



Community Investment Plan

Creating opportunities for people to
live, work and thrive on the Lower Cape

2020–2022



community development partnership

Community Investment Plan

Our Mission: The Community Development Partnership (CDP) nurtures a diverse, vibrant and sustainable Lower Cape through initiatives that make this special region more welcoming, livable and rich with opportunity, while preserving its fragile landscape and unique cultural heritage. Our inter-related work in economic development and affordable housing is geared to retaining and attracting younger people and those with low-to-moderate incomes (LMI) as essential year-round community members.

Section 1: The Communities We Serve

For more than 25 years, the CDP has led the way in expanding opportunities for people to live, work and thrive on Lower Cape Cod. Our focus on the eight towns stretching from Harwich and Chatham, through Brewster and Orleans, and out to Eastham, Wellfleet, Truro and Provincetown reflects the fact that the Lower Cape constitutes a distinct region that is more rural and sparsely inhabited year-round than the Mid- and Upper-Cape. As the Cape narrows, and at the outer reaches is dominated by the majesty of the Cape Cod National Seashore, community itself can be as fragile as the land on which it is built.

Jutting 30 miles into the Atlantic, the Lower Cape's natural beauty and unique character make it a world-class tourist destination and attractive place for off-Cape dwellers to invest in second homes and retire. That same remote location, inflated real estate market and seasonality also make it difficult for many to live here year-round. Six of the eight towns have year-round populations of less than 7,500 residents, qualifying as rural areas under DHCD guidelines, and in three towns the population hovers around or falls significantly below 3,000 people.¹

The lack of well-paying jobs and affordable housing, conjoined issues, are the greatest barriers to a diverse and thriving year-round population. Year-round jobs are scarce, and the peak revenue cycle for a seasonal business is a short 10-12 weeks. As a result, unemployment skyrockets in the off-season. In January 2019, unemployment rates in the eight towns of the Lower Cape were all well above the statewide average of 3.6 percent, reaching a high of 20.8 percent in Provincetown.² Countywide, 42.5 percent of households have annual incomes below 80 percent of area median income (AMI).³ While such data are not available at the town level, we know that more than 6 percent of families living in Chatham, Eastham, Harwich and Orleans, and over 10 percent in Provincetown, Truro and Wellfleet have household incomes below the federal poverty level, with Wellfleet being the highest at 11.3 percent .⁴

Local housing prices, inflated by the off-Cape incomes of second homeowners and retirees, far out-pace the incomes of many local families. The average affordability gap across the eight

¹ According to the 2013-2017 American Community Survey 5-Year Estimates, the populations of each town are as follows: Harwich (12,143), Brewster (9,856), Chatham (6,149), Orleans (5,827), Eastham (4,905), Wellfleet (3,171), Truro (1,580), and Provincetown (2,952). Accessed through factfinder.census.gov

² According to the Massachusetts Department of Labor and Workforce Development, unemployment rates in January 2019 in the eight Lower Cape towns were as follows: Brewster (5.6 percent), Chatham (6.6 percent), Harwich (7.2 percent), Orleans (4.3 percent), Eastham (7.6 percent), Wellfleet (11.7 percent), Truro (14.4 percent) and Provincetown (20.8 percent).

³ U.S. Department of Housing and Urban Development's (HUD's) Office of Policy Development and Research (PDandR). 2012-2016. Comprehensive Housing Affordability Strategy (CHAS) Data Query Tool.
http://www.huduser.org/portal/datasets/cp/CHAS/data_querytool_chas.html (accessed November 6, 2019).

⁴ U.S. Census Bureau, 2013-2017 American Community Survey 5-Year Estimates.

Lower Cape towns is \$194,400.⁵ That’s the difference between the annual income required to finance and reasonably afford a median-priced home and the actual median household income of year-round residents. Even more concerning, the affordability gap has more than quintupled since 2010 when it was \$33,250. In addition, because nearly half (49 percent) 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 in short supply and financially out of reach for many people. 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 \$1,524 per month. For a household to spend the recommended 30 percent of income on rent and utilities, two working adults would need a combined annual income of more than \$60,000 (\$60,960).

Lower-wage workers and those with seasonal jobs come up short. The mean hourly wage among renters in Barnstable County is just slightly more than minimum wage, \$12.47 an hour.⁶ Even assuming there are two wage earners, each working 40 hours a week throughout the year, their combined income barely tops \$50,000 (\$51,875). And many households have only one wage earner or two people working seasonal jobs. Even an individual renter who works year-round and earns an average wage—roughly \$24 per hour in Barnstable County—faces roughly the same affordability gap.⁷ People are vulnerable as a result. Individuals and families, including those with children, can end up in unsuitable and unsafe living conditions: illegal basement apartments, nonwinterized motel rooms without kitchens, and crowded into spaces built for fewer occupants. The growing number of recent immigrants working low-wage jobs on the Lower Cape appear especially vulnerable.

