

II. Twin Cities Community Development Corporation's Community Investment Plan

Twin Cities Community Development Corporation (TCCDC) is proud to present its first Community Investment Plan, which was approved by the Board of Directors on December 5, 2013 and will be reaffirmed on January 30, 2014. The Plan is based on the Agency's 2010-2015 Strategic Plan and its 2014 Operating Plan.

(i) Community or Constituencies to be served by the organization

Geographic Markets: Twin Cities CDC's current strategic plan is based on four geographic targets, beginning with (i) the Elm and College Neighborhoods of Fitchburg, then (ii) encompassing all of Fitchburg and Leominster, then (iii) expanding to Gardner, and finally (iv) including all of North Central Massachusetts. (See maps attached).

Our current strategic focus is to make the Elm Street and College Neighborhoods as good as a typical Fitchburg neighborhood. Our next circle is the CDC's traditional geographic market of Fitchburg and Leominster. We have begun expansion to the third circle, Gardner, by managing the Greater Gardner Community Development Corporation. Finally, our Board is leading an effort to make the Twin Cities CDC a regional agency, with the goal of providing services to all 22 communities in North Central Massachusetts including: Ashburnham, Ashby, Athol, Ayer, Clinton, Fitchburg, Gardner, Groton, Harvard, Hubbardston, Lancaster, Leominster, Lunenburg, Petersham, Phillipston, Royalston, Shirley, Sterling, Templeton, Townsend, and Westminster.

In Fitchburg and Leominster, we provide all of our lines of business, including Homeownership (preservation and promotion), Small Business, Community Organizing, Housing Development and Asset Management. We provide small business assistance and homeownership services to the entire region.

Our region is focused around the communities of Fitchburg and Leominster. Each city has approximately 40,000 people. Historically Fitchburg was the wealthier community. In its heyday it harnessed the power of the Nashua River to make paper, shoes, yarn and other products of the early industrial age. Thousands of homes were constructed within walking distance of the factories. Older areas of Fitchburg contain many triple-deckers, with little concern for parking or open space in this industrial core. Fitchburg lost its edge as did many New England mill towns when cheaper labor was contracted first in the South and later overseas, sending prime manufacturing jobs out of town.

Leominster was historically the sleepy twin sister of Fitchburg. Yet for much of the past fifty years, Leominster has been outpacing Fitchburg, first because of its plastics industry and later because of its superior geographic location. In recent years the plastics industry has adapted to the new global economy by creating products that require skilled workers to produce them so that the jobs remain in the area. In addition, because of Leominster's superior access to Routes 2 and 190, it is nearly ten to fifteen minutes faster to reach Boston or Worcester, making it more desirable. These changes have meant that Leominster is now the wealthier of the two cities.

In late 2012 Twin Cities CDC also started serving Gardner. TCCDC was approached by the Greater Gardner CDC to provide management services. The Greater Gardner CDC had run into financial problems due to a precipitous fall in the real estate prices and its inability to sell the

single family homes in its inventory. Lenders have since foreclosed on the properties and the Twin Cities CDC is managing the operations of the Greater Gardner CDC. While both sides are finalizing due diligence to determine a permanent arrangement between the two CDCs, Twin Cities CDC is poised to become a more regional entity in 2014.

Gardner is the former furniture capital of New England. It is about ten miles west of Fitchburg and Leominster, is home to Mount Wachusett Community College, has its own Chamber of Commerce, and about half the population of Fitchburg and Leominster. Gardner's real estate values, income and poverty statistics usually place it between Fitchburg and Leominster.

Population and Demographics: The Region of North Central MA as a whole has grown 6.5% in the past ten years to 243,000 people, with the smaller towns having the largest growth. While Fitchburg grew about 3%, Leominster and Gardner actually shrank in population during that same time period.

Municipality	2000 Population	2010 Population	% Change 2000-2010
Fitchburg	39,102	40,318	3.1%
Gardner	20,770	20,228	-2.6%
Leominster	41,303	40,759	-1.3%
NC Mass	228,000	243,000	6.5%

Fitchburg and Leominster are both becoming more Latino

Fitchburg and Leominster are each becoming more diverse and in particular, becoming more Latino. More than one in five residents of Fitchburg is now Latino, and the number of White non-Latino's and Asians has decreased. Fitchburg gained population primarily because of large increases in the Latino population of nearly 3,000 people. There was a similar trend in Leominster, where nearly fifteen percent of the population is now Latino. Like Fitchburg, Leominster actually lost White non-Hispanic population in the last census (about 2,000 people), but overall lost only about 550 people, because of an influx of Latinos and smaller increases among Asians and Blacks. Gardner and the region as a whole remain overwhelmingly White.

Municipality	Total	White	Latino	Black	Asian	Other
Fitchburg	40,318	68.2%	21.6%	5.1%	3.6%	1.5%
Gardner	20,228	87%	7.1%	2.8%	1.4%	1.7%
Leominster	40,759	75.4%	14.5%	5.1%	2.8%	2.2%
NC Mass	243,00	79.5%	9.3%	3.3%	2.1%	5.8%

Median Household Income: Leominster has the highest median household income, but each community increased Median Household income by about 30%, which was less than the 38% increase in the region, but on par with the state's increase.

Municipality	2000 Median HH Inc.	2007-11 Median HH Inc	% Change
Fitchburg	37,004	48,010	29.7%
Gardner	37,334	48,108	28.9%
Leominster	44,893	58,585	30.5%
NC Mass Region	54,629	75,344	37.9%

The focus of the Twin Cities CDC is on those residents who earn between 30% and 80% of median household income. That translates into about \$18,100 for a single person at 30% of the median household income and approximately \$65,000 in annual income for a family of four at 80% of the median income.

