial spirit and success. In March 2014 we hosted a meeting of local farmers and food producers to learn about the needs and challenges of this growing economic sector in our region and to promote our small business programs. Participants were unanimous in their desire to expand their business season by participating in a winter farmers market. A summer farmers market was started in Orleans 20 years ago, and by 2014 seven of the eight Lower Cape Towns had weekly markets that opened in the spring and typically

extended through September or October. But none of them were ready to take on the challenge of running a market in the winter serving the region.

With experience in program development and access to resources thanks to the community investment tax credits, the CDP was uniquely positioned to lead the development of a regional winter farmers market. We created a steering committee of growers, food producers and summer market managers to guide us in securing a venue, developing market policies and procedures, and recruiting vendors for the inaugural season (December 2014 – April 2015). In advance of the second season, the CDP applied for and received a two-year, \$100,000 grant from the USDA's Farmers Market Promotion Program, providing resources to expand the market and offer more training and technical assistance to vendors.

Now in our third season, we have nearly doubled the number of vendors; the market is held weekly (during the first two years the market was held twice monthly); and we now operate it jointly with the Orleans Farmers Market, which has more operational acumen thanks to the technical assistance volunteers have received. Next season, we'll pass the baton entirely to the Orleans Farmers Market volunteers who will manage a market that provides year-round sales opportunities for Lower Cape farmers and food producers, and healthy food for all to enjoy.

The CDP's many successes, which are succinctly captured in the impact statements in Section 4 of this Community Investment Plan, coupled with the organization's increasing capacity to raise funds to finance our work (see Section 8 above), make the CDP well positioned to take full advantage of community investment tax credits for a fourth year and years to come.

Sustainable Development

Because the goals and activities in this Community Investment Plan are mutually reinforcing (as described in Sections 3 and 4), the Plan reflects the Commonwealth of Massachusetts' strong preference for policies and practices that are well "integrated." On a more granular level, this Plan is consistent with the Commonwealth's Sustainable Development Principles:

- Our focus on rehabilitating and improving existing affordable housing units and our pursuit of compact and locally appropriate new development meet the State's 1st principle to "concentrate development and mix uses" and the 6th principle to expand housing opportunities. Our demonstrated commitment to understanding the perspectives and needs of LMI residents and working with them to ensure that the Lower Cape develops in a way that benefits everyone meets the State's 2nd principle to "advance equity."
- By engaging in housing and business practices that conserve resources, the Plan meets the State's 5th principle to "use natural resources wisely."
- Our work to nurture sectors of our economy that are poised to grow and our financial and technical assistance to small businesses meet the State's 8th principle to "increase job and business opportunities."
- Our investment in solar energy along with a focus on energy efficiency more generally meets the State's 9th principle to "promote clean energy."
- Our structure as a regional organization and our close collaboration with other regional entities and plans meets the State's 10th principle to "plan regionally."