Bottom line: There’s a staggering and largely unmet need for safe, stable and affordable rental housing. On October 31, 2019, for example, Fred Bell Way in Wellfleet—a 12-unit property of one, two and three-bedroom houses—had a waiting list of 95 families. With the exception of Orleans and Provincetown, where 9.2 percent and 9.8 percent of all housing is designated affordable (although supply still falls short of demand), none of the other eight Lower Cape towns is anywhere close to meeting the common goal statewide of having a minimum of 10 percent of a town’s year-round housing stock be designated affordable. Percentages range from less than 2 percent in Wellfleet to 5.5 percent in Harwich.⁸ Further deepening the challenge, some people in need of safe and stable housing on the Lower Cape make either too little or slightly too much income— “on the books” or otherwise—to qualify for the small number of units designated as affordable, and for others the lengthy application process is difficult for them to navigate successfully.

⁵ Calculations are based on the median value of a home in 2017 (source: Banker and Tradesmen – Town State – Real Estate Transactions by Town by Year) and median income as documented by the 2013-2017 American Community Survey 5-Year Estimates.

⁶ *Out of Reach 2019*, 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 In March 2019, the average weekly wage of a resident of Barnstable County was \$969, or roughly \$24 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

⁸ Department of Housing and Community Development, Chapter 40B Subsidized Housing Inventory (SHI) as of September 14, 2017.

All these realities make it particularly hard for young people, who tend to have fewer financial resources, to make a home on the Lower Cape. As a result, in the decade between 2000 and 2010 according to the Census, there was a 26 percent drop in the number of residents between the ages 25 and 44 across all of Barnstable County.⁹ The Lower Cape in particular has a markedly older population. More recent population data show the median age in every town to be at least 55, and in most towns it's close to or at 60.¹⁰ In five of the eight Lower Cape towns, well over one-third of the population is 65 years of age or older, with the situation in Brewster and Harwich only slightly better, at 31 and 32 percent of the population respectively.¹¹

Without active intervention to reverse these trends by expanding affordable housing and creating more year-round and better paying jobs, the future of the Lower Cape is in jeopardy, and life for LMI residents will not improve, and could worsen. The CDP's slogan, "We can't afford to lose the people who can't afford to live here" captures our commitment to LMI residents in particular and our broader commitment to building diverse and vibrant communities across the Lower Cape.

Section 2: How We Involve the Community in Our Work

The CDP was founded in 1992 by residents of the Lower Cape and, as a membership organization, remains firmly grounded in the communities we serve. The people of those communities actively participate in developing, implementing and monitoring the CDP's goals and activities, including this Community Investment Plan. There are many ways in which the CDP informs and engages Lower Cape residents, including an Annual Meeting open to the public, issue-specific community forums held throughout the year, active collaboration with other Lower Cape entities and, of course, through the programs we operate and the services we provide to Lower Cape residents.

The CDP's primary governance body—our Board of Directors—is elected with the participation of our members, and the composition of the Board and our staff reflects the organization's deep ties to the Lower Cape: All staff and Board members live year-round or work in one of the eight communities we serve; several Board members are also affiliated with other organizations that serve LMI populations in our area; and our Board members include present or past CDP clients, including a current resident in one of the affordable rental homes we manage.

Our work is also informed and guided by a 70-member Advisory Council comprised of diverse members of the communities we serve—from local business owners, to professionals with expertise in our focal issues, to concerned residents. They're a crucial source of information, guidance and connections to support; they strengthen our work; and some members have decision-making authority. The CDP's two core committees—the Business and Credit Committee that approves loans and guides our small business development programs, and the Housing and Property Management Task Force that supports staff in managing real property

⁹ U.S. Census Data, 2010.

¹⁰ 2013-2017 American Community Survey 5-Year Estimates.

¹¹ According to the 2013-2017 American Community Survey 5-Year Estimates, the proportion of residents 65 years or older in each town is as follows: Brewster (30.5 percent), Chatham (39.4 percent), Harwich (32.2 percent), Orleans (38.8 percent), Eastham (38.1 percent), Wellfleet (38.1 percent), Truro (37.4 percent), and Provincetown (28.9 percent), accessed through FactFinder.

assets and the CDP's affordable housing initiatives generally—include Advisory Council members who serve alongside CDP Board members.