Elm Street and College Neighborhood Information

The Elm Street and the adjacent College Neighborhoods are a special focus of TCCDC because they typify the problems of poor neighborhoods everywhere in the region, and if we can improve these neighborhoods we believe we can replicate that success elsewhere (See the attached map.)

Overview: The Elm Street and College Neighborhoods lie just north of Fitchburg's downtown business district; they abut or include a number of the city's key institutions including City Hall, the Police and Fire Headquarters, the Court House, the Fitchburg Art Museum, the Longsjo Middle School, two senior housing complexes, the Elm Street Congregational Church and of course Fitchburg State University which is the primary economic engine for the City. The City's largest employer, Health Alliance Hospital, is located just north of the neighborhood. Main Street in Fitchburg runs through the target neighborhood. It is one of the commercial hubs of North Central Massachusetts and clearly the cultural center of the area with the Art Museum, University, several different art galleries, historic districts, and two different community theatre groups. This neighborhood was the center of the foreclosure crisis in North Central Massachusetts and had over 60 foreclosures in the area. The Fitchburg transit station with direct train service to Route 495, Cambridge and Boston via the Fitchburg line, anchors the eastern end of Main Street. The CDC began work in the Elm Street Neighborhood in 2009 and expanded our focus to the adjacent College Neighborhood in 2013.

As can be seen from the table below, the Elm and College Neighborhoods, sometimes represented as one for data purposes, are at a severe economic disadvantage to the counterpart neighborhood of West Fitchburg, to Fitchburg as a whole, and to Massachusetts. Five factors highlighted below stand out: the high percentage of Hispanic residents, the high percentage of single parent families, the low median income, high levels of unemployment and the low percentage of families who own their own homes.

A Comparison of Key Characteristics

		Elm/ College	West Fitchburg	Fitchburg	MA
D	Total Population	7,175	6,759	40,318	6,547,629
em	Population Change	-5.3%	+15.74%	+3.11	+3.12
o	Race/Ethnicity:				
g	Race other than White	29.88%	17.69%	21.80%	19.59%
r	Hispanic/Latino	29.90%	16.63%	21.65%	9.59%
a	Language:				
p	Primary Language is Not English	26.26%	23.20%	24.00%	21.40%
h	Speak English less than Very Well	10.46%	9.90%	9.50%	8.8%
I	Family Composition:				
c	Total Families	1,350	1,883	9362	1,603,591
	Families with Children Under 18 yrs	52%	41%	47%	45%
	Single Parent w/ Children Under 18 yrs	61%	40%	46%	30%
S	Median Income/Mean Median Income	\$28,957	\$63,225	\$48,064	\$65,981
o	Unemployment	14.51%	6.00%	11.00%	8.10%
c	Poverty:				
I	Total Population at or Below 100% Poverty	28.13%	14.70%	19.00%	10.70%
o	Under 18 years at or Below 100% Poverty	36.29%	24.40%	28.40%	13.50%
e	Educational Attainment:				

c o n	Less than High School Education Bachelor's Degree or Higher	17.41% 15.41%	14.50% 26.60%	16.30% 20.20%	11.10% 38.70%
H ou s I n g	Vacancies Own Homes	18.86% 30.94%	6.97% 70.66%	11.40% 55.93%	9.30% 66.8%
	Housing Quality: Less than Average Average+	31.99% 69.01%	Data is not available	9.21% 90.79%	(Data not available)
	% Housing Stock Built Before 1950	70.44%	26.21%	55.27%	41.54%

We plan to serve all constituencies who live in the geographic area noted above, with a focus on those individuals who earn less than 80% of the median income.

(ii) Involvement of community residents and stakeholders

Our community investment plan was developed with the input and analysis from residents from various geographies and at various times.

The first step in developing our plan is always to speak with residents. Over the course of several years including 2013, we knocked on 700 doors in those neighborhoods multiple times to view needs from the grassroots level. We conducted in depth interviews with over 200 randomly selected residents of this targeted area to determine the resident's perception of their own neighborhood. We also conducted block and housing stock observations to determine how the neighborhood looks.

Turning this raw input into an actual plan, and choosing priorities for implementation all involved dozens of stakeholders and residents. At the core of this process are the community meetings that we hold with residents of the Elm and College Neighborhoods. Each month 25 to 30 residents and stakeholders meet to identify problems, hear from city and state officials, and develop plans about how to improve the neighborhood. We address safety concerns, identify properties to be redeveloped or demolished and the needs of various businesses in the areas. At each meeting we provide childcare, translation and generally a home-cooked meal by one of the residents of the area. From this process we generate a few specific policies and programs that the Agency can actually implement, identify policies and programs that we ask our partners to lead and determine which of the many great ideas need to be deferred.

In addition, for several years, we have taken a group of six or seven residents from Leominster or the Elm/College neighborhoods to a community leadership institute sponsored by NeighborWorks America where the neighborhood plan is improved or adapted. Often, we use the institute as a way to focus on a particular challenge and solution. For example, last year, the residents focused on how best to create artist housing, and developed a "memories" program to celebrate the history of the building we are converting to artist housing. This year they are working on a plan to celebrate Fitchburg's cultural diversity.

In addition to the residents from the Elm and College Neighborhoods helping us with our Community Investment Plan, we also had similar meetings with residents of Leominster which coincided with the development of the Watermill Apartments there. To gather ideas about Leominster we conducted a door to door assessment in Leominster's French Hill Neighborhood,

where we spoke to approximately 200 residents and held multiple meetings about the needs of this neighborhood, our target for that City. We are now in the process of a similar series of meetings with residents and stakeholders in Gardner. In Gardner we gathered a group of about 15 residents and stakeholders for a strategic planning meeting.