We also partner with allied organizations as another way to ensure that our work penetrates and truly meets the needs of the communities we serve. The CDP is a member of each town's Chamber of Commerce, as well as the regional Cape Cod Chamber, and partners formally and informally with numerous community-based organizations and other entities. Many of 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 planning process, which informs the substance of this Community Investment Plan, began in the summer of 2019 through a process designed specifically to seek input from local stakeholders about the issues confronting the Lower Cape and the CDP's work. Independent consultants held two focus groups and 24 individual key-informant interviews. On September 25, the CDP's staff and Board of Directors undertook a day-long strategic planning session that was deeply informed by the community's concerns, priorities and suggestions as documented in notes from those focus groups and interviews. During the months of October and November, the CDP's CEO presented the revised Goals and Activities in this plan to the eight Select Boards of the Lower Cape, seeking input from them and other town officials.

This Community Investment Plan, which the CDP's Board formally approved on November 11, 2019, represents both a continuation of our historic mission and a bold agenda to deepen the organization's role, value and impact in a unique region of the Commonwealth that's facing significant challenges. Both the CDP Board of Directors and Advisory Council play a central role in monitoring the implementation of the activities outlined in this Plan. To facilitate their oversight and guidance, CDP staff issue a weekly email with important updates about our work. In addition, the Board holds 10 meetings annually during which they discuss Plan activities, and members of the Advisory Council participate in ad hoc meetings and discussions throughout the year. The Annual Membership Meeting of the CDP is held each spring where Board Members and Officers are elected and the Community is provided with an Annual Report on progress in implementing the Community Investment Plan.

Section 3: Our Goals

This Community Investment Plan is designed to make clear progress on the following four goals. Goals I and II relate to the substance of our work; Goal III is about how we work, reaching deeper into the communities we serve; and Goal IV is about how the communities we serve see and understand us.

- I. **Reboot our work in the area of economic development to have an even greater impact.**
We believe a vibrant future depends on sustaining traditional industries, from fishing and farming to art and hospitality, while cultivating new ones. The CDP has a track record of strengthening business sectors with a competitive regional advantage in ways that benefit owners and employees—particularly those whose incomes are LMI—and the community overall. The CDP's longstanding micro loan program, and training and technical assistance for Lower Cape residents seeking to start or grow a small business have created and

preserved more than 370 jobs on the Lower Cape over the past five years alone. Over the coming three years, the CDP plans to refine both programs to increase their reach and impact, while also pursuing new regional strategies to create jobs and strengthen the Lower Cape economy—all to attract and retain more year-round residents, especially younger people and those with low-to-moderate incomes.

II. Chart a bold and visionary path to preserve and expand affordable year-round housing.

Affordable homes are essential to a healthy economy and a diverse community—and a real challenge on the Lower Cape where a home to rent or buy is beyond the reach of many year-round residents and those who would like to make a home here. The CDP has a strong track record of both preserving and developing affordable housing. In 2017, the CDP established itself as a clear regional leader by creating the Lower Cape Community Housing Partnership. This novel initiative—a potential model for other areas in Massachusetts and nationwide—has significantly raised the profile of affordable housing as a fundamental issue confronting all eight Lower Cape Towns and has already sparked action that will expand the stock of affordable housing. Over the next three years, the CDP plans to capitalize on its leadership role to spearhead the development of much-needed additional affordable housing. We also plan to greatly expand the portfolio of affordable units that the CDP manages, leveraging our expertise and nonprofit status for the benefit of LMI residents.

III. Do more to engage the diverse people who live here now and have a stake in our work.

The relevance of our programs and services will be diminished if residents themselves aren't involved in efforts to make the Lower Cape a more welcoming and livable place for all. Building and sustaining vibrant communities is ultimately a matter of civic participation. This is especially true on the Lower Cape where the governance of all eight Towns is still a direct democracy with major decisions made through Town Meeting. At the CDP, we're committed to deepening our outreach strategies and becoming even more inclusive, so that the people we serve can lift up the issues that matter and influence the priorities and decisions of their local government. As part of this effort, we plan to increase our own cultural competency, particularly in the area of race, as the Lower Cape becomes more racially and ethnically diverse along with the rest of the nation.

IV. Refine our brand to match our bold vision for the future of the Lower Cape.

While the CDP is well known and highly regarded, especially among allied organizations and individuals, our name and mission statement don't fully or powerfully capture our commitment to and vision for the Lower Cape. Over the next six months, we will consider potential changes to our name, mission statement, logo and other brand elements that will position us to make progress on each of the goals described above and become an even more effective organization overall.

These goals are highly inter-related. Businesses cannot take root and flourish without a diverse pool of potential employees and consumers. Workers and consumers cannot reside locally without access to affordable housing *and* decent-paying jobs. We can't build thriving year-round communities, places where diverse people want to live and are able to make a life, unless we work together and involve everyone. And the CDP cannot be an effective force for

change unless our vision for and commitment to a vibrant, sustainable Lower Cape is clear to all.

Section 4: Activities We Intend to Undertake

I. ECONOMIC DEVELOPMENT

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 and know-how to start or grow a small business, many don’t. We help connect people with initiative and promising ideas to the capital and guidance they need to succeed in business. We also pursue regional strategies to preserve and create jobs, and strengthen the economy overall.

1. Operate a micro loan program. Drawing on a revolving fund currently capitalized at \$300,000, the CDP makes small business loans of up to \$40,000 to current and potential business owners whose personal income falls below the area median or who employ people with LMI incomes. A Business and 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.

The CDP has operated this program for more than 20 years, providing roughly \$3.25 million in capital to over 200 small business owners who could not get a loan from a bank. In recent years, the CDP has made 10 loans a year on average. Over the coming three years, we’ll undertake new strategies to increase the reach and impact of this longstanding, impactful program.

2. Provide business education, training and technical assistance. All CDP loan clients receive education, training and technical assistance to help them jump start or grow their small business—services funded through interest on the micro loans as well as grants and CITC-leveraged donations. Importantly, these same services are available to any small business owner on the Lower Cape. In FY19, the CDP provided in-depth assistance (five hours or more) to 75 businesses and served 113 individuals through less time-intensive workshops and classes. Our array of training includes a three-hour workshop followed by one-on-one support specifically to teach small business owners 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, a mark of good practice they can leverage to grow their business.

We partner mainly with the Cape Cod Chapter of SCORE, an organization of volunteer business executives, to provide business coaching. We believe there’s more business acumen to tap in order to mentor and guide less experienced entrepreneurs and grow our regional economy. Over the next three years, we’ll partner with SCORE to expand the pool of volunteers to involve

more Lower Cape residents whose experience and skills more closely match our typical small business clients.

3. Strengthen and preserve small-boat fishing and shellfishing/aquaculture. Fishing and shellfishing are integral to the Lower Cape’s economy, history and culture—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 retained at least 58 LMI jobs, is associated with roughly \$10 million in revenue circulating in the local economy, and arguably preserved the Lower Cape’s historic tradition of small boat fishing. We’ve also helped shellfishing businesses adapt to more stringent food safety regulations and expand through the use of new propagation techniques and higher quality seed. Our work in this area has several components, all of which are ongoing:

- 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.¹² 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) **Administer three targeted loan funds to support fishing businesses.** We loan money to scallopers to finance the purchase of scallop quota using the purchase quota as collateral. We make loans to ground fishermen for the purpose of consolidating debt, purchasing gear to diversify their catch and implementing energy efficiency upgrades to their boats, all to make their small businesses more profitable. These loans also can be used to purchase ground fish quota for plentiful species such as monk and skate. And through a third fund, we loan money to shellfishermen for the purchase higher quality seed and new and more efficient gear, including coolers and ice machines to comply with new food safety regulations.
- c) **Provide business education and technical assistance.** Along with leases and loans, the CDP provides business education and in-depth technical assistance to help local fishermen transition to a new way of doing business that relies on planning, strong financial management and access to capital.

4. Promote the growth of business sectors poised to expand. In addition to working with individual businesses, the CDP takes an active role in identifying and nurturing sectors of the regional economy that are poised to expand. We facilitate connections among businesses with common goals and interests, provide technical assistance, and act as a broker to connect growing sectors of the economy with sources of financing and other support. For example, a few years ago the CDP hosted seminars for local food producers that led to the creation of a regional farmers market in Orleans that operates during the gap season from December

¹² 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.

through April. That winter market is now self-sustaining and highly valued among year-round residents

Going forward, our aim is to identify and develop new regional strategies that foster the growth of particular business sectors or modes of working (e.g. telecommuting). We also plan to work with towns to lower or remove administrative barriers that slow or even impede the creation and growth of businesses on the Lower Cape.

II. AFFORDABLE HOUSING

For all the reasons described in Section I of this Plan, affordable housing is a lynchpin issue on the Lower Cape. There's simply not enough of it to support thriving year-round communities that in turn power a robust year-round economy, and there are real challenges to meeting the housing needs. Our work in this area entails managing and preserving existing affordable housing while also undertaking creative strategies to increase the stock of affordable dwellings. We're a gateway to safe, stable and affordable rental housing and support for individuals and families at risk of losing an affordable place to live. We also serve LMI home owners seeking to maintain their properties and those who would like to become first-time home owners. A demonstrated commitment to green building and energy efficiency practices permeates our work.