All of these community discussions and input eventually engage the 15 members of TCCDC's Board, a majority of whom (8) must be residents of the neighborhoods in which we work, while 6 can be from businesses and 1 is appointed by the Mayor of either Fitchburg or Leominster. Critical Board committees to shaping our plan include our organizing committees described above, our finance, asset management, and real estate committees and our governance committee. Input from these processes described above either comes directly to the Board for action or could be sent to a committee for further discussion or action before being brought back to the board for final discussion and action. Hence, for example, neighborhood input about which development projects we would undertake would go the real estate committee, while a recommendation regarding launching a new youth project might go to a task force before coming to the board.

Our Community Investment Plan is based on our strategic plan. To shape that plan, we gathered all the staff and board and an equal number of community members (10 to 15 from each group) for a day-long visioning session. This meeting gathered the input of all of these stakeholders, and pushed different groups to work together to develop one comprehensive plan. After the session, a team including three residents and stakeholders, three board members, and three staff melded the ideas into one coherent plan.

Monitoring Plan Activities: Our Plan is most-closely monitored by the Board. Each month staff provides a dashboard report that updates the Board on our progress against goals. We generally devote one board meeting per year to more fully discuss progress against the plan, and adjust goals as necessary. In addition, committees, including the real estate committee, asset management committee, finance committee, and organizing committees, also monitor our progress. These committees include stakeholders and residents, in addition to other Board members (See attached dashboard report).

Of course, the Plan has many detailed components, and we hold ourselves accountable to residents, stakeholders, and our general membership through a variety of means. First, TCCDC regularly meets with residents of the Elm Street Area neighborhood to report on our progress, including successes and failures in that neighborhood. TCCDC also shares a more in-depth look at the results of neighborhood surveys with participating residents and stakeholders. We also publish our Elm Street Area Neighborhood brochure for a general audience, in which we report on our goals and progress toward them (See attached brochure).

Implementing Plan Activities:

We implement our plans with participation by many different local stakeholders. Two years ago, we changed the definition of member so that members could join TCCDC by volunteering four hours of their time or making a donation of \$25. Most of our volunteer opportunities are in the Elm Street Area neighborhood, teaching small business or homeownership classes or serving on a committee. Residents regularly attend meetings to make decisions, participate in neighborhood

clean up or building projects, and hold events to celebrate or improve the neighborhood. These activities create accountability for TCCDC, City officials and all stakeholders.

Stakeholders and board members are obviously critical to implementing the plan. We rely on a broad range of stakeholders for funding, expertise and other resources. At a state and national level, stakeholders alert us to new trends, better ideas and resources. At a local level, stakeholders help us confront local problems, including housing issues such as crime, opportunities for small businesses, and marketing to get the word about our programs out into the community.

Finally, implementation is not a linear activity, as unexpected events occur. An example was a murder that took place on Marshall Street over the summer of 2013. Moving from shock to action, residents rallied, planned a block party, and used the tragedy as an opportunity to learn more about one another.

(iii) Plan goals

Twin Cities CDC's CITC plan, driven by goals in our 2010-2015 Strategic Plan (attached), is designed to have a measurable and profound change in the communities in which we live, work and invest. The goals are designed to improve the lives of low and moderate income households.

Members, Communication and Visibility

Goal 1: To enhance the ability of TCCDC to respond to the needs of the residents the CDC will improve its communication with members, residents and stakeholders to encourage more residents and stakeholders to formally become members of the TCCDC.

Goal 2: To enhance the ability of members, residents and stakeholders to take advantage of CDC programs the CDC will create a marketing campaign that will enhance our visibility and reputation.

These first two goals aim to ensure that low and moderate income households have a real stake in shaping the direction of TCCDC. In some ways these are the most important goals, thus first, because they invite residents and stakeholders to set the direction of the Agency, making sure that the Agency tackles the most important problems, defined as such by community members.

Staff and Board Development

Goal 3: To improve our ability to deliver the products and services needed by members, residents and stakeholders we will recruit and retain a high quality and diverse staff.

Goal 4: We will develop a well-trained Board and volunteer corps that reflects the diversity of the community.

Goal 5: We will develop appropriate management systems and technology to allow the Board, Staff and Membership to grow and flourish.

Goals 3-5 are to make sure that once we have a direction, we have the best staff and board to actually implement our plans. With a strong, diverse and talented Board and staff our goals, even

if aggressive, can actually be attained. To tie goals to financial reality, goal 6 states that we will have the resources to carry out our plans.

Financial Security

Goal 6: The CDC will consistently work from multi-year financial plans that allow the Agency to sustainably invest in its programs, staff and neighborhoods to achieve impactful results and build for the future of the CDC.

Performance Challenge

Goal 7: To create meaningful change in North Central Massachusetts, the Agency will adopt a series of performance challenges. (A performance challenge is a concisely stated priority that focuses the agency for several years. The measurable deliverables are fleshed out in operating plans.) The challenges will be embraced by our members, board and staff. These challenges will form the lodestar of the Agency's direction during this time period.

Performance Challenge 7A: Redevelop the Elm Street and College Neighborhoods.

The TCCDC will leverage its position as one of the largest stakeholders in the Elm Street and College Neighborhoods to change this neighborhood from one that is one of the least desirable neighborhoods in North Central Massachusetts to a neighborhood where people who enjoy living in a dense urban neighborhood will choose to take advantage of its many amenities. Our objective is to make the Neighborhood as desirable as the typical neighborhood in Fitchburg.

Performance Challenge 7B: The TCCDC will leverage current expertise gained in Fitchburg and Leominster to transition to a regional CDC serving the communities of North Central Massachusetts by December 2014.

Goal 7 outlines the two overarching challenges which focus the work of the Agency. Challenge 7A focuses on the need to revitalize the Elm and College Neighborhoods, the poorest neighborhoods in our region. Challenge 7B recognizes that poverty is not concentrated solely in Fitchburg and Leominster, and that many communities in our region can benefit from our services in different ways. As the foreclosure crisis struck, we saw the need to extend our reach within the North Central region. We also recognized that some wealthier communities could benefit from having a higher quantity of affordable housing units in order to be able to house residents of all economic brackets. Like other providers of affordable housing and municipal governments, we saw the real need in all communities to house service workers, teachers, first responders, and the full range of public servants. We note that we already completed the first performance challenge of our strategic plan, which was to expand our services into Leominster.

Identifies how the entire community will benefit from achieving the goals

By focusing on low and moderate income residents, we believe that the entire community benefits. Improving the lot of poor and moderate income residents, and improving the neighborhoods in which those residents live, helps the entire community by freeing up resources to be used throughout the city. On the positive side, improving lives and neighborhoods brings creativity and positive momentum to the community.

For example, reducing crime in one tough neighborhood allows the police to channel resources to other, hopefully more proactive, priorities. Similarly, helping to stop a foreclosure not only helps the person whose home is being foreclosed upon, it helps the surrounding homes, because the foreclosure reduces the value of stable homes as well.

When tenants succeed in becoming homeowners, they benefit from the appreciation of home values, and participate with more longevity in community life, no longer forced to move by the vagaries of a landlord. In fact, there is evidence that owning a home can increase the commitment residents have to their neighborhood and can result in increased investment as they become more rooted. Homeownership is an important goal for residents, but creating a range of affordable housing encourages more stable lifestyles, so that tenants and homeowners can positively benefit communities over time.

And in addition to the bricks and mortar, TCCDC's experience over 30 years proves that residents of low income neighborhoods know the best solutions for their neighborhoods. Hence organizing residents to speak for themselves is critical to improving communities.

Here is an example of how all of these factors fit into one of TCCDC's current operational goals: *To make the Elm Street Area Neighborhood as good as a typical Fitchburg Neighborhood, the Community Organizing Department will lead the effort to market the Elm Street Area Neighborhood by (1) attracting \$1.5 million of private investment to the neighborhood and (2) organizing artists and cultural organizations to develop a plan to turn the former BF Brown Middle School into artist housing and a cultural center. (See attached article).*

(iv) Activities to be undertaken

Clearly describes the community development activities to be undertaken under the Plan Board Governance

By February 2014, the board will formally adopt a performance challenge for the CDC regarding regionalization. This will confirm our organizational mission.

At our annual meeting in the spring of 2014 we will take any action needed to realize the strategic alliance/merger with the Greater Gardner CDC.

By January 1, 2015, we will have made significant and measurable steps towards comprehensive regionalization. The Agency understands that this work is multi-layered and will demand additional goal setting in revising TCCDC's Community Investment Plan and adopting the Agency's next strategic plan.

In the coming year, our regionalization work will likely necessitate some changes to Board membership and structure. We are considering the following strategies, and after deliberation, will choose carefully which to adopt:

- Creating a regional advisory board to help specifically with the regional issues;
- Altering the Board and committee structure to make it easier for representatives from the region to serve on the board and committees, and
- Creating additional committees to deal with regional issues.

As we pursue our performance challenge, we will examine the culture of the Board with intent to raise the level of critical thinking and strategic decision-making. We will also achieve full Board participation in resource development (donation to the Agency) and we will have a 2/3 average attendance rate.

Homeownership Promotion and Homeownership Preservation.

Overall: For our homeownership department, the Director of Homeownership has played a lead role in marketing the agency with the assistance of consultant Bill White. Marketing will be important as the push begins for our lending program and in the context of regionalization. We also see an increased role for compliance, as HUD rolls out new rules to license housing counselors, and issues increasingly stringent accountability requirements for multiple counseling programs that we run. The Homeownership Director will also assume supervision of the part-time housing counselor at Greater Gardner CDC.

Homeownership Promotion

During Calendar Year 2014, we anticipate our Homeownership Promotion Department will:

- Educate 200 Homeowners
- Assist 80 Homeowners to purchase homes
- Sell any homes remaining in our inventory (1 at most).
- Launch a marketing effort in the Elm and College Neighborhoods, with assistance from Community Organizing to sell 7 non-CDC homes in the neighborhood in order to increase the homeownership rate in that neighborhood by 1%.
- Make our first loans with our own capital. We will partner with Worcester Community Housing Resources to make 5 loans totaling \$50,000 during this calendar year, targeted to making repairs or encouraging homeownership in the Elm/College Neighborhoods.
- Join the NeighborWorks America pilot program on financial literacy. This will help us work most effectively with our Homeownership Center Partner, the Montachusett Opportunity Council, to develop a robust financial literacy program in North Central Massachusetts.
- Leverage the success of our Homeownership Forum to create new policies with MassHousing, the local municipalities of Fitchburg, Leominster and Gardner, and the Department of Housing and Community Development in order to more effectively promote homeownership in Fitchburg, Leominster, and Gardner.
- Determine whether we will provide online homeownership services.