1. Manage and preserve existing affordable housing. The CDP has been acquiring and managing affordable rental properties since 1996. We now own and/or manage 100 affordable and community housing units at 21 sites spread across the eight Lower Cape towns. At present, those rental units provide quality homes for 158 people, including 59 children, with 22 units vacant for renovation. Our portfolio of affordable rental properties features four units that meet federal ADA standards and an eight-unit sober living facility for individuals at high risk of becoming homeless that we operate it in partnership with Gosnold, the leading provider of addiction and mental health services on the Cape.

Our work managing our own properties is distinguished by the use of renewable energy. More than 400 solar panels crest the rooftops of several CDP rental properties with maximum sun exposure. Those panels not only benefit the environment, they generate credits ("SRECs") with cash value that we've used to finance energy efficiency upgrades and other capital improvements to 46 of our rental units, making them even more environmentally sensitive and also more livable and affordable for tenants. Moreover, the energy our solar panels produce partially offsets the cost of powering common areas in the rental properties where the panels are located as well as the CDP's administrative offices.

In addition to managing our own properties, we provide services to local housing trusts and other municipal entities that lack the know-how and resources to manage the affordable properties they've acquired or developed. In this regard, we're a trusted source of both guidance and day-to-day services that range from physical maintenance to running a housing lottery. We currently manage eight units for the Town of Eastham Affordable Housing Trust, five units in Truro owned by the town and Highland Affordable Housing, and 28 moderate-income units owned by the Town of Provincetown's Year-Round Market Rate Rental Trust.

Going forward, the CDP is poised to manage the vast majority of affordable housing on the Outer Cape as the largest local developer/owner, dba Community Housing Resource, approaches retirement. We expect to be overseeing 88 additional units, for a total of 188 units overall, by the first quarter of 2020. Working as a management agent on a much larger scale will position our nonprofit organization to provide expert, cost-competitive management services to new affordable housing developments under construction or in planning, ultimately benefiting many more LMI residents.

2. Develop new affordable housing. We take a two-pronged approach to expanding the stock of affordable housing on the Lower Cape: We work to build communitywide support for it and pursue opportunities to act ourselves as a developer.

- a) **Increase community support for affordable housing.** The expansion of affordable housing on the Lower Cape has been stymied in part by vocal residents who've resisted proposals for new developments and by municipal officials who lack the knowledge or skill to support such complex and potentially divisive projects. In 2017 the CDP launched the Lower Cape Community Housing Partnership Initiative, a comprehensive community-based strategy to address these underlying problems. Our public education campaigns help dispel myths about affordable housing and demonstrate why it's needed; an annual Housing Institute educates town elected and appointed officials about the process and challenges of developing affordable housing in our unique region; and training sessions throughout the year produce persuasive advocates for affordable housing. To date, we've trained 141 municipal officials and 98 citizen advocates, and that work is paying off. The number of Town Meeting agenda items related to affordable housing has increased from 21 in 2016, prior to the launch of the Initiative, to 48 in 2019. We expect these positive trends to continue. Funds leveraged through Community Investment Tax Credits were essential to the start-up of this groundbreaking work and are needed to continue it at the same pace and scale.
- b) **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—in large part because of the resistance described above. With growing community support for affordable housing generated in part through the Lower Cape Community Housing Partnership Initiative, the CDP is once again positioned to be a developer of affordable housing. Over the coming three years we will assess our current capacity to develop affordable housing and then formulate a plan to grow and finance the additional capacity we need to function as a developer, either independently or in partnership with other non-profit and for-profit developers.

3. Work with LMI home owners to rehabilitate their properties. With Community Development Block Grant (CDBG) 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 maintain their affordable home. The CDP has been engaged in this work since 1992 and currently provides housing rehab services to LMI homeowners in Wellfleet, Truro and Provincetown. (Our service areas shift in parallel with the allocation of CDBG funds.) Beyond benefiting individual homeowners—469 over the past 25 years—the upgrades to their homes

valued at \$11.5 million, preserve the quality of neighborhoods and property values and help fuel our economy by employing local contractors and crews. Going forward we will explore other sources of funding, such as municipal housing trust funds, to support Housing Rehab programs in the remaining Lower Cape towns.

4. Make home ownership more accessible to LMI residents. The CDP is the sole provider on the Lower Cape of Citizens' Housing and Planning Association (CHAPA) certified First Time Home Buyer (FTHB) training. Over the past three years, the CDP has increased the number of trainings and individuals trained by 50 percent, 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 held three times annually, and to make the training accessible to those who can't participate in person, the CDP also provides on-line FTHB training throughout the year, reaching an average of 41 people annually. Over the next three years we will seek to become a HUD certified housing counseling agency and pursue new funding to expand our homeownership counseling programs.

5. Provide supportive services to at-risk residents. The CDP contracts with the Homeless Prevention Council to provide supportive services to residents of the properties we manage who may be one hardship away from losing an affordable place to live. These services help people address recent job loss or falling income and other underlying problems, such as a family crisis or illness, that may have contributed to a decline in their income.