Homeownership Preservation:

Our homeownership preservation program has set goals that are slightly below 2013 results, because of the decrease in the foreclosure rate. We will reach the following goals:

- Counsel 150 Clients
- Help 55 of those clients modify their loans and help 2 clients refinance their loans.
- Maintain focus of this effort on the hardest hit neighborhoods and communities

Housing Development:

Housing Development in 2014 will focus on our long term goal of building the pipeline for projects, while simultaneously creating modest improvements in our existing projects and pipeline. During Calendar Year 2014 we will:

- Create 2 to 3 units of supportive housing at 4 Leighton Street in what is now vacant space. We will also seek funding to improve the rest of the building.
- Complete rehabilitation of 14 units of rental housing at Academy and Prichard Street.
- Develop a pipeline of 6 homeownership units in the Elm and College Neighborhoods. We anticipate creating the housing in three two-family homes, reflecting the structures in the neighborhood, including 181 High Street.
- Secure site control, zoning approval, historic approval and potentially funding for 50 units of housing at the Fitchburg Arts Campus at the former BF Brown School site.
- Secure zoning approval, historic approval and potentially funding for 40 units of housing at the former Carter Junior High School in Leominster.
- Continue to search for a large rental project (30+ units) that we can develop outside of Fitchburg and Leominster, by understanding the market in the appropriate community and creating the political and economic relationships to make a development possible.
- Formalize our relationship with Fitchburg State University so that we can collaborate in redeveloping the College Neighborhood.
- Stabilize Greater Gardner's property on Central Street in Gardner.

Community Organizing

In 2014 we will continue to expand our organizing to include the College Neighborhood in addition to the Elm Street Area. With the recent departure of our long term Director of Community Organizing, we must hire a new director, and are currently undertaking this search. A new Community Organizing Director will bring fresh ideas to this line of business. While the goals will be finalized after hiring, the CDC aims to:

- Engage 700 residents in our organizing meetings.
- Develop 25 leaders and 700 activists.
- Contact 100 artists and engage 50 of them in our plan to develop artist housing.
- Harness 2,000 person hours of volunteer efforts.
- Engage 200 residents as members.
- Lead an effort to rebrand the Elm and College Neighborhoods with a new name.
- Develop a new method of utilizing volunteers.

Small Business Assistance

We anticipate that Small Business Assistance will have a vigorous year in 2014. It will be critical to secure the USDA Rural Business Assistance Grant that was part of the Greater Gardner CDC's funding stream. We will also continue to improve on our partnership with RCAP Solutions as a lending partner, and to focus on providing loans and jobs for minorities and immigrants. Finally, we will focus on adding jobs and businesses to the Elm/College Neighborhoods where we have helped create 7 businesses in the past three years. During 2014 we will reach the following objectives:

- Create 70 Jobs
- Preserve 135 Jobs

- Package 35 loans worth \$1,000,000; and
- Counsel 115 clients.

Asset Management: Our Asset Management Department continues to improve its sophistication through our work with NeighborWorks America and the hiring of Nuestra Comunidad as our asset manager. During 2014 the CDC will complete the following asset management objectives:

- Reduce vacancies and improve collections by implementing a tenant eviction program, so that we can both adequately fund our reserves and prevent 5 tenants from being evicted.
- Complete a plan to make up for the loss of the commercial tenant at 4 Leighton Street.
- Deploy our Green Asset Management Plan.
- Determine the feasibility of purchasing the store under our unit at 128 Fairmount St.
- Complete capital needs assessment.
- Unwind our project at 470 Main Street as the 7 year compliance period concludes.
- Sign a lease for the commercial space on Greater Gardner's Central Street Location.

Organization Management: To continue to manage the Agency well in 2014, we will make the following improvements

- With a large infusion of cash from our latest development project, we will create a formal investment policy for the Agency.
- Finish our ongoing project to systematically document all debts and guarantees, and create a cash flow model for the Agency to accompany our three year budget model.
- Consider the purchase of Salesforce or another CRM to help manage both marketing and membership databases.
- Purchase project management software to improve the communication between real estate development, finance and asset management.
- Revise our written policies and procedures for Homeownership and Small Business Assistance to reflect the new HUD regulations and Growth Capital requirements.

Thinking beyond 2014: While TCCDC sets annual goals that are aggressive yet realistic, the Agency also has a multi-year mindset. As the time frame for our strategic plan comes to an end, we will set a process in place for future planning. TCCDC also conducts market analyses so that we match our plans to the needs of the communities served. As we regionalize, it will be crucial to stay in tune with the needs of many specific towns, as well as the region as a whole. In order to conduct high quality market analysis, to set a robust strategic planning process in place for 2015, and to maintain organizational excellence, multi-year funding allocation is most useful. From this year going forward, Community Investment Planning will be incorporated into TCCDC's overall organizational planning. We have attached our goals for the next few years. (See Attachment)

(v) How success will be measured/evaluated

We have several different ways to measure impact for our plan. Each year we measure deliverables within the plan that are easily counted such as: (1) the number of leaders, (2) volunteers, (3) first time homebuyers, (4) homebuyers educated, (5) homes saved from foreclosure, (6) homeowners counseled about foreclosure, (7) rehabilitated homes, (8) affordable apartments created, (9) small businesses assisted, and (10) jobs created and retained.

Other measures of effectiveness that we examine include: (1) crime rates in the Elm Street Area Neighborhood, (2) recycling rates in the Elm Street Area, (4) number of homes sold in Elm Street Area, and (5) artists engaged in redeveloping BF Brown School into artist housing.

In addition, each year we measure our progress against the strategic plan for the goals that are not as easy to measure numerically, such as resident engagement, marketing or other “soft” but important goals.

To measure our impact in the Elm and College Neighborhoods, where we are focusing much of our efforts over the next two years, we have utilized a baseline assessment that we will revisit in two years, using Success Measures, a national evaluation and tracking program administered by NeighborWorks America. Twin Cities has benefited from this program that provided sample tools and tailored coaching on the agency’s evaluative systems.

For the baseline assessment, as mentioned above, we interviewed 200 randomly selected households as part of our community impact measurement campaign. This survey set the baseline regarding how the neighborhood perceived itself. We also conducted a visual assessment of the neighborhood. In two years or so we will come back and repeat the survey again.

Within this same neighborhood we also continue to track crime rates, and we will begin measuring all home sales. Measuring the neighborhood over time by all these factors will help TCCDC determine whether our work is changing the market in the neighborhood.

On the community level, we will again be asking several hundred residents what they think of their neighborhood. Every two to three years we will return and ask similar questions to determine whether the neighborhood has improved, stayed the same or gotten worse. At the same time, we will also undertake a visual observation of the neighborhood and will repeat this process as well.

We are also beginning a careful tracking of all real estate in the area. Our objective is to improve the sales in the neighborhood, whether in a CDC constructed home or not. We have set an objective to help sell 25 homes in the area.

Once the data has been collected we will review the results with the Neighborhood Association, as well as other residents and stakeholders in the neighborhood. They will help TCCDC staff analyze the results and set priorities based on the information received.

With regard to the other areas of our work, those evaluations are largely based on the ongoing analysis of our results against the various plans that we have in place, whether it be the operating plan or the strategic plan.

(vi) Collaborative efforts to support implementation

Elm Street Area Neighborhood: The Agency has multiple collaborations to implement its various functions. The Elm Street Area Neighborhood Initiative, our most significant collaboration, is grounded by a partnership among the TCCDC, the neighborhood association, and the City of Fitchburg. Within the City we partner closely with the Housing Division, the Board of Health, the Police Department, the Mayor's office, the Department of Public Works, as well as the Assessors and Tax Departments. We also partner with multiple community organizations including the Fitchburg Art Museum, the Elm Street Congregational Church, the Montachusett Opportunity Council, New England Farmworkers Council, Habitat for Humanity, Cleghorn Neighborhood Center, Crossroads Church, the Sundial, and Growing Places Garden Project, among others. As our work moves into the College Neighborhood, we are also partnering increasingly with Fitchburg State University to help improve the neighborhood.

Homeownership Center: Other important collaborations include our Homeownership Center, which is a formal partnership among the TCCDC, the Greater Gardner CDC, the Montachusett Opportunity Council, the Montachusett Regional Planning Commission and RCAP Solutions, to deliver complementary homeownership services in the region. We also partner with Worcester Community Housing Resources to launch our lending program. This partnership is funded in part by the Division of Banks, and the North Central Massachusetts CRA Coalition.

Working Cities Challenge: In response to the Federal Reserve Bank's call for a Working City challenge we have partnered with the City of Fitchburg and the Montachusett Opportunity Council, Workers' Credit Union, Resource Management Solutions and a dozen other parties to create an ECareconomic's report card that will make the Elm Street and College Neighborhoods as good as a typical Fitchburg Neighborhood.

Greater Gardner CDC: We have entered into an agreement with the Greater Gardner CDC to manage that agency. This collaboration is helping us to expand our services to Gardner and areas to the west of us.

Fitchburg Plan: We are currently partnering with Fitchburg State University, Enterprise Bank, the Fitchburg Art Museum and several other local banks and businesses to create artist housing at the BF Brown School. We are also partnering with the Fitchburg Art Museum and the Fitchburg Cultural Alliance to create a cultural district that will be anchored by the new artist housing, the Art Museum and the numerous galleries on Main Street.

Small Business Assistance: We partner with RCAP Solutions and the Greater Gardner CDC to deliver small business services that are funded in part by the Massachusetts Growth Capital. TCCDC serves as the lead agency in this partnership.

Other important partnerships include our Green and Healthy Homes initiative with the City of Fitchburg and the Montachusett Opportunity Council to develop protocol to rehabilitate homes in the greenest possible fashion, our summer jobs initiative with the Montachusett Opportunity Council and the local Workforce Investment board to promote summer jobs, and an asset management collaboration with Nuestra Comunidad and the Neighborhood Developers.

***(vii) Integration of activities/consistency with community strategy and vision
Describe the interaction and interrelationship of Plan activities to be undertaken***

The CDC's five major activities (Community Organizing, Housing Development, Asset Management, Homeownership, and Small Business Development), are all centered around creating healthy neighborhoods where residents choose to live, work and invest. We recognize that these activities are not necessarily sufficient to meet the vision and strategy outlined by the residents and stakeholders in the neighborhood. Hence we bring in other partners to provide those activities that we do not provide on our own.

As a first step we make sure that TCCDC's activities are consistent with the vision for our area. We recognize that we need to break down silos within our own organization to make sure that the activities will add up to effective strategies.

Community Organizing develops leadership and recruits activists and volunteers. These leaders help set the agenda for the neighborhoods in which they live and also for the Agency as a whole. Community Organizing helps surface cutting edge challenges and opportunities that are taking place in the neighborhoods, identify poor properties that are the center of crime, and helps us determine how to convert those liabilities into assets.

Housing Development is a way to rebuild our neighborhoods. Our first housing development efforts focused on the Cleghorn Neighborhood of Fitchburg, where we built and rehabilitated homes and apartments. Since then we have shifted our focus to the Elm Street Neighborhood, where we have built or rehabilitated 54 units of rental housing (14 are still underway) and ten homeownership units (three still underway). As mentioned above, we are planning a large affordable rental development in a former school in the area. We also completed the redevelopment of a former factory in Leominster into forty units of affordable housing in the French Hill Neighborhood. Many of the buildings that we chose for redevelopment were identified by residents of the area as critical properties.