III. CROSS-CUTTING ACTIVITIES

As described in Section 3, over the coming two years we aim to engage and empower more people in the communities we serve who represent the growing diversity of those communities, and we also aim to refine our own identity. Specifically, we'll engage one or more expert professionals to help our staff, Board and organization as a whole become more culturally competent and also develop outreach strategies that reflect those values and effectively reach and engage diverse residents. We'll also retain one or more experts to help us refine our name, mission statement, logo and other brand elements to better capture our commitment to and vision for the Lower Cape. Why? So that even more individuals and organizations are drawn to work with us and, ultimately, to make headway on the twin issues of affordable housing and economic development that threaten the sustainability of healthy, vibrant, year-round communities here on the Lower Cape.

Section 5: How We Evaluate and Measure Our Success

The CDP takes a rigorous approach to evaluating our own performance. Staff and Board track performance at two levels: We monitor key activities and outcomes in the areas of economic development and affordable housing, and we produce higher-level measures that reflect performance across the organization. Some of our most important performance indicators are listed below. Staff and Board use these indicators along with other measures and information to assess specific initiatives and activities as outlined in Section 4 of this plan and more broadly the CDP's progress on the goals stated in Section 3. 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.

I. PERFORMANCE IN ECONOMIC DEVELOPMENT

Supporting the creation and expansion of small businesses and the growth of the regional economy overall

Key indicators of productive activity:

- Number of businesses inquiring about micro loans
- 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 mentors and other business coaches we engage
- 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
- Assessments of the quality of seminars and other events hosted to support the growth of individual businesses
- Number of partnerships and other relationships forged to support the growth of the regional economy

Key indicators of positive outcomes:

- 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 particular sectors of the economy
- Estimated additional revenue generated from all of the above

Strengthening and preserving small-boat fishing and shellfishing/aquaculture in particular

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 regional economy

II. PERFORMANCE IN AFFORDABLE HOUSING

Managing and preserving existing affordable housing (rentals and home ownership)

Key indicators of productive activity:

- Strong financial health of the CDP's own affordable rental properties as indicated by positive cash flow and funding of sufficient capital reserves
- Good physical condition of CDP properties
- Growth in the total 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. economic benefit):

- Number of local contractors and staff employed to rehabilitate affordable housing
- Dollar value of this construction work

Developing new affordable housing

Key indicators of productive activity:

- Reach of our affordable housing public education campaigns
- Participation in our annual Housing Institute and advocacy trainings (to produce informed town officials and engaged citizen advocates)
- New partnerships formed for the purpose of developing affordable housing
- Number of potential development projects identified and evaluated

Key indicators of positive outcomes:

- Number of affordable housing agenda items discussed at Town Meetings
- Number (and scale) of decisive actions by towns to acquire or build affordable housing
- Number of new CDP-led developments green-lighted
- Number and proportion of CDP-led development projects completed at or under budget
- Number of new affordable units available for occupancy (our own developments and others)

Key indicators of cross-cutting economic benefits:

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

Making home ownership more accessible to LMI residents.

Key indicator of productive activity:

- Number of LMI individuals that enroll in First Time Home Buyer workshops (in-person and on-line)

Key indicators of positive outcomes:

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

III. PERFORMANCE ACROSS THE ORGANIZATION

In an effort to break down silos and monitor performance across the organization, the CDP produces higher-level measures that are meaningful and feasible to generate given available data and resources. Most notably, the CDP produces accurate counts of the total number of residents and businesses that directly benefit from our combined programs and activities over a period of time. We also track operational indicators of the CDP's capacity to be successful, including those that signal to what extent members of the communities we serve view the CDP as a valuable and effective organization. Specifically, we track the extent and results of our community outreach—something we'll be doing even more of in future; the extent and fruits of our collaboration with other organizations, which we also plan to expand; and our success in raising funds, especially locally.

We rely on Salesforce.com to collect and analyze data, giving us the ability to track our activities and outcomes in real time and generate reports. Our increased capacity to evaluate our work and its impact has strengthened our relationships with the communities we serve and with institutions and individuals that currently support our work and those who might become funders/donors.

Section 6: Our Partners and Allies

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 Homeless Prevention Council, with whom we contract to provide specific services, or informal collaborators such as Seamen's Bank, our relationships with these entities, many of them long-standing, help us grow the regional economy and preserve and expand the stock of affordable housing.