The CDC's Homeownership Department helps stabilize neighborhoods by attracting new homeowners to the neighborhoods and helping homeowners stay in their homes. Since it is very difficult to limit homeownership services to one particular area, we provide homeownership services to any person seeking assistance. Similarly, our foreclosure services are not limited by geographic scope, even while we focus these efforts on Fitchburg and Leominster and other hard hit communities. The Homeownership Department works closely with Community Organizing to help sell the homes that we develop. Homeownership also works with Housing Development to design products that will be the most desirable.

We have a similar focus with our Small Business program. While we focus our efforts on minority, immigrant and poor residents, and we focus our efforts on Fitchburg and Leominster in particular, we do not limit the scope of services. Businesses relocate and hire residents from many communities. Small Business works extensively with Community Organizing to help improve Main Street in Fitchburg. Small Business and Homeownership work together, as many small business owners are also homeowners and they need business assistance in order to avoid foreclosure, correctly fill out their tax returns and be able to provide information for lenders. We have also assisted 7 small businesses as they have relocated to Main Street in the Elm and College neighborhoods of Fitchburg.

Description of how the Plan fits into a larger vision or strategy for the entire community

Our plan is part of our broader vision to make Fitchburg and Leominster and North Central Massachusetts better places to live, work and invest. Our plan envisions both a wider range of services and greater depth of services.

To broaden our services, our strategic plan envisions that we will touch the lives of 4,000 families in North Central Massachusetts by 2015. This vision is expressed both in the large number of families that we will help avoid foreclosure, help purchase homes and the small businesses that we will assist. It is also reflected in our first performance challenge to spread our services in a more deliberate way to Leominster. As mentioned above, this aspect of our plan is also part of our efforts to regionalize further with the first step being expansion into Gardner.

We are also concerned about having a deep impact. We want to make sure that we target resources in areas that are in persistent poverty, so that we can improve them. This aspect of our plan is reflected in the performance challenge to make the Elm Street Neighborhood as strong as a typical Fitchburg Neighborhood. It is also reflected in our focus on the French Hill Neighborhood in Leominster, which is at the center of that City's CDBG strategy area.

TCCDC's performance challenge for the Elm Street Neighborhood has been adopted by the City of Fitchburg as part of the Working City Challenge. The City has devoted considerable staff time and expertise to this Challenge, making a public commitment and putting its reputation behind this work.

Similarly, Fitchburg just hired an economic development and marketing officer. This is consistent with TCCDC's desire to rebrand the neighborhood with a new name that will help market the entire region as a cultural hub. We will be aligning our marketing efforts with those of the City.

Description of how the Plan is consistent with other neighborhood, community, regional plans

We work very closely to link our work to broader neighborhood plans. Our work in the Elm Street Area Neighborhood and the French Hill Neighborhood is based on the recommendations provided to the Cities of Fitchburg and Leominster in the DHCD Gateway Cities Plus Planning Grants.

The City of Fitchburg chose the Elm Street Area Neighborhood as its Gateway Neighborhood and we have been working with the City on a comprehensive strategy to improve the neighborhood. Our actions in that neighborhood are directly from the plan. We have not only mobilized our own resources, but have worked closely with others to bring additional resources to bear on neighborhood problems (such as crime, poor streets, youth unemployment) that have either been identified by the residents or the City as critical.

Similarly, the City of Leominster chose the Comb and Carriage District as the target of its efforts. We chose to redevelop the former Hartman Storage building, precisely because it was a key target of the improvement plan. We also improved the building in a manner that was consistent with the report's recommendations, by including play space for kids, community

space for families, and improving the sidewalks all around the site so that residents can walk to downtown and the nearby Mall.

Each of these plans is also consistent with the City of Fitchburg's and the City of Leominster's plans for the overall improvement of their cities. In viewing the consolidated plans, each City has a focus on improving homeownership, reducing foreclosures, assisting small businesses, all of which we do throughout both cities. We are improving areas that are already in the core City neighborhoods and close to transit, and as noted, our developments are consistent with the state's sustainable development principles.

Our plans are also consistent with the Comprehensive Economic Development Strategy, the regional plan developed by Montachusett Regional Planning Commission.

(viii) Financing strategy

Twin Cities CDC has had strong financial performances for the past ten years, and has increased its operating net assets every year. The Agency's success has allowed it to create a strong balance sheet, with approximately \$1,200,000 in available cash. The Agency uses approximately one third of cash earned from development fees for operations, sets aside a portion each year (about one-third) in its Fund for the Future (now totaling \$400,000) to invest in either operating programs or real estate activities, and sets aside approximately one-third each year for the Agency to handle the ups and downs of the real estate cycle. To plan for these cycles, every year TCCDC develops not only the next year's operating budget, but develops budgets for three years out, which pushes the Agency to consider varying assumptions based on finances to date as well as projected. We consider strategies ranging from aggressive to fiscally conservative.

In order to implement Community Investment Planning over the next three years, the Agency will rely on the funding strategies that it has successfully used for the past years: private funding, government funding, and earned income. (See attached budget). The 2014 budget of \$1,047,000 in expenses is roughly the same as last year's \$1,053,000 and as in previous year's is balanced between government funding, private funding and earned revenue. For 2014 the Agency expects to raise approximately \$440,000 in government funding (excluding CITC), which is less than the \$575,000 that the Agency raised last year, because of a reduction expected from NeighborWorks America and loss of one time funding from DHCD. Twin Cities has budgeted to raise \$615,000 in 2014 from the private sector, an increase of approximately \$150,000 from last year's budget to reflect the additional funding from the private sector connected with receiving Community Investment Tax Credits. Finally, the CDC expects to raise \$130,000 from developer fees and other earned income, which is based on our real estate development schedule and is about \$100,000 less than last year's budget.

Identifies the level of commitment of other funding sources to implement the Plan

To fully utilize the tax credits we expect to receive, we have identified more than sufficient funders to take advantage of the program. To raise the \$300,000 that we have identified, we have three major sources of funding. First, we intend to use the United Way of Mass Bay's offer to utilize half of the credits which will account for \$150,000. We have identified a donor (letter attached) who is willing to donate at least \$75,000 in new funding. We have had discussions with

other parties locally, including the local United Way and other funders where we expect raise the balance of the \$75,000 to fully take advantage of a full allocation of tax credits.

(ix) History, Track Record and Sustainable Development

Description of CDC's history of past practices and approaches to the proposed activities in the Plan

Many of the activities in the plan have a long history within TCCDC, which was founded in 1979 in response to an economic crisis that cost over 1,000 jobs in the Cleghorn Neighborhood of Fitchburg. The Agency has always had both a strong economic development and a strong neighborhood revitalization component to its work. The Agency's commitment to resident-driven success was one factor leading to affiliation with the NeighborWorks Network in 1996.

Our most recent era of success began approximately ten years ago with the revitalization of the Cleghorn Neighborhood, where the Agency had been born. The CDC brought together homeownership promotion, community organizing and housing development to create a resident-driven revitalization plan for one of Fitchburg's poorest neighborhoods. After meeting many residents of the neighborhood and hosting several large meetings, residents formed a committee to review designs with an architect. They voted for a plan to build 2 two-family and 7 single family homes, and rehabilitate 27 apartments that the CDC already owned. NeighborWorks America recognized the success of this work when it awarded neighborhood leader Luz Sanchez the prestigious, national Dorothy Richardson Award for resident leadership.

With a winning model in hand, the Agency simultaneously brought this three-pronged strategy to both the City of Leominster's French Hill Neighborhood, and to Fitchburg's Elm Street Neighborhood. In Leominster, the Agency purchased a dilapidated old factory that had fallen into foreclosure and blocked the redevelopment of the neighborhood. Residents told us about the need for homes with space for children in the neighborhood. We redeveloped the factory into 40 LEED-certified affordable apartments, two community rooms and a playground for residents.

Before we got started revitalizing the Elm Street area, we began by organizing. We spoke to all 700 residents of the neighborhood in order to identify key priorities. Residents wanted a safer, more walkable neighborhood that was well-maintained and affordable, and that had a place for their children. We engaged a slew of partners to address these priority needs.

Our first real estate project there was a New Market Tax Credit transaction that created 23 market rate and 8 affordable apartments, a new office for the CDC, and a renovated office for our anchor tenant, TD Bank. Since then, the Agency has created 54 apartments in the Elm Street Neighborhood and 10 homes in the areas. There are 14 more apartments in development and an additional complex of artist-preference housing in the same neighborhood poised to be developed through an RFP released by the City of Fitchburg. All tolled the Agency has invested nearly \$20,000,000 in the Elm Street Area, the neighborhood that was the hardest hit by the foreclosure crisis, and the City of Fitchburg's Gateway City Neighborhood. NeighborWorks America again recognized the CDC's work with the Dorothy Richardson Award for Emily MacRae another CDC resident and Board leader.

During the past ten years, the number of apartments that the CDC owns has tripled from 39 to 123, while the Agency has built or rehabilitated 21 homes for first time homebuyers.

Simultaneously, we have expanded our reach through a regional Homeownership Center that helped 491 clients purchase a home over the past eight years and saved 285 homeowners from foreclosure since the crisis began. As noted above, our Agency has continued to invest in economic development, and over the past four years we have helped 387 businesses create and retain 1,145 jobs.

Our Board of Directors has maintained a high level of participation for many years. We are currently a part of *Excellence in Governance*, a board governance program developed by Board Source and NeighborWorks America which is based on a highly competitive application process.

We continue to ground our current approaches on our historical track record, and consistently build durable partnerships to help us deliver on our regional promises while always staying true to our mission.

Consistency with the Commonwealth's Sustainable Development Principles. Listed below are the Commonwealth's sustainable development principles and a brief description of how TCCDC's Community Investment Plan complies with those principles.

- 1. Concentrate Development and Mix Uses:** We rarely (if ever) build in green spaces. Most of our work is developing core city neighborhoods.
- 2. Advance Equity:** Our plan is designed to improve the equity between the poorer neighborhoods and residents, and their wealthier counterparts.
- 3. Make Efficient Decisions:** We support this principle and apply it ourselves by encouraging predictable smart growth decisions.
- 4. Protect Land and Ecosystems:** All of our projects are designed to meet this objective. Many of our projects clean up land that was once contaminated.
- 5. Use Natural Resources Wisely:** Our projects meet this objective. We increasingly try to make all of our projects Green in some fashion (Energy Star or LEED if possible) and have been designated a Green NeighborWorks Organization.
- 6. Expand Housing Opportunities:** We support this goal through all our activities. We build houses for residents of all incomes and focus our development in core city neighborhoods that are near transit and services. All of our housing fits within the character of the neighborhoods.
- 7. Provide Transportation Choice** Our projects are all designed to be near public transit and to encourage walking. Specifically, we advocate for Fitchburg and Leominster to rebuild sidewalks so that residents can walk to downtown and commercial areas.
- 8. Increase Job and Business Opportunities:** The mission of our Small Business Department is to help local businesses create and retain jobs in underserved markets.
- 9. Promote Clean Energy:** Our developments encourage reduction of energy and promotion of clean energy. We are also training future homeowners how to reduce energy use, which will save them money in the process.
- 10. Plan Regionally:** As indicated throughout our CIP, TCCDC is actively engaged in regional planning and our work is designed to support multi-stakeholder, regional planning initiatives.