Economic Development: Our partners and collaborators help us stimulate business in ways that advance the interests of owners and employees—particularly those whose incomes fall below the area median—and build a stronger, more diverse economy on the Lower Cape. Partners ranging from local banks, to WE CAN with its focus on women, to the Cape Cod Commercial Fisherman's Alliance help us identify Lower Cape residents who want to start or grow a business, and with the help of partners such as SCORE, these residents can realize their business ambitions. Over the coming two years, we'll be working more closely with the Chambers of Commerce in each town, the Select Boards and others to make towns more business-friendly. We work with the Provincetown Commons and other allied organizations to identify and strengthen business sectors with a competitive regional advantage. Going forward, partnerships will be essential to taking a more regional approach to economic development.

Our Current 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); 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 towns of Chatham and Provincetown.

Affordable Housing: Our partners and collaborators help us preserve and expand safe, stable and affordable year-round housing for LMI residents as an essential element of vibrant year-round communities. In particular, our partners help us build the capacity of the Lower Cape towns to increase housing production and support LMI residents in securing housing.

Our Current Partners:

Cape Cod Children’s Place; Eastham Affordable Housing Trust; Highland Affordable Housing (Truro); Gosnold on Cape Cod; Homeless Prevention Council; Provincetown Year-round Market Rate Housing Trust; Town Select Boards; Community Preservation Committees; Housing Authorities; Housing Trusts; Councils on Aging; Housing Assistance Corporation (HAC); Cape Cod Commission; Cape & Islands Regional Network on Homelessness; MA Homeownership Collaborative Advisory Committee; Lower Cape Outreach Council; Family Pantry of Cape Cod; Mass Housing Partnership; Cape Light Compact.

Key Partnerships that advance our work overall: The CDP’s Chief Executive Officer serves on the Massachusetts Rural Policy Advisory Commission and Chairs the Policy Committee of the Massachusetts Association of Community Development Corporations. We partner with WOMR-FM radio and Lower Cape TV (LCTV) to produce *This Place Matters*, a weekly radio and television program that provides an important vehicle for raising awareness about key issues and opportunities in our region and the CDP’s work.

Section 7: Integrating and Aligning Our Work Within a Broader Framework and Vision

As described in Sections 3 and 4, the goals and activities outlined in this Community Investment Plan are deeply inter-related and mutually reinforcing: economic growth and affordable housing are the conjoined forces that build and sustain thriving year-round communities. Lower Cape residents increasingly understand this reality. In other words, our vision for the Lower Cape is in sync with the people we serve. Moreover, as a regional entity, the CDP provides value and has positive effects across town boundaries. Indeed, none of our initiatives are limited to a single town, and as described in Section 6, we partner with numerous entities that also work across towns to meet the common needs of the eight communities that make up the Lower Cape.

While the Lower Cape is distinct within the Cape overall for the reasons we describe in Section 1, we do collaborate with several Cape-wide entities, including the Cape Cod Chamber of

Commerce, Cape & Islands Regional Network on Homelessness, Cape Cod and The Islands Selectmen and Councilors Association, The Cape Cod Climate Change Collaborative, The Cape Cod Commission, and The Cape Cod Economic Development Council. Compared with other areas of the state, the Cape hasn't had the benefit of robust sub-regional planning. And there's no regional planning focused specifically on the Lower Cape beyond what we've done, efforts that we plan to build upon.

This Community Investment Plan for the Lower Cape does align closely with The Cape Cod Commission's 2018 Regional Policy Plan and the Commission's 5-Year Comprehensive Economic Development Strategy (CEDS), created in 2019 in part through the CDP's participation.¹³ 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 supporting 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."

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

The CDP will fund the activities described in this Community Investment Plan through a diversified combination of federal, state and municipal grants (54 percent), program income (29 percent) and donations from individuals, businesses and private foundations (17 percent)—sources of funding in which the CDP has a strong track record. The attached 2018 Annual Report lists the government entities, individual, businesses and private foundations that have donated to the CDP over the past year. A Summary Financial Statement for Fiscal Year 2018 is contained in our attached Annual Report and is accessible at www.capecdp.org.

Federal, State and Municipal Grants

The CDP has a long history of successfully competing for government funding (municipal, state and federal) to finance the organization's activities. Historically, government grants accounted for 65 to 70 percent of the CDP's annual revenue. Beginning in 2010 grant funds declined to 50 percent of annual revenue due largely to reductions in federal and state funding. Despite the economic recovery, government funding now accounts for just 54 percent of annual revenue—making it important for us to continue to increase the support we receive from the private sector, especially local businesses, foundations and individual donors.

Program Income

The second largest source of funding is program income, which accounts for 29 percent of the CDP's annual revenue. Program Income is generated from the following sources:

¹³ Cape Cod Commission Comprehensive Economic Development Strategy (CEDS) <http://www.capecodcommission.org/index.php?id=249>

- Rents received from the CDP’s affordable rental apartments
- Leases for scallop quota
- Interest on Microloans
- Fees for workshops and educational programs
- Energy and SREC credits from the CDP’s 400+ solar panels

Donations from Individual, Businesses and Private Foundations

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. The Community Investment Tax Credit along with implementation of a comprehensive development program has enabled the CDP to increase donations from Individuals, Businesses and Private Foundations from \$34,302 in FY 2013 to \$450,526 in FY 2019.

Below we report on gifts from donors, including money raised through special events.

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. Largely as a result of the leverage offered by the tax credits, major gifts have been increasing annually, both the number of donors and the total amount raised—a trend projected to continue in FY 20.

	FY 15	FY 16	FY 17	FY 18	FY 19	FY 20 YTD
Number of Major Donors	61	71	77	101	121	65
Amount raised	\$121,698	\$127,890	\$152,204	\$199, 028	\$324,901	\$113, 627

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 15	FY 16	FY 17	FY 18	FY19
# of Individual Donors	194	265	200	274	286
Amount raised	\$22,630	\$30,119	\$23,394	\$30,585	\$36,610

3. Special Events. Some of the individual donations reported above were raised through two special events the CDP holds annually—gatherings that raise both money and awareness about the needs in our communities and what the CDP does to meet those needs.

	FY 15	FY 16	FY 17	FY 18	FY 19
Special Events	\$22,511	\$23,599	\$35,572	\$37,730	\$74,550

Making use of Community Investment Tax Credits

The CDP has a track record of making good use of Community Investment Tax Credits. In general, we’ve been able to use more of our available tax credits even as the value of the credits we receive has increased substantially over time.

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	\$150,000	\$16,500	\$166,500	\$118,762.50	87%
2017	\$120,000	\$53,237	\$173,237	\$168,694	97%
2018	\$150,000	\$13,500	\$163,500	\$163,125	99.7%
2019	\$200,000	\$375	\$200,375	\$200,375*	100%

*Donations and pledges received as of November 15, 2019

Section 9: Our History and Track Record and Sustainable Development

The activities outlined in this Community Investment Plan reflect a mature body of work by the CDP. In both economic development and affordable housing, the CDP has a track record of responding to the needs and opportunities in our distinct region of the Cape. For more than 27 years, we’ve successfully financed projects, many of them complex; put plans into action, often breaking new ground with truly innovative programs and initiatives; and produced results that benefit individuals and the Lower Cape region overall—several specific accomplishments are listed below. In sum, this CIP provides a roadmap for deepening and expanding successful lines of work to realize even greater benefits for the individuals and communities we serve.

Highlights of the CDP’s accomplishments over the past 27 years

Housing

- Developing, owning and managing 100 affordable rental homes, including the Platinum LEED Certified Thankful Chases Pathway which received national recognition in HUD’s Door Knocker Award competition for Sustainable Housing.
- Installing 420 solar panels on our properties to harness the power of the sun, generating \$50K annually and other financial and environmental benefits.
- Developing 28 affordable homeownership opportunities for LMI families.
- Building the capacity of the Lower Cape Towns to address the affordable housing crisis by:
 - Training over 140 elected and appointed municipal leaders through an annual 6-session Housing Institute
 - Recruiting and training 98 residents to advocate for affordable housing
 - Educating the general public through the “We can’t afford to lose the people who can’t afford to live here” media campaign designed to tell the stories of Lower Cape residents in need of affordable housing.
 - Providing housing consulting services and support services to the Towns of Chatham and Harwich.
 - These efforts resulted in the consideration of 43 housing-related articles during Town Meetings across the Lower Cape and the approval of \$15M in local funding.
- Repairing and upgrading homes for 469 LMI families while employing local contractors, work valued at \$10.6 million.

- Educating over 450 potential First Time Home Buyers so they qualify for reduced mortgages and can make informed decisions in the home buying process.

Economic Development

- Providing over \$3.3 million in micro-loans to help start, grow or sustain 204 local small businesses.
- Delivering technical assistance and guidance to more than 2,200 locally owned small businesses.
- Developing the nationally recognized Cape Cod Fisheries Trust that retains over \$10,000,000 in fishing revenues in the local economy each year and provides direct technical assistance support to the local day-boat fishing fleet.
- Creating the Orleans Winter Farmers Market.

Alignment with the Commonwealth’s Sustainable Development Principles

Because the goals and activities in this Community Investment Plan are mutually reinforcing, as already discussed, this 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, fishing and other 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.”

Fundamentally, the CDP is an organization dedicated to sustaining the Lower Cape, a unique region where both the land and the community on which it’s built are threatened. We’ve shown over 27 years that necessity is indeed the mother of invention, and this plan puts us on track to continue to solve the problems and seize the opportunities in this special place we call home.